



**FINANCIAL MANAGEMENT PRACTICES AND ROAD SECTOR SERVICE  
DELIVERY IN RUKUNGIRI MUNICIPAL COUNCIL, UGANDA**

**BY**

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## **DECLARATION**

I, Robert Mugarura, declare to the best of my ability that this report is a result of my own efforts and has never been submitted for any academic award to this institute and any other universities or institutions.

SIGNATURE:.....

DATE:.....

**STUDENT:**

## **APPROVAL**

This is to certify that this dissertation titled: Financial management practices and road sector service delivery in Rukungiri Municipal Council (RMC), Uganda, was submitted for examination under our approval as supervisors:

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## **DEDICATION**

I dedicate this research report to my dear departed father, Wilson Mugoona, my late brother and sister, Henry Mugoona and JessicahNankunda respectively. I also owe special dedication to my beloved Wife Ms. Bonny Nakimuri, Mum Ms. Vastah Mugoona who laid for me an academic foundation that has led me to this level, and my children Brolin Nampa, BroniaNankunda, Brandon Atamba, Annex Tumwikirize and Phionah Niwandinda who greatly missed me throughout my study period.

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## **LIST OF ACRONYMS**

CG	Central Government
MoFPED	Ministry of Finance Planning and Economic Development
NGO	Non-Governmental Organizations
RMC	Rukungiri Municipal Council
SPSS	Statistical Package for Social Scientists
UMI	Uganda Management Institute

## **ABSTRACT**

The study examined financial management practices and road sector service delivery in Rukungiri Municipal Council (RMC). The study was underpinned by principal agent model and best value theory. The objectives were; to establish the effect of financial planning on road sector service delivery in RMC, to examine the effect of financial accountability on road sector service delivery in RMC, to assess the effect of financial controls on road sector service delivery in RMC.

The study population was 106 where a sample size of 95 was selected for the study. Out of these, 81 responded making a response rate of 85.3%. Data was collected using the questionnaire, interview guide and documentary review. The findings of the study revealed that there is a positive moderate significant effect of financial planning on road sector service delivery. Financial accountability had a moderate positive significant effect on road sector service delivery and financial controls had a moderate positive significant effect on road sector service delivery. The study recommends that administrators in Rukungiri Municipal Council should give more attention to financial planning by periodically carrying out goal setting, budgeting and coordination. They should also give more attention to financial accountabilities, administration of RMC considers other sources of road sector funding since most of the respondents agreed that there was limited funding for proper services and that RMC should give more attention to financial controls by enhancing more authorization, internal controls and monitoring since financial controls have an effect on road sector service delivery.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

Financial management is at the center of governance and good financial management practices ensure the efficient use of resources and provide a solid foundation for quality services (Wanga, 2010). This was an investigation into financial management practices and road sector service delivery in Rukungiri Municipal Council (RMC). This chapter gives the background to the study, statement of the problem, the general objective of the study, specific objectives, research questions, hypotheses, conceptual frame work, scope of the study, significance of the study and operational definitions.

### **1.2 Back ground of the Study**

#### **1.2.1 Historical Perspective**

The traditional approach to the scope of financial management practices refers to its subject matter in the academic literature in the initial stages of its evolution as a separate branch of study. According to this approach, the scope of financial management practices is confined to the raising of funds. Hence, the scope of finance was treated by the traditional approach in the narrow sense of procurement of funds by corporate enterprises to meet their financial needs (Pander, 2002).

Since the main emphasis of finance function at that period was on the procurement of funds, the subject was called corporation finance till the mid-1950's and covered discussion on the financial instruments, institutions and practices through which funds are obtained (Pander, 2002).

During the initial stages of development, financial management practices were dominated by the traditional approach as evidenced from the finance books of early days. The traditional approach

was found in the first manifestation by Green's book written in 1897, Meade's on Corporation Finance, in 1910; Doing's on Corporate Promotion and Reorganization, in 1914.

As stated earlier, in this traditional approach all these writings emphasized the financial problems from the outsiders' point of view instead of looking into the problems from management's point of view. It over emphasized long-term financing with analytical content and placed heavy emphasis on descriptive material. Thus, the traditional approach omits the discussion on the important aspects like cost of the capital, optimum capital structure and valuation of the firm. The modern or new approach provides a solution to all these aspects of financial management practices (Brigham and Houston, 1999).

After the 1950's, a number of economic and environmental factors, such as the technological innovations, industrialization, intense competition, interference of governments, and growth of the population necessitated efficient and effective utilization of financial resources. Then the emphasis shifted from episodic financing to the managerial financial problems, from raising of funds to efficient and effective use of funds (Pander, 2002).

Thus, the broader view of the modern approach of the finance function is the wise use of funds to provide services to the public. The modern financial manager has to take financial decisions in the most rational way. These decisions have to be made in such a way that the funds of the firm are used optimally in providing services to the community. These decisions are referred to as managerial finance functions since they require special care with extraordinary administrative ability, management skills and decision making techniques.

### **1.2.2 Theoretical perspective**

The study was guided by two theories, the principal agent model by John Forester in 1989 and best value theory by Ellis and Garry in 1990. Forester observed that at the heart of public financial management practices are relationships among those who provide agency services and those who allocate resources to service providers. In other words those who make claims on government resources are third parties, service providers being agents and those who allocate and ration resources are the principals. In this relationship, the principal contracts with the agent to provide road network services to the public (Khan and Bartley, 2002). This theory has been applied in many public and private organizations including Non-Governmental Organizations (NGO's) in an attempt to efficiently govern their financial resources by the agents(stewards). This theory has been used to explain the relationship between the government of Uganda and Rukungiri Municipal Council(RMC) to provide services to the public and how this relationship has affected financial management practices and road sector service delivery.

On the other hand, Best value theory by Ellis and Garry (1990) emphasizes accounting for and pursuing the aspirations of local stakeholders by attempting to attain the highest quality and efficiency that are possible at a price people are willing to pay. It requires officials to obtain economic, efficient and effective services so as to respond to local community. That is, all financial managers should aim at customer satisfaction resulting from the quality of services, timeliness and sustainability.

### **1.2.3 Conceptual perspective**

According to Olujo (2009) financial management is defined as the efficient use of funds and a method of showing and ascertaining the financial position of government or business from time to

time. ACCA, (2008) defines financial management practices as an efficient acquisition and deployment of both short term and long term financial resources so as to achieve the objectives of the enterprise. In this study, financial management practices is defined as the process of ensuring that financial resources are obtained and used effectively and efficiently in the delivery of road sector services.

Mohsin (2002) defines financial planning as the determination of policies that act as a guide to the organization in achieving its primary objectives. Therefore financial planning is concerned with ensuring that financial resources obtained are used effectively and efficiently in the accomplishment of the organization's objectives.

According to Elia (2005), accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives. In this study, Financial Accountability is refers to the means of ensuring that public money has been used in a responsible and productive way. It involves giving a written report to the authority that delegated you to utilize the funds.

Financial control is defined as the process of assuring that financial resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives (Anthony 1965). In this study, financial control is about measuring and correcting individual and organizational financial performance to ensure that funds are correctly utilized to conform to plans.

Service delivery refers to supplying citizens with basic services demanded by the public, Lance, (2002). It's the primary role of government to provide public services to its population especially

roads, street lights, among others (Dumba, 2007). This study focused on road sector services delivered by RMC to citizens mainly on road maintenance.

#### **1.2.4 Contextual Perspective**

Rukungiri Municipal Council (RMC) started in the year 1974 as a Town Council in Rukungiri district in south western Uganda until 2010 when it was elevated to a Municipal Council comprising of Eastern, Southern and western divisions.

RMC is headed by the Municipal Town Clerk as a technical leader. It consists of departments of Finance and Administration, Education, Health, and Works and Engineering. Road sector is under direct supervision of Works and Engineering department with its technical staff headed by Municipal Town Engineer at a level of Principal Engineer. Finance and Administration is headed by Municipal Town Treasurer at level of Principal Accountant. RMC is a decentralized organ from the central government of Uganda.

To fulfill its goals and obligations of delivering quality, timeliness and sustainable services to the community as a government principal agent, RMC emphasizes the use of laws, rules, regulations and standing instructions. (Local Government Act cap 243(2010) and Financial and Accounting regulations (2007). On the other hand, RMC has attracted sources of funding such as conditional grants, unconditional grants, road sector fund and local revenue collections.

**Table 1: The table showing amount received by RMC per financial year and road sector allocation**

SN	YEAR	TOTALRECEIVED (Ug.shs)	ROAD SECTOR ALLOCATION (Ug.shs)	%
1	2008/09	1,087,399,828/=	287,026,023/=	36.4
2	2009/10	1,282,358,887/=	278,314,053/=	21.7
3	2010/11	7,239,972,341/=	2,027,192,255/=	28.1
4	2011/12	5,288,625,544/=	1,216,383,875/=	23

**Source:** RMC Budgets and financial plans (2008/9-2011/12).

According to the table 1 above, it is clearly shown that road sector network in RMC has been averagely funded.

However, RMC was said to have been facing a number of challenges on road sector service delivery as a result of poor financial management practices. For example in the financial year 2010/11, a total of Ug.shs.227,259,009/=million shillings were released to finance the laying of tarmac on Rukungiri Taxi/Bus Park. While financial reports show full payment to that effect, Audit report of 2010/11 observed mismanagement of financial resources as a lot of patches and uncompleted parts as per contract were noticed. To make matters worse, even the finished parts of tarmac had started to get washed away in less than one year. The road network is also characterized by pot holes and water logged patches on both the tarmac and murram roads especially Kinyasano, Kagashe and Kyatoko Roads as evidenced in a Municipal Council meeting minute RMC/008/2011. Despite the above, RMC's annual report 2011/2012 shows performance to have been made up to only 80% generally, it is also noted that a total of Ug.shs.12.3million was returned to central treasury at the end of the financial year. In the same audit report of 2010/11, it was recommended that management should make payments against certified work certificates.

### **1.3 Statement of the Problem**

Rukungiri Municipal Council (RMC) had been emphasizing financial management practices aimed at achieving effective road sector service delivery in terms of quality road networks, timely completion and sustainable road network services provided to the community. This was being done in line with the Local Government Act cap 243 (2010) and Financial and Accounting Regulations (2007). Over the period 2008/09 to 2011/12, RMC had received funds that have averaged to Ug.shs.887,479,052/= per annum for road sector network.

Despite the emphasis on good financial management practices, RMC has continued to experience high levels of poor road sector service delivery. The RMC Audit Report (2010/11), identified shoddy work in tarmacking Taxi/bus park and maintaining murram roads of Kyatoko and Kagashe. It also observed that the road network was characterized by pot holes and washed away areas on both tarmac and murram roads. Financial records for 2011/12 showed that Ug.shs.12.3 million was not put to use and was returned to the central treasury which denied services to taxpayers.

If this situation is left to continue, tax payers' money will be wasted, people will complain, goods and people's movements will be made difficult. It was against this background that there was need to investigate as to whether and how financial management practices had affected road sector service delivery in RMC.

### **1.4 General objective**

The study was to examine the effect of financial management practices on road sector service delivery in RMC.

## **1.5 Specific Objectives**

The study was guided by the following objectives.

- i. To establish the effect of financial planning on road sector service delivery in RMC.
- ii. To examine the effect of financial accountability on road sector service delivery in RMC.
- iii. To assess the effect of financial controls on road sector service delivery in RMC.

## **1.6 Research Questions**

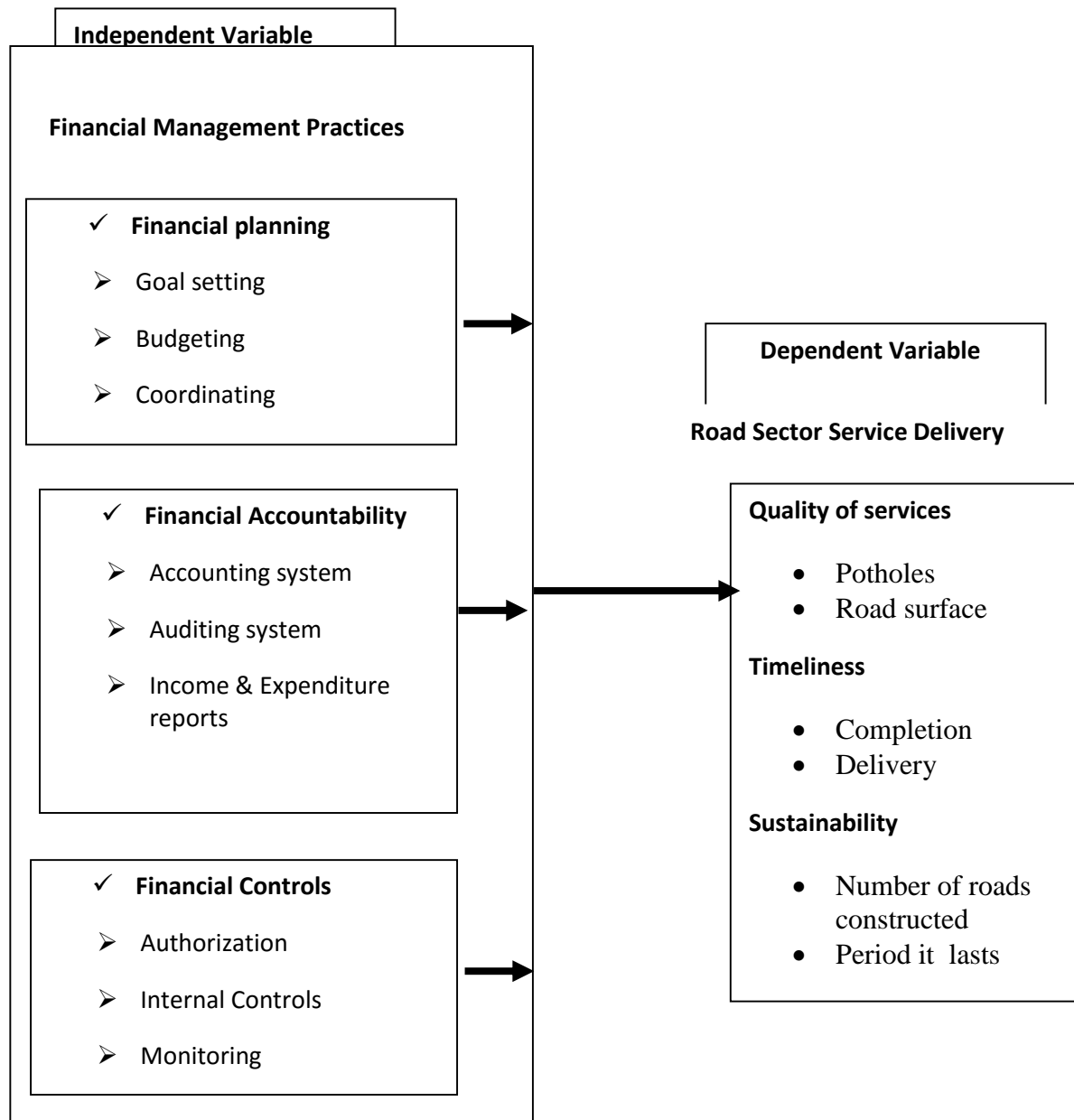
To achieve the above objectives, the study was guided by the following research questions.

- i. What is the effect of financial planning on road sector service delivery in RMC?
- ii. What is the effect of financial accountability on road sector service delivery in RMC?
- iii. To what extent do financial controls affect road sector service delivery in RMC?

## **1.7 Hypotheses of the Study**

- i. Financial planning positively affects road sector service delivery.
- ii. Financial accountability positively affects road sector service delivery.
- iii. Financial controls positively affect road sector service delivery.

## 1.8 Conceptual Framework Showing the Relationship between Variables



**Source:** Adapted from Koontz and Heinz, (2005) and modified by the researcher.

**Figure 1: Conceptual Frame Work showing the relationship between financial management practices and road sector service delivery.**

From the figure above, the conceptual frame work presents the hypothesized relationship between financial management practices and road sector service delivery in Rukungiri Municipal Council. The independent variable is financial management practices and the dependent variable is road sector service delivery. Under the independent variable, the study looked at financial planning, financial accountability, and financial controls as components and strategies of financial management practices and how they affect road sector service delivery.

The effect of independent variable on the dependent variable was identified by quality of service, timeliness and sustainability as explained by the direction of the arrow. That is, when there are effective financial management practices, road sector service delivery inevitably improves and when there is less effective financial management practices, road sector service delivery declines. The conceptual frame work therefore showed the effect of financial management practices on road sector service delivery in RMC.

## **1.9 Significance of the Study**

The findings of the study may be of significance to RMC which could use them together with the recommendations in implementing decisions of what policies to strengthen and accelerate road sector service delivery.

RMC may also learn from the research and be able to identify and improve financial management practices that have been hindering road sector service delivery.

It will also help policy makers to come up with informed policies/decisions on how finances should be well managed hence formulating proper ways on improving the financial management practices in the economy.

The academicians interested in financial management practices may learn from the research and expand on it. This means that the study may serve as a basis for further research.

### **1.10 Justification of the Study**

Road sector service delivery was a problem affecting RMC. Financial, Audit and Annual reports indicated serious financial management problems. Some studies on financial management practices show some positive results indicated that something can be done to reduce this problem. Therefore, a study into financial management practices that could help towards maximizing road sector service delivery in RMC was justifiable.

### **1.11 Scope of the study**

#### **1.11.1 Geographical scope**

The study was conducted in Rukungiri Municipal Council (RMC). It is comprised of three divisions of the Western, Eastern and Southern Divisions.

#### **1.11.2 Time scope.**

The study took into account the period between 2008 and 2012, covering a period of five years. It was during this period that RMC had several reports regarding financial performances. The data falling in this period was therefore enough to fully study the relationship between financial management practices and road sector service delivery in RMC.

#### **1.11.3 Content scope.**

The study was carried out to examine the effect of financial management practices on road sector service delivery in RMC. Financial management practices were the independent variable and road sector service delivery the dependent variable. The study examined the relationship between the

Independent and Dependent Variables. Both primary and secondary data collected was based on these two variables as conceptualized in section 1.8 of this chapter.

## **1.12 Operational Definitions**

**Financial management;** refers to, aspects of financial planning, financial accountability and financial control.

**Financial Management practices;** It is concerned with ensuring that financial resources obtained are used effectively and efficiently in the accomplishment of the organization's objectives.

**Financial planning;** refers to, setting goals to be achieved, budgeting and coordinating.

**Financial control;** refers to the act of regulating financial expenditures to ensure that money in an enterprise is spent according to the budget so as to achieve set targets and goals. In this study it includes; expenditure authorization, internal controls and monitoring.

**Accountability;** in simple terms means showing how one has executed a task assigned to him or her by another. It thus means giving a feedback on what was done, how it was done, who the beneficiaries are and how much they have benefited from what was done.

**Financial Accountability;** It is a means of ensuring that public money has been used in a responsible and productive way. It involves giving a written report to the authority that delegated you to utilize the funds. It includes; accounting system, auditing system, and, Income and expenditure report.

**Accounting system;** This is about keeping our records in order and giving a written financial report.

**Service delivery;** refers to the flow of intangible products consumed by the general public especially health care, education, feeder road maintenance, and urban sanitation.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter represents actual review and summary of the literature review with the main focus on financial management practices and road sector service delivery in Rukungiri Municipal Council (RMC). To enhance coordination of the study, the research was based on the objectives as highlighted in chapter one. Sources of literature used include; textbooks, journals, magazines, internet, existing research proposals and research reports, official reports, acts and regulations and other official documents.

#### **2.2 Theoretical Review**

##### **2.2.1 The principal-agent theory**

The study was guided by Principal-Agency and best value theories. Principal-Agency theory seeks to attain a balance between financial management practices and road sector service delivery. The Principal and the Agent are the two parties that are involved in the theory. According to Chiappori (2002) the underlying principle of the Principal-Agency theory is that there should be a clear understanding of the needs of the principal and ability of the agent to meet these needs competently. Under the financial and accounting regulations 2007, all members in a sector responsible for finance management both at local and central level are supposed to make work plans in line with approved budgets. In the same way, Accounting staff and Management (presumed to be the principal) need to put forward approved expenditure plans.

The prospective service provider (presumed agent) on the other hand will provide information on ability to meet specified needs of the financial accounting regulations.

The principal should also be in position to verify the information provided by the agent to avoid information errors. The theory also has an element of trust.

The author contends that both the principal and the agent have to exhibit a high degree of trust. This will ensure effective ascertainment of their objectives. The theory becomes relevant to the study as it highlights the need for strategic financial planning in RMC. When service providers have fully certified the necessary requirements for payments, the principal and agent find it easy to meet needs of each other in an efficient way resulting into timely completion of contract by paying the service provider.

### **Best value theory**

The best value theory by Ellis and Garry (1990) emphasizes accounting for and pursuing the aspirations of local stakeholders by attempting to attain the highest quality and efficiency that are possible at a price people are willing to pay. It requires officials to obtain economic, efficient and effective services so as to respond to local community. The theory is applicable since financial management and road sector service delivery in both aspects of organizational structure and customer satisfaction resulting from quality of services, timeliness and sustainability.

The theory explains the relationship between the financial managers and the service providers. Much as the financial controllers expect the clients to produce quality services, it should be timely and sustainable; the service provider expects timely payment. The process of paying up contracts guarantees and safeguards the rights and interests of both government and the Contractor as well. This is one of the ways an entity can achieve effective road sector service delivery and efficient financial management practices.

However, these theories do not provide the remedies in case the element of trust, highest quality and efficiency are not achieved, they do not provide the solutions for non compliance with financial and accounting regulations and does not provide clear practical ways in following these theories.

## **2.3 Financial management practices and road sector service delivery**

### **2.3.1 Financial planning and road sector service delivery**

Financial management practices are increasingly becoming a necessity for both private and public organizations world over, and this is because they enable organizations to achieve their goals, and promoting efficiency in use of financial resources, ACCA (2008). In RMC it is believed that better financial management practices result into better road services delivered to the public, which is their primary goal. John, (2004) observes that the role of government is to provide socio-economic infrastructure especially roads.

The local Government Act,(1997), Local Government Finance and Accounting Regulation,2007, in line with article 152 of the 1995 constitution seek to ensure that urban councils properly plan, account and control the use of finances to provide sound and efficient road sector service delivery to the population in areas of their jurisdiction. However there are still gaps in the management of financial resources which adversely affect services provided by local governments to the public as observed by MoFPED (2009).

Mohsin (2002) observes that financial planning is vital for every organization, so as to achieve its goal. He argues that financial planning involves the determination of policies that act as a guide to the organization in achieving its primary objectives. Mohsin (2002) recommends the following policies for both public and private organizations; determination of capital expenditure, Composition of capital expenditure, Establishing source and uses of funds.

He further contends that the finance department has to coordinate with all departments and activities, and ensure that they avail/provide them with information vital in planning and decision making. Financial planning enables public organizations to ensure some balance between cash inflow and cash out flow so as not to suffer from cash flow problems as observed by Higgins (2001). It can be observed that Municipal Councils have to practice proper financial planning to reduce uncertainties that are common especially shortage of fund for recurrent expenditures like payment of service providers that is garbage collection, and funds to finance capital development: otherwise such could negatively affect service delivery (Higgins, 2001; Kay, 2007).

Higgins (2001) further argues that financial planning involves preparation of financial statements mainly balance sheet, income statement, and cash flow statement, and that these enable management to evaluate the financial health of the organization, and assess performance. Coombs (2002) outlines the objectives of financial planning and control in a public enterprise as; to establish the required income levels, authorization of expenditure, and control of expenditure to ensure that the total expenditure does not exceed the budgeted. Therefore financial planning is an important factor if RMC road sector service delivery is to be achieved. The findings indicated that there was a moderate positive significant relationship between financial planning and road sector service delivery.

### **2.3.2 Financial accountability and road sector service delivery**

According to Elia (2005) accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance

objectives. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including one to the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain, and be answerable for resulting consequences.

Recently, accountability has become an important topic in the discussion about the legitimacy of international institutions. Because there is no global democracy to which organizations must account, global administrative bodies are often criticized as having large accountability gaps. One paradigmatic problem arising in the global context is that of institutions such as the World Bank and the International Monetary Fund who are founded and supported by wealthy nations and provide aid, in the form of grants and loans, to developing nations (Hunt, 2008).

Schedler (1999) urged that internal rules and norms as well as some independent commissions are mechanisms to hold civil servants within the administration of government accountable. Within a department or ministry, firstly, behavior is bounded by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are independent watchdog units to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, as it avoids any conflicts of interest. Apart from internal checks, some watchdog units accept complaints from citizens, bridging government and society to hold civil servants accountable to citizens, but not merely governmental departments. Basically, the Government states that a strong accountability regime ensures public resources are used effectively and efficiently (producing value-for-money); promotes ethical and policy-based decisions, motivated by a concern for the public interest; rewards good performance and carries consequences when rules are knowingly broken, and embraces transparency as a way to make

government more accountable and support the participation of citizens and organizations in public policy development (Ben and Anderson, 2007).

Aucoin and Jarvis (2008) maintain that there is the other side of accountability, asserting that it is not just a one-way street of reporting. To work best it involves a relationship that allows for and supports decision-making, and feedback that informs program delivery and outcomes performance. This therefore specifies the need for financial accountability on road sector service delivery of Rukungiri Municipal Council. The findings indicated that there was a relative significant relationship between financial accountability and road sector service delivery.

### **2.3.3 Financial controls and road sector service delivery**

Aleksandra, (2009), states that there are number of types of financial controls, whose aim is to improve performance and reinforce financial controls in the public agencies and bodies. These are; According to Jordi, (2010), the term financial control was introduced by Anthony (1965) who defined it as the process of assuring that financial resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives.

More recently, Kloot (1997) also points out that in process terms, financial control exists in order to ensure that organizations achieve their objectives, and for Fisher (1995), control is used for creating the conditions that motivate an organization to obtain predetermined results. Hence, the concept of control in organizations appears to be related to the existence of certain objectives or ends in all organizations.

According to Koontz and Heinz (2005) Control is the measuring and correcting individual and organizational performance to ensure that events conform to plans. He further asserts that controlling facilitates the accomplishment of plans although planning the function must precede

controlling. Bongoko (1997), on the other hand states that controlling is about setting standards, reviewing measurement, reporting review or appraisal or evaluating actuating corrective actions. Meanwhile the (Project Management Journal Volume 37, Nov.2006) on project control system indicates the direction of change in preliminary planning variable compared with the actual.

The public finance act (cap.193), part II, states that the Minister shall supervise the finances of Uganda so as to ensure that a full account of those finances is made to Parliament and that its financial control is maintained, and for those purposes shall, subject to the Constitution and this Act, have the management of the Consolidated Fund and the supervision, control and direction of all matters relating to the financial affairs of Uganda.

Commins (2007) notes that, beneficiaries are usually in a better position to monitor services more than supervisors in Non-Governmental Organizations because beneficiaries are in regular interaction with the frontline providers for instance in the case of Ecuador, where parents had the ability to hire and fire, as well as monitor teachers. Deepa (1995) acknowledges the importance of community participation in monitoring and evaluation of programs, he asserts that in both Sri Lankan and Indonesian rural water supply projects seek to ensure that projects agencies do not dominate the community self-assessment activities. The literature review above calls for intervention in financial control of RMC if road sector service delivery is to be achieved. The findings indicated that there was moderate significant relationship between financial controls and road sector service delivery.

## **2.4 Summary of Literature Review**

Most Municipal Councils in Uganda have failed to provide better services to population despite having substantial amount of resources/funds at their disposal due to inadequate financial

management and control, Onyach, (2007). Urban councils in Uganda face a critical challenge of low financial resource base due to limited sources of local tax revenue, and over dependence on Central Government (CG) transfers. Besides, most activities performed by Municipal Councils require adequate financial resources, Scott Herridge, (2002).

This study needs to be carried out so as to help in identifying other sources of local revenue and reduce over dependence on Conditional Grants' transfers in order to improve service delivery.

Though there are a number of studies that have been done on road sector service delivery, very few studies addressed financial management practices, besides they were done in different geographical settings other than RMC. Also these studies were done at different times, using different methods. Therefore this study hopes to address the gaps left out by other researchers as far as the extent to which financial management practices influence road sector service delivery is concerned specifically in RMC.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter provides a description of Research methodology that was employed in the study. It also looks at the research design, study population, determination of the sample size, sampling techniques and procedures, data collection methods, data collection instruments, validity and reliability, procedure of data collection, data analysis and measurement of variables.

#### **3.2 Research design**

The study used case study design. It involved collection of data from a number of respondents in its natural setting, cheaply and in a short time (Creswell 2003 and Koul 2005). The case study design was used because of its in-depth investigation of an individual, group, institution and makes detailed examination of a single subject (Mugenda and Mugenda, 1999). The research used the case study to make an intensive investigation on financial management practices that affect the level of road sector service delivery at individual unit, group, entire community, and family, in order to understand the life cycle of that particular unit and collect a firsthand narrative (Amin 2005). The justification for the use of a case study was that it permits marriage of diverse techniques within the same study. In addition, it helps to generate new understandings, explanations or hypotheses about the problem.

Both qualitative and quantitative methods were used in order to reduce bias. Qualitative approach was helpful in interpreting people's opinions, perceptions about financial management practices and road sector service delivery using interviews and documentary reviews. The qualitative data

also gave narrative and descriptive information that would explain and give deeper understanding and insight into a problem as suggested by Amin, (2005).

On the other hand quantitative approach was used because of its flexibility form of multiple scale and indices focused on the same construct which allowed many responses from different respondents (Ahunja, 2005).

### **3.3 Study population**

According to records from personnel section of Rukungiri Municipal Council (RMC), the total establishment has 72 employees, however only 59 posts are filled. Also 36 councilors, 6 heads of civil society and road sector service providers were included in the study population. Therefore, the study population was 106 respondents comprising of RMC staff, councilors, heads of civil society and road sector service providers. Management team included Municipal Council Mayor, Town clerk and heads of department and units.

### **3.4 Determination of the Sample size**

The population was stratified in functional areas and relevant to the study across the department using Krejcie and Morgan's (1970) table to minimize bias. (Appendix VI)

**Table 2: Showing category, population, sample size and sampling technique.**

SN	Category	Population	Sample size	Sampling technique
1	Management Team	17	16	Purposive sampling
2	Other established staff	42	36	Simple random sampling
3	Councilors to represent population	36	32	Purposive sampling
4	Heads of civil society	6	6	Census
5	Road sector service providers	5	5	Census
6	<b>Total</b>	<b>106</b>	<b>95</b>	

**Source:** Primary data

### **3.5 Sampling techniques and procedures**

The sampling frame included top management team, senior management team, and other established staff, Councilors representing local population, heads of civil society and road sector service providers which brought the total population to 106.

In determining the sample size, probability and non-probability methods were used. For this study purposive and simple random sampling techniques were used. This was advantageous because the researcher relied on the respondents who were critical for research. Purposive sampling was used for the groups with limited numbers of most possible respondents since all the groups were seen to have all the required information (Mugenda and Mugenda, 1999). Simple random sampling gave a chance to all respondents to be picked.

### **3.6 Data collection methods**

#### **3.6.1 Questionnaire survey**

In this study, a questionnaire was used as a major instrument for data collection. It was advantageous in that it collected data from a relatively large number of respondents from their natural setting, cheap and saved time. The questionnaire method involved use of a set of questions printed in a logical order (Kothari 1984); (Mugenda and Mugenda 1999). This enabled the respondents to freely express their views on financial management practices and road sector service delivery as the key variable of the study. The method also allowed the respondents to record what they felt, thought and believed was true or false. The questions were close ended to facilitate administration and analysis (Mugenda and Mugenda, 1999). In addition to the questionnaire face to face interviews were given which yielded more information from which responses were recorded. Expecting respondents to have limited time more especially top management team and for accuracy, interview guide was vital.

#### **3.6.2 Interviews**

In circumstances where the questionnaires did not to generate sufficient information, the interview method that comprised of personal (face to face) interviews with key individuals considered to have the necessary information relevant to objectives of the study was applied using interview guides. Structured interviews with a set of pre - determined questions and standardized recording as constructed in the interview guide were used. This method had an advantage of providing in depth data which could have not been got using the questionnaire (Mugenda and Mugenda, 1999).

### **3.6.3 Documentary review**

The study reviewed financial management documents. The study also used a review of existing literature related to the study problem and variables in form of reports, published and unpublished research, journals, electronic journals, websites and databases to gain more information on the study problem. Sekaran (2003) classifies these documents as secondary sources of data collection method and asserts that this method saves time and reduces the cost of gathering information.

### **3.7 Data collection instruments**

The study used both primary and secondary sources. Primary data is the original data that was collected for the first time, which was specifically collected for the problem under study.

The researcher also used secondary sources of data. This enabled comparability of secondary data that was available with responses from the primary data gathered in order to derive a meaningful and objective interpretation of the findings. Data collection instruments that were used included; questionnaire, interview guides and documentary review checklists.

#### **3.7.1 Questionnaire**

This consisted of the questions which the respondent answered. According to Mugenda and Mugenda (1999), a standard questionnaire contains a list of possible alternatives from which respondents select the answer that best suits the situation.

Structured and unstructured questions gave the RMC's respondents a degree of freedom to bring out some information in detail due to the open ended nature of some questions.

It accommodated a wide range of close-ended questions giving room to cover more areas of interest as far as desired data was concerned.

Self-administered questionnaire was filled by respondents from RMC who were selected to participate in the study and were hand delivered by the researcher to avoid inconveniences and delays.

### **3.7.2 Interview guide**

To supplement the data from self-administered questionnaires, an interview guide was used to key respondents from management team of RMC. This was used in face-to-face interviews intending to have in-depth of financial planning, financial accountability, financial control, and road sector service delivery. This was used because it is flexible in terms of adapting, adopting and changing the questions as the research proceeds.

### **3.7.3 Documentary review checklist**

The researcher used this instrument in order to capture secondary data and first-hand information relevant to the study. These documents helped the researcher by revealing the level of financial management practices on road sector service delivery in RMC through a review of the analysis reports, minutes of meetings and other archival or file records.

## **3.8 Validity and Reliability**

### **3.8.1 Validity**

Validity means that correct procedures have been applied to find answers to a question (Catherine, 2002). Validity was established through the average Content Validity Index (CVI) formula. This is a tool used to gauge the content validity of items on an empirical measure. It was applied using the formula shown below;

$$\text{Content Validity Index (CVI)} = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

In this approach, a panel of 4 (four) experts from Ntungamo Municipality – Finance and Administration, where I conducted my pre-test of the instrument to establish whether it was valid were used. The researcher used Sekarani (2003), who recommends that for an instrument to be valid, its content validity index has to be 0.7 and above.

Using formula

$$\text{That is; } \text{CVI} = n/N$$

Where; CVI stands for Content Validity Index, n stands for number of items rated valid by all judges and N stands for number of items in the instrument. The instruments for this study were valid to be used since they had a C.V.I of 0.83 which is above 0.7.

Using the formula;

$$\text{Judge1.} = 39/47 = 0.83$$

$$\text{Judge2.} = 38/47 = 0.81$$

$$\text{Judge3.} = 38/47 = 0.81$$

$$\text{Judge4.} = 40/47 = 0.85$$

$$\text{Therefore the total} = 0.83 + 0.81 + 0.81 + 0.85 = 3.3/4 = \mathbf{0.83}$$

### 3.8.2 Reliability

Reliability was used to measure the degree to which the instrument would be the same when put under the same conditions. Data collection instrument is presumed reliable when it produces the same results whenever it is repeatedly used to measure concepts from the same respondents even by other researchers. To ensure reliability, the research instrument was pre-tested to selected 10 respondents from Ntungamo Municipal Council to ensure consistency and comprehensiveness.

Furthermore, some consultations with other researchers, supervisors and peer groups were done to review the research instrument. The degree of reliability was established using Cronbach's coefficient Alpha that showed how the level of the relationship between financial management and road sector service delivery in RMC will be generalized.

A high Cronbach's coefficient Alpha above 0.72 is considered to indicate high reliability hence acceptable for social research (Mugenda and Mugenda, 1999). The Cronbach's Alpha reliability Coefficient ( $\alpha$ ) was calculated by running a statistical test using Statistical Package for Social Scientists (SPSS). Therefore, for this study, the measurements in the instrument were found to be 0.923, the instrument was considered reliable to use. (See Appendix V)

**Table 3: Summary of reliability statistics**

<b>Variable</b>	<b>Reliability Statistics</b>	<b>Number of Questions</b>
<b>Financial Planning</b>	0.856	10
<b>Financial Accountability</b>	0.886	11
<b>Financial Controls</b>	0.856	11
<b>Service Delivery</b>	0.721	11
<b>Background Information</b>	-0.105	4
<b>Total Reliability</b>	<b>0.923</b>	<b>47</b>

**Source: Primary Data**

The table 3 above shows five sections of the questionnaire that was used to collect data for the study. Data collected for each section was subjected to cronbach's coefficient alpha reliability test to examine the degree of dependability of the data. The overall reliability was found to be 0.923, (Mugenda and Mugenda, 1999) asserts that cronbach's coefficient alpha results which are above 0.72 are fit enough to be relied on for the study, since 0.923 is above 0.72, the collected data is fit to be relied on.

### **3.9 Procedure of data Collection**

The researcher got an introductory letter from Uganda Management Institute to seek necessary permission from different authorities. The letter was presented to areas where the study was conducted. A covering letter accompanying the questionnaire explaining the purpose of the study was distributed directly to the respondents in their respective areas to be filled. The cover letter was also used to provide access to the interview process which was done on an appointment with the respondents.

### **3.10 Data Analysis**

According to (Sekaran, 2003), data analysis is the evaluation of data. It is the process of systematically applying statistical and logical techniques to describe, summarize and compare data.

#### **3.10.1 Qualitative data analysis**

Qualitative data was obtained by conducting interviews with key informants using interview guides and open ended questionnaires. Qualitative analysis involved categorizing data and then attaching it to the appropriate categories. The analysis of the interview responses was edited according to the themes developed in the objectives of the study. The data from open ended questionnaires and interview responses was analyzed by listing all the respondents' views under each question category. Where necessary, quotes from respondents were used to strengthen the interpretation.

### **3.10.2 Quantitative data analysis**

Quantitative data was collected from close ended questions. Quantitative data analysis process involved; editing, coding classification and presentation in form of tables and graphs so that data was liable for analysis. The analysis entailed computation of descriptive statistics, through which relationships supporting or conflicting with the hypotheses were subjected to statistical tests to determine the extent to which data was said to have indicated any conclusions (Kothari, 2004).

The data collected through questionnaires was analyzed using Statistical Package for Social Sciences (SPSS) because this is the most recommendable package for analyzing social sciences researcher data (Sekaran, 2003). The statistics focused on the measures of central tendencies (percentages and frequencies) and relational statistics to measure the Direction, form and degree of the relationship (regression and correlation) between financial management practices and road sector service delivery, which was provided by SPSS.

### **3.11 Measurement of variables**

Measurement of variables gave the researcher information regarding the extent to which the individual difference on a given variable (Mugenda and Mugenda, 1999). It is upon this basis that the appropriate measurement of instruments was used to measure and categorize data in an orderly form using a five Likert scale on the questionnaire as below;

5	4	3	2	1
Strongly disagree	disagree	Neutral	Agree	Strongly agree

A likert scale consists of a number of statements which express either favorable or unfavorable attitude towards a given subject to which the respondent was required to respond. Each response was given a numerical score indicating whether favorable or unfavorable and the scores were totaled to measure the respondent's attitudes. The scale will help the researcher to know the extents which objectives were achieved.

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS**

#### **4.1 Introduction**

In this chapter, the results are presented, analyzed and interpreted. The study aimed at examining how financial management practices affect road sector service delivery in Rukungiri Municipal Council (RMC). The chapter highlights the response rate, demographic characteristics of the respondents and empirical findings according to the objectives of the study. The analysis was done using SPSS statistical package version 18.0. The data collected is presented using frequency distribution tables and figures.

#### **4.2 Response Rate**

This section is organized according to specific categories of respondents, that is Management Team, Other Established staff, councilors to represent the population, heads of civil society and Road sector service providers. The purpose of categorizing these respondents was to help in establishing the respondents sample characteristics from small and manageable groups so that each and every type of respondent is accessed to be able to form appropriate opinion about the research findings on Financial Management practices on Road sector service delivery in RMC.

The researcher set out to find out the response rate of the respondents and the results are indicated in the table 4 below.

**Table 4: Showing the response rate when questionnaires were administered**

<b>Category</b>	<b>Population</b>	<b>Sample Size</b>	<b>Rate of Return</b>	<b>% of Return</b>
Management Team	17	16	10	62.5%
Other established staff	42	36	34	94.4%
Councilors to represent population	36	32	28	87.5%
Heads of civil society	6	6	5	83.3%
Road sector service providers	5	5	4	80%
<b>Total</b>	<b>106</b>	<b>95</b>	<b>81</b>	<b>85.3%</b>

**Source: Primary Data**

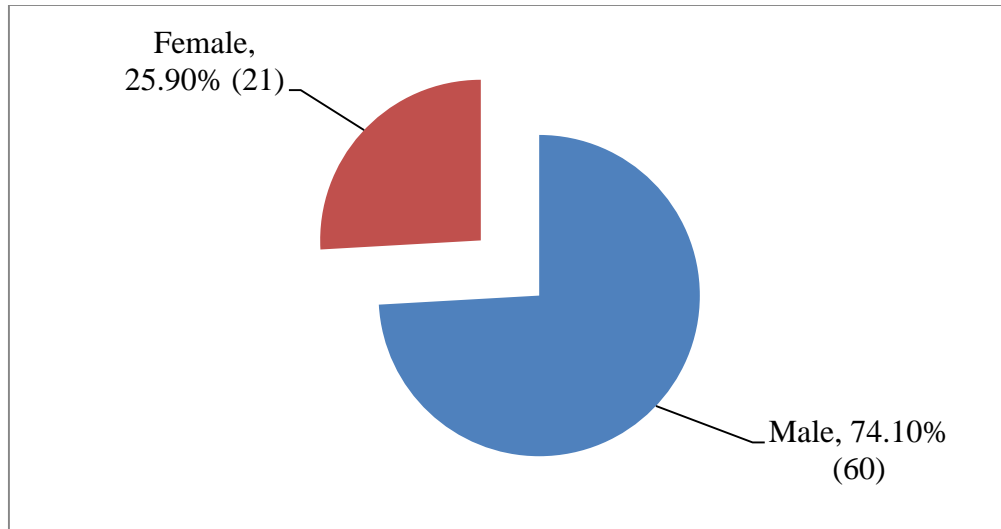
This research had a study population of 106 and from this a sample of 95 was selected for the study. Of these sampled respondents, a total of 81 returned the questionnaires fully completed, giving response rate of 85.3%. This was regarded adequate in line with literature by Mugenda and Mugenda (1999) which recommends 70% as a good response rate when quantitative data is collected.

### **4.3 Demographic Characteristics of Respondents**

To determine the background characteristics of the respondents the study focused on Gender, age, level of education and duration of service in the municipality.

#### **4.3.1 Gender of Respondents**

This section looked at the Gender of the respondents which was categorized as male and female. The results were analyzed using descriptive statistics as presented in figure 2 below;



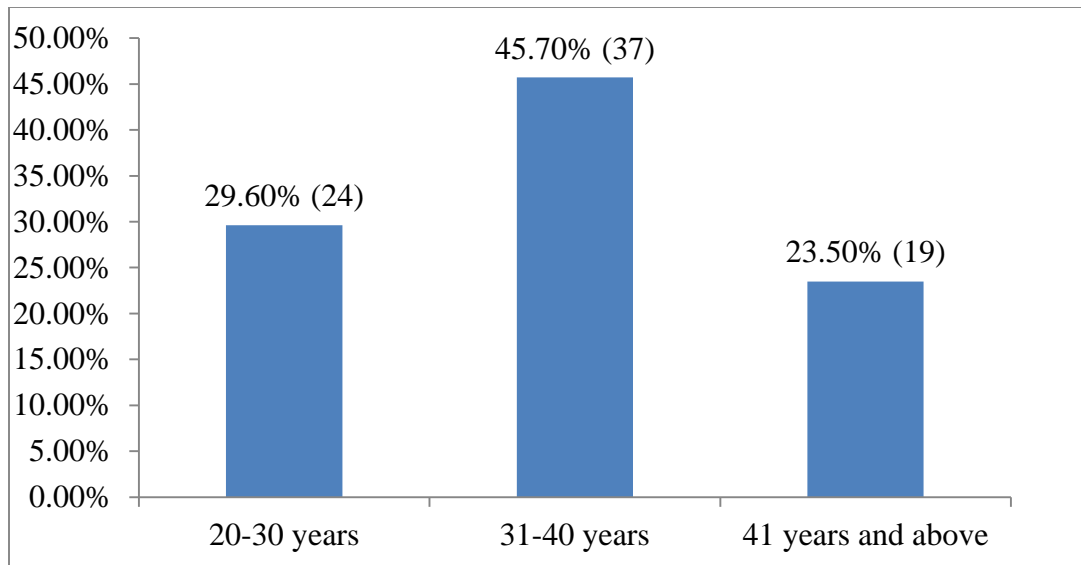
**Figure 2: Gender of Respondents**

*Source: Primary Data*

The study mainly consisted of males at a distribution of 74.10% (60) compared to 25.90% (21) females. The male respondents were the biggest number and this could be because the road sector service delivery is labour intensive which favors more males than females. This implies that having more males in the sector, would be used for increased road network coverage in RMC since it favors them.

#### **4.3.2 Age of Respondents**

This sub section looked at the age group of respondents which was categorized as below 20-30 years, 31-40 years, and 41 years and above. The results were analyzed using descriptive statistics and presented in figure 3 below;



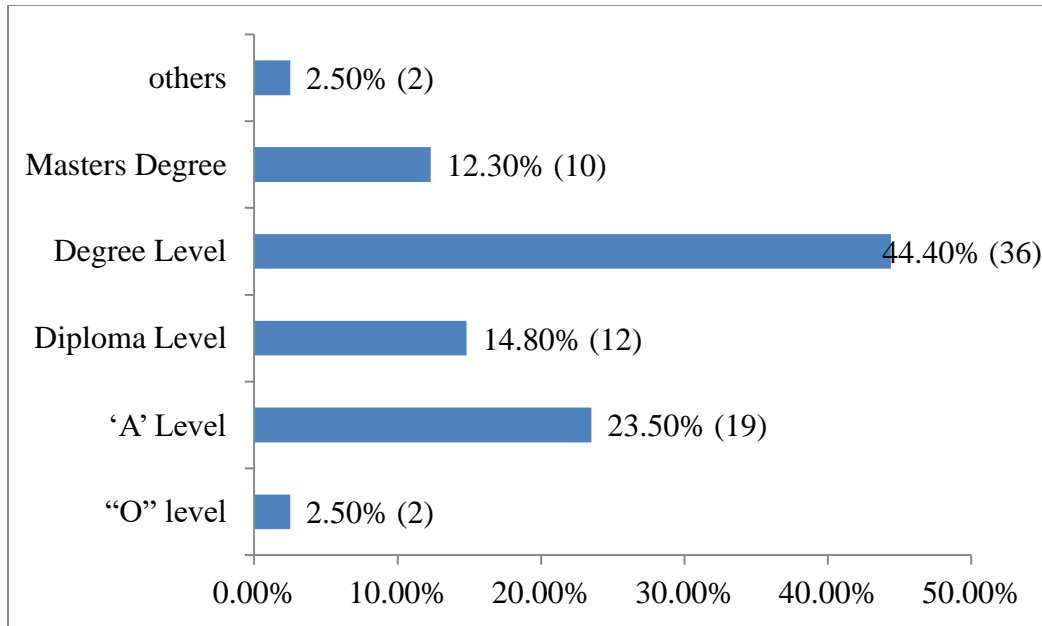
**Figure 3: Age of Respondents**

*Source: Primary Data*

The study findings show that most of the respondents 45.70 (37) fall in the age bracket of (31-40 years) followed by 20-30 years at 29.60% (24), above 41 years at 23.50% (19). The results showed that most respondents are in age group of 31-40 years which is the most energetic and responsible age group. This implies that the respondents were people who are responsible and can give reliable information from which recommendations can be drawn for the study.

#### **4.3.3 Level of Education**

This subsection represents the respondents' level of education. This was done in order to ascertain their level of participation and their views about how financial management practices affect road sector service delivery in MRC. This included O level, A level, Diploma level, Degree level, Master's degree and others.



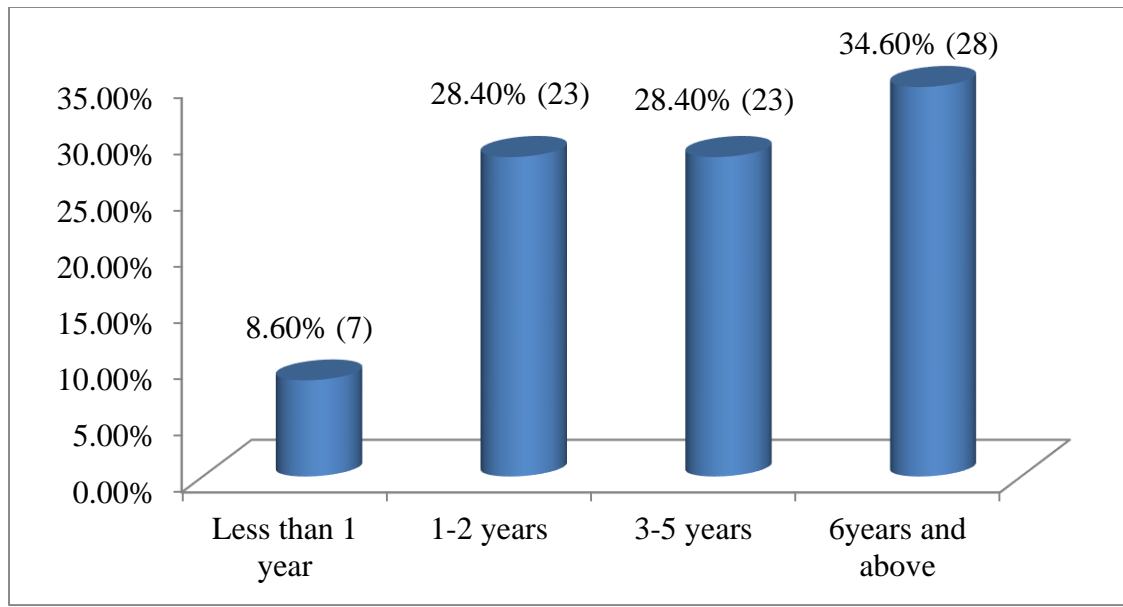
**Figure 4: Level of education**

*Source: Primary Data*

From the figure 4 above it was found out that , out of 81 respondents, 2.50% had finished 'O' level, 23.50% were up to 'A' level, 14.80% diploma level, 44.40% degree level, 12.30% master's degree and 2.50% belong to others. This indicated that the majority of respondents were at degree level implying that participants provided adequate information in relation to the study since most of them were highly educated with minimum requirements of a public officer.

#### **4.3.4 Duration of service in the municipality**

This Sub section looked at duration of service which was categorized as following; less than 1 year, 1-2 years, 3-5 years and 6 years and above. This was done to find out the duration of one's full, participation and experience on how financial management practices affect road sector service delivery. The results were analyzed using descriptive statistics and are presented in figure 5 below;



**Figure 5: Duration of service**

*Source: Primary Data*

The study findings in the figure 5 above show that a good number of the respondents at 34.60%(28) had spent 6 years and above, 28.40% (23) had spent 1-2 years, and 28.40% (23) 3-5 years while 8.60% had spent less than one year. This shows that majority of respondents had been in RMC for 6 years and above implying that such experience could be utilized for better financial management and long term implementation of projects in the road sector for service delivery.

#### **4.4 Financial Management practices and road sector service delivery in RMC**

Findings were analyzed and presented according to the objectives of the study and a number of factors were examined as shown below;

#### **4.4.1 Empirical findings on financial management practices and road sector service delivery in Rukungiri Municipal Council, Uganda**

The study was designed to examine the effect of financial management practices on road sector service delivery in RMC. The findings are arranged according to variables of study and research hypothesis. As far as the variables are concerned, the findings are arranged as financial management practices which are broken down into its dimensions of financial planning, financial accountability and financial controls and then road sector service delivery as an independent variable.

The study was guided by three objectives namely; to find out how financial planning affects road sector service delivery, to examine the effect of financial accountability on road sector service delivery and to assess how financial controls affect road sector service delivery.

The relationships and effects between, and on the variables were analyzed using data collected using five point likert scale, questionnaires among others and the results are presented in descriptive tables showing frequencies and percentages of respondents under each item. The results were further explained using correlation models (analyses) to show the relationship between the study variables. The researcher used Pearson's moment correlation coefficient to test the null hypothesis to identify the nature of the relationship between the variables and how statistically significant it was. Regression analysis was also used to determine variation in the dependent variable explained by the model and the extent to which the independent variables impact on the dependent variable.

The results from quantitative source were supplemented by those from qualitative source for deeper understanding of the problem, effects, and relationships and to avoid weaknesses of over relying on one approach.

#### 4.4.2 Road Sector Service Delivery

The dependent variable of the study was Road Sector Service Delivery in RMC. Table 5 represents respondent's opinions on road sector service delivery.

**Table 5: Responses on Road Sector Service Delivery in Rukungiri Municipal Council (RMC)**

<b>Road sector service delivery</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
<b>Quality of Services</b>					
The road sector infrastructure is of good quality	14.8% (12)	37.0% (30)	19.8% (16)	17.3% (14)	8.6% (7)
The Municipality has competent staff to deliver better road network services	6.2% (5)	14.8% (12)	17.3% (14)	44.4% (36)	16.0% (13)
The quality of road sector services provided has helped to improve on the economic development of the municipality.	6.2% (5)	27.2% (22)	14.8% (12)	40.7% (33)	9.9% (8)
You always enjoy quality of road sector services rendered to RMC	7.4% (6)	34.6% (28)	14.8% (12)	32.1% (26)	9.9% (8)
<b>Timeliness</b>					
Most of the RMC road sector projects take long to be completed	2.5% (2)	23.5% (19)	6.2% (5)	38.5% (32)	23.7% (20)
There is always specified time for every road sector project	4.9% (4)	14.8% (12)	11.1% (9)	51.9% (42)	13.6% (11)
All payments are made after the works and services are completed.	12.3% (10)	25.9% (21)	11.1% (9)	30.9% (25)	18.5% (15)
The district provides road sector services that last for a long time	11.1% (9)	34.6% (28)	16.0% (13)	28.4% (23)	8.6% (7)
<b>Sustainability</b>					
The completed road network is regularly maintained	13.6% (11)	37.0% (30)	11.1% (9)	30.9% (25)	6.2% (5)
RMC has enough road maintenance equipment's	14.8% (12)	29.6% (24)	13.6% (11)	32.1% (26)	8.6% (7)
RMC has a budget provision for road maintenance.	4.9% (4)	7.4% (6)	8.6% (7)	44.4% (36)	32.1% (26)

*Strongly Disagree=SDA, Disagree=DA, Neutral=N, Agree=A, Strongly Agree=SA*

## Quality of Services

When respondents were asked if RMC road sector infrastructure is of good quality, 25.9.0% (21) of the respondents agreed with the statement, 19.8% (16) were neutral about the statement and 51.8% (42) of the respondents disagreed with the statement. This indicates that to a greater extent road sector infrastructure was not of good quality. This implies that RMC was not achieving value for money through road sector projects and consequently all stakeholders were not benefiting from every coin spent on road sector service delivery. In fact one respondent observed that *“Road sector service delivery in RMC is still poor and not well maintained; we still need improvement in the provision of better road network in the municipality”*. This indicates that most respondents were not satisfied with the nature of the road network in RMC as they were still demanding for improvement.

On the question “the Municipality has competent staff to deliver better road network services” 60.4% (49) of the respondents agreed with the statement, 17.3% (14) were neutral about the statement and 21.0% (17) of the respondents disagreed with the statement. This shows that to a large extent the Municipality had competent staff to deliver better road network services. This implies that such competent staffs can be helpful in provision of better and long term services in road sector.

On whether the quality of road sector services provided has helped to improve on the economic development of the Municipality, 50.6% (41) of the respondents agreed with the statement, 14.8% (12) were neutral about the statement and 33.4% (27) of the respondents disagreed with the statement. Therefore to a large extent the quality of road sector services provided has helped to

improve on the economic development of the Municipality. This means that respondents respected the contribution from the available road sector infrastructure.

On whether individuals enjoyed quality of road sector services rendered to RMC, 42.0% (34) of the respondents agreed with the statement, 14.8% (12) were neutral about the statement and 42.0% (34) of the respondents disagreed with the statement. This shows that on average, individuals enjoyed quality of road sector services rendered to RMC. The implication is that the users would be grateful for quality services rendered by the road sector of RMC.

### **Timelines**

On whether most of RMC roads take long to be completed, 2.5% (2) strongly disagree 33.5% (19) disagree while 39.5% (32) and 24.7% (20) agree and strongly agree respectively and 6.2% (5) were neutral. This indicated that to a large extent most of RMC roads take long to be completed. This shows inefficiency in road sector service delivery. An implication that RMC road sector was not meeting its targets hence mismanagement of taxi payer's money through delayed services. Indeed one respondent said *"There is room for improvement because road sector service delivery on management is poor because of shoddy work in the municipality"*. This calls for more attention on quality and completion time from the side of management.

On the question whether "there is always specified time for every road sector project" 51.9% (42) and 13.6% (11) showed positive response while 14.8% (12) and 4.9 % (4) did not. 11.1% (9) were neutral. This shows that to a greater extent there was always specified time for every road sector project. This means that there was easy monitoring and evaluation against set targets/goals in a specific time.

On finding out whether all payments are made after the works and services are completed, 30.9% (25) agreed, 18.5% (15) strongly agreed with the statement. On the other hand 12.3% (10) and 25.9% (21) strongly disagree and disagree respectively and 11.1% (9) were neutral. This indicates that to a large extent that all payments are made after the works and services are completed. However one respondent had this to say *“There is problem of payment delay after men force is completed”*. A manifestation that sometimes road sector experiences late payments.

On whether internal controls have helped to safeguard all the municipal road sector assets and finances, 50.6% (41) agree while 16.0% (13) strongly agree. On the other hand, 19.8% (16) disagreed, 4.9% strongly disagreed with the statement. 7.4% (6) were neutral. This indicated that to a larger extent all payments were made after the works and services are completed. This implies that there would be no air payments hence facilitating proper utilisation of road sector funds.

On whether Municipality provides road sector services that last for a long time, 28.4% (23) agree while 8.6% (7) strongly agree. On the other hand, 34.6% (28) disagreed, 11.1% (9) strongly disagreed with the statement. 16.0% (13) were neutral. To a larger extent Municipality provides road sector services that did not last for a long time. This implies that there was laxity in payments where retention and proper certification were not adhered to.

### **Sustainability**

On the question “the completed road network is regularly maintained”. 30.9% (25) and 6.2% (5) agreed and strongly agreed respectively while 13.6% (11) and 37.0% (30) strongly disagree and disagree with the statement and 11.1% (9) were neutral. This shows that to a greater extent the

completed road network is regularly maintained and thus the funds for maintenance are well spent.

In fact, one respondent said

*“I would wish the RMC construct roads which can last for a long period even if a short distanced but if they can be done in every financial year, than making roads of long distances which can’t last for some good time”.*

This is a clear indication that the constructed roads are of poor quality and they take short period to be damaged.

On finding out whether the RMC had enough road maintenance equipment’s, 32.1% (26) and 8.2% (7) agree and strongly agree with the statement where as 14.8% (12) and 29.6% (24) strongly disagree and disagree with the statement. 13.6% (11) were neutral. This shows that to a greater extent RMC had no enough road maintenance equipment’s, implying that capital budget on procurement for road sector did not show value for money.

On whether RMC had a budget provision for road maintenance, 44.4% (36) and 32.1% (26) agree and strongly agree with the statement whereas 4.9% (4) and 7.4% (6) strongly disagree and disagree with the statement. 8.6% (7) were neutral. Clearly the majority of the respondents agreed that RMC had a budget provision for road maintenance. This means that RMC emphasizes road sector service delivery. This implies that such provisions can be utilised in provision of healthy and sustainable services to RMC road sector service delivery.

#### **4.4.3 Financial planning and Road Sector Service Delivery**

The first objective of the study was to find out how financial planning affects Road Sector Service Delivery in RMC. Financial planning entailed goal setting, budgeting and coordinating. Table 6

represents respondent's opinions on financial planning and how it affects road sector service delivery.

**Table 6: Responses on Financial Planning in Rukungiri Municipal Council (RMC)**

<b>Financial Planning</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
<b>Goal setting</b>					
RMC has set goals on road sector network	6.2% (5)	9.9% (8)	7.4% (6)	40.7% (33)	34.6% (28)
Stakeholders are normally invited to take part in selecting road sector expenditure priorities by RMC officials	6.2% (5)	19.8% (16)	11.1% (11)	37.0% (30)	25.9% (21)
<b>Budgeting</b>					
RMC has included road sector service in its annual budget plan	3.7% (3)	6.2% (5)	8.6% (7)	35.8% (29)	45.7% (37)
Stakeholders take part in financial resource allocation for the Municipal budget	9.9% (8)	19.8% (16)	8.6% (7)	40.7% (33)	19.8% (16)
Road sector is catered for in the municipal budget allocations	2.5% (2)	6.2% (5)	7.4% (6)	40.7% (33)	43.2% (35)
Road sector budget allocations are discussed by the sector committees	4.9% (4)	8.6% (7)	7.4% (6)	42.0% (34)	37.0% (30)
Road sector budget is approved by the Municipal council	6.2% (5)	4.9% (4)	4.9% (4)	35.8% (29)	48.1% (39)
Approved annual road sector budgets are distributed to all stake holders	9.9% (8)	29.6% (24)	11.1% (9)	30.9% (25)	17.3% (14)
<b>Coordinating</b>					
There is road sector coordination committees in RMC	12.3% (10)	16.0% (13)	11.1% (9)	37.0% (30)	22.2% (18)
Road sector progress is jointly reviewed over time	8.6% (7)	21.0% (17)	16.0% (13)	38.3% (31)	16.0% (13)

*Strongly Disagree=SDA, Disagree=DA, Neutral=N, Agree=A, Strongly Agree=SA*

**Source: Primary Data**

## **Goal Setting**

When respondents were asked if RMC has set goals on road sector network, 75.3% (61) of the respondents agreed with the statement, 7.4% (6) were neutral about the statement and 16.1% (13) of the respondents disagreed with the statement. This indicated that to a large extent respondents

agreed that RMC had set goals on road sector network. This means that RMC follows proper financial management practices. Implying that these set goals can be used to achieve timely delivery of road sector services. In fact documentary review indicated that RMC had set goals on sector service delivery (five year development plan 2010-2015).

On the question “are stakeholders normally invited to take part in selecting road sector expenditure priorities by RMC officials” 62.9% (51) of the respondents agreed with the statement, 11.1% (11) were neutral about the statement and 26% (21) of the respondents disagreed with the statement. This shows that to a greater extent stakeholders are normally invited to take part in selecting road sector expenditure priorities by RMC’s officials. This means that there is stakeholder involvement implying that proper quality output would be achieved through joint selection of road sector service delivery expenditure. On the other hand one of the respondents said “*All stake holders should be involved in the financial planning of the municipality and the performance should also be reviewed with the involved stake holders*”. This means that not all stakeholders were involved which justify why service delivery is not at the required level.

### **Budgeting**

On whether RMC has included road sector service in its annual budget plan, 3.7% (3) strongly disagree 6.2% (5) disagree while 35.8% (29) and 45.7% (37) agree and strongly agree respectively and 8.6% (7) are neutral. Thus to a large extent road sector service is in its annual budget plan, implying that road sector service delivery has allocated funds and therefore that such funds can be utilised in provision of road sector service delivery in RMC. Indeed one of the respondents said “*Financial planning is good in RMC but the implementation of laid down plan is the problem*”

*hence not properly managed*". This means that most of the plans made are not implemented to the required standards.

On the question "stake holders take part in resource financial allocation for the Municipal budget". 40.7% (33) and 19.8% (16) showed positive response while 9.9% (8) and 19.8 % (16) did not. 8.6% (7) were neutral. This shows that to a greater extent stake holders took part in financial resource allocation an implication of participatory budgeting. This means that there was proper resource allocation through joint budgeting. However qualitative data showed that some stakeholders were not taking full part in resource allocation as one respondent said "*Stake holders should fully take part in financial resource distribution*". The meaning is that there are still some loopholes in resource allocation that may lead to poor road sector service delivery.

On finding out whether road sector is catered for in the Municipal budget allocations, 40.7% (33) agreed, 43.2% (35) strongly agreed with the statement. On the hand 2.5% (2) and 6.2% (5) strongly disagree and disagree respectively and 7.4% (6) were neutral. This indicates that to a large extent road sector is catered for in the Municipal budget allocations, an interpretation that there are available funds for road sector service delivery. And therefore these funds can be utilised in provision of sustainable road sector services to the community.

On whether road sector budget allocations are discussed by the sector committees, 42.0% (34) agree while 37.0% (30) strongly agree. On the other hand, 4.9% (4), 8.6% did not agree with the statement. 7.4% (6) where neutral. This indicates that road sector budget allocations are discussed by sector committees. This means that there was thorough examination of expenditure on road

sector service delivery. The implication here is that value for money will be realised hence sustainability of road sector service delivery in RMC.

On finding out whether road sector budget is approved by Municipal council, 37.8% (29) and 48.1% (39) agree and strongly agree with the statement where as 6.2% (5) and 4.7% (4) strongly disagree and disagree with the statement. 4.7% (4) where neutral. This shows that to a greater extent road sector budget was approved by Municipal Council, a clear indication that road sector service delivery was supported by top management. This implies that this support can be utilised in achieving proper quality of services in road sector service delivery.

On the question “approved annual road sector budget are distributed to all stakeholders”. 30.9% (25) and 17.3 (14) agreed and disagreed respectively while 9.9% (8) and 29.6% (24) strongly disagree and disagree with the statement and 11.1% (9) were neutral. This shows that to less extent approved annual road sector budget were distributed to all stakeholders, hence there was limited information sharing an indication that there was no transparency in road sector budget which could result into corruption hence resulting into poor quality services in road sector. On the other hand one respondent said “*There is uneven distribution of financial allocation to different sectors depending on the needs of the people*”. This implies that there would be imbalanced road sector service delivery in RMC.

### **Coordinating**

On whether there is road sector committees in RMC, 37.0% (30) and 22.2% (18) agree and strongly agree with the statement whereas 12.3% (10) and 16.0 % (13) strongly disagree and disagree with the statement. 11.1% (9) where neutral. This indicates that to a greater extent there were road sector

committees in RMC and therefore coordinated activities in road sector service delivery in RMC. This means that there was proper information sharing that could lead to improved quality in road sector service delivery.

On finding out whether road sector programmes were jointly reviewed over time, 38.3% (31) and 16.0% (13) agreed and strongly agreed with the statement while 8.6% (7) and 21.0% (17) strongly disagree and disagree respectively and 16.0% were neutral. This shows that to a large extent road sector programmes were jointly reviewed over time. This implies that joint timely reviews of road sector programmes could be taped to make timely decision making on any necessary changes or alterations required hence reducing unnecessary costs in road sector expenditure plan.

**Table 7: Correlations between Financial Planning and Road Sector Service Delivery**

Correlations		Delivery	Planning
Road Sector Service Delivery	Pearson Correlation	1	.313**
	Sig. (2-tailed)		.005
	N	81	81
Financial Planning	Pearson Correlation	.313**	1
	Sig. (2-tailed)	.005	
	N	81	81

\*\*. Correlation is significant at the 0.01 level (2-tailed).

*Source: Primary Data*

The findings in the table 7 above revealed that there is a moderate positive significant effect between Financial planning and Road Sector Service Delivery at  $(r) = 0.313^{**}$ , at the level of significant  $P = 0.01$  (2-tailed) given by the Pearson correlation. This indicates that when financial planning is improved, Road Sector Service Delivery is likely to also improve, and implies that

management of Rukungiri Municipal Council has to enhance financial planning if Road Sector Service Delivery is to be improved.

**Table 8: Model summary of financial planning and Road Sector Service Delivery**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.313 <sup>a</sup>	.098	.087	.59213

a. Predictors: (Constant), Planning

*Source: Primary Data*

The model summary table 8 above revealed that correlation coefficient (R), using predictor financial planning, is 0.313 and the  $R^2$  (0.098). This implies that 9.8% ( $0.098 * 100$ ) variations in road sector service delivery are explained by financial planning while the remaining 90.2% is explained by other factors.

**Table 9: Regression of model summary of financial planning and Road Sector Service Delivery**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.977	1	2.977	8.491	.005 <sup>a</sup>
	Residual	27.348	78	.351		
	Total	30.325	79			

a. Predictors: (Constant), Planning

b. Dependent Variable: Delivery

***Source: Primary Data***

The researcher used ANOVA statistical technique to analyze data. The study had the level of significance at  $\alpha=0.05$ . It can be deduced from the regression that financial planning has got a strong significance to road sector service delivery at,  $F=8.491$  ( $0.005^a$ ). Since significance calculated  $0.005^a$  is lower than  $0.05$ , the researcher accepted the hypothesis which stated that “Financial planning positively affects road sector service delivery in RMC”. The results of the correlation and linear regression indicated that at 95% level of confidence ( $0.05$ ) that 8.7% of variation in road sector service delivery in RMC was accounted for by financial planning and this was statistically proved to be significant.

**Table 10: Regression of coefficients of financial planning and Road Sector Service Delivery**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.223	.206		10.771	.000
Planning	.251	.086	.313	2.914	.005

a. Dependent Variable: Delivery

The study used coefficients (beta values) statistical technique to analyze data. This helped to determine the extent and direction of the effect between financial planning and road sector service delivery and how financial planning affects on road sector service delivery. The study showed that financial planning had beta value of 0.313. It can be deduced from the regression that at 1% increase in financial planning, road sector service delivery is increased by 0.313% and at 100% increase in financial planning; road sector service delivery is likely to increase by 31.3%. Therefore the management of RMC should strengthen financial planning because it improves on road sector service delivery

#### **4.4.4 Financial Accountability and Road Sector Service Delivery**

The second objective of the study was to examine how financial accountability affects Road Sector Service Delivery in RMC. Financial accountability entailed accounting system, auditing system and income and expenditure reports. Table 11 represents respondent's opinions on financial accountability and how it affects road sector service delivery.

**Table 11: Responses on Financial Accountability in Rukungiri Municipal Council (RMC)**

<b>Financial Accountability</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
<b>Accounting System</b>					
I believe that good accounting systems improve on road sector service delivery in Rukungiri Municipality	6.2% (5)	6.2% (5)	11.1% (9)	30.9% (25)	45.7% (37)
RMC strictly follows accounting acts and regulations	8.6% (7)	14.8% (12)	16.0% (13)	43.2% (35)	17.3% (14)
RMC accounting system is very strong and operating very effectively	8.6% (7)	19.8% (16)	19.8% (16)	35.8% (29)	16.0% (13)
<b>Auditing System</b>					
Officers of the Municipality who fail to account for road sector finances are always reported.	9.9% (8)	23.5% (19)	18.5% (15)	32.1% (26)	16.0% (13)
The RMC internal audit department is very strong in performing its duties	8.6% (7)	19.8% (16)	7.4% (6)	48.1% (39)	16.0% (13)
Municipal Audit department provides quarterly audit reports to the council	6.2% (5)	9.9% (8)	18.5% (15)	48.1% (39)	16.0% (13)
Auditors expose people who swindle road sector public funds	13.6% (11)	16.0% (13)	16.0% (13)	46.9% (38)	7.4% (6)
Auditors inspect road sector projects to assess value for money and report to the council	9.9% (8)	16.0% (13)	16.0% (13)	42.0% (34)	16.0% (13)
<b>Income &amp; Expenditure Reports</b>					
Quarterly financial reports on road sector are produced regularly	8.6% (7)	13.6% (11)	13.6% (11)	46.9% (38)	16.0% (13)
Road sector final accounts are prepared at the end of the financial year	3.7% (3)	4.9% (4)	12.3% (10)	44.4% (36)	34.6% (28)
Financial statements are always prepared and filed	4.9% (4)	1.2% (1)	11.1% (9)	38.3% (31)	43.2% (35)

*Strongly Disagree=SDA, Disagree=DA, Neutral=N, Agree=A, Strongly Agree=SA*

### **Accounting system**

When respondents were asked if they believed that good accounting systems improve on road sector service delivery in RMC, 76.6% (62) of the respondents agreed with the statement, 11.1% (9) were neutral about the statement and 12.3% (10) of the respondents disagreed with the statement. This shows that to a large extent respondents believed that accounting systems

improved on road sector service delivery in RMC. This implies that respondent's value accounting systems and means that all structures and policies to support accounting systems would be facilitated in RMC. In fact one respondent had this to say *"Financial accountability in RMC is very strong that is why there is development on road network that people can see and judge"*. This means that some respondents were satisfied with the present financial accountability on road sector network as they are appreciating accountability measures in place.

On the question "RMC strictly follows accounting Acts and Regulations" 60.5% (49) of the respondents agreed with the statement, 16.0% (13) were neutral about the statement and 23.4% (19) of the respondents disagreed with the statement. This shows that to a large extent RMC strictly follows Accounting Acts and Regulations and therefore it is right to conclude that there was no mismanagement of road sector funds hence improved quality of road sector service delivery. From the interviews one respondent said *"There is a systematic follows up of financial accountability in the RMC"*. This means funds are allocated to proper use to facilitate the continuous improvement on road sector service delivery.

Whether accounting system in RMC was very strong and operating very effectively, 51.8% (42) agreed with the statement, 19.8% (16) while 28.4% (23) disagreed with statement. This shows that to a large extent RMC accounting system were very strong and operating very effectively. This implies that there was no room for mismanagement of road sector funds. This means that there was proper expenditure planning and proper accountability. This may lead to proper use of road sector service delivery finances.

## **Auditing system**

On whether officers of the municipality who fail to account for road sector finances are always reported, 9.9% (8) strongly disagree 23.5% (19) disagree while 32.1% (26) and 16.0% (13) agree and strongly agree respectively and 18.5% (15) were neutral. This indicates that to a large extent officers of the municipality who fail to account for road sector finances are always reported. This means that there were open and transparent controls on road sector funds, an implication that there would be reduced misuse of road sector funds hence improved road sector service delivery. From the documentary review, RMC auditing report (2010/2011) indicated 2 names of suppliers who failed to account for funds that were supposed to be used for supply of 12 culverts and fuel for road maintenance.

On the question “RMC internal audit department is very strong in performing its duties”. 16.0% (13) and 48.1% (39) showed positive response while 8.6% (7) and 19.8 % (16) did not. 7.4% (6) were neutral. This showed that to a greater extent RMC internal audit department is strong in performing its duties. This means that there were strong financial controls. An implication that there would be increased value for money hence enhanced sustainability of road sector services.

On finding out whether Municipal audit department provides quarterly audit report to the council, 48.1% (39) agreed, 16.0% (13) strongly agreed with the statement. On the hand 6.2% (5) and 9.9% (8) strongly disagree and disagree respectively and 18.5% (15) were neutral. This indicates that to a large extent Municipal audit department provides quarterly audit report to the council. This means that there was adequate reporting on road sector finances in MRC and implies that road sector service delivery was experiencing proper record keeping. This may facilitate proper financial accountability of road sector funds.

On whether Auditors expose people who swindle road sector public funds, 46.9% (38) agree while 7.4% (6) strongly agree. On the other hand, 13.6% (11), 16.0 % ( 13) did not agree with the statement. 16.0% (13) were neutral. This indicates that to greater extent Auditors expose people who swindle road sector public funds. However, one of the respondents had this to say “*Auditors reports are always confiscated and even no follow up is made, to implicate culprits*”. This means that there were mixed reactions on statement, an implication that if Auditors expose people who swindle road sector public funds, there was little or no action taken.

On finding out whether Auditors inspect road sector project to assess value for money and report to the council, 42.0% (34) and 16.0% (13) agree and strongly agree respectively with the statement where as 9.9% (8) and 16.0% (13) strongly disagree and disagree with the statement. 16.0% (13) were neutral. This shows that to a greater extent Auditors inspect road sector project to assess value for money and report to the council and means that there is required information on road sector service delivery. This implies that this information can be helpful in delivery of road sector services. Contrary to the above, from the interviews, one respondent said “*RMC needs to improve in the Auditing of the Accounts, mistakes are always made, and wrong accountability is always recorded*”. This Justifies that some respondents were not satisfied with inspection of road network by auditors that can justify poor road sector service delivery in RMC.

### **Income and expenditure reports**

On whether quarterly financial reports on road sector are produced regularly, 46.9% (38) and 16.0% (13) agree and strongly agree with the statement whereas 8.6% (7) and 13.6 % ( 11) strongly disagree and disagree with the statement. 13.6% (11) were neutral. This indicated that to a greater extent quarterly financial reports on road sector are produced regularly. This means that that there

is necessary transparency in road sector service delivery. This implies that this information can be used for checks and balances in road sector service delivery. Indeed one respondent said *“Everything is good concerning financial accountability”*. This implies that road sector funds are utilized properly in RMC.

On the question “road sector final accounts are prepared at the end of the financial year”. 44.4% (36) and 34.6 (28) agreed and strongly agreed respectively while 3.7% (3) and 4.9% (4) strongly disagree and disagree with the statement and 12.3% (10) were neutral. This shows that to large extent road sector final accounts are prepared at the end of the financial year and means that there was emphasized stakeholder’s feedback. The implication is that there is enough information about the income and expenditure on road sector service delivery in RMC. This may lead to improved stakeholder’s monitoring and hence improved utilisation of road sector funds.

On finding out whether financial statements are always prepared and filed, 38.3% (31) and 43.2% (35) agreed and strongly agreed with the statement while 4.9% (4) and 1.2% (1) strongly disagree and disagree respectively and 11.1%(9) were neutral. This shows that to a large extent financial statement are always prepared and filed, an indication that there were qualified and competent staffs in RMC. This implies that such staffs can be taped in achieving long term projects such as road sector service delivery. The documentary reviews identified that there were different financial statements for different financial years (2009/2010, 2010/2011 and 2011/2012).

**Table 12: Correlations between Financial Accountability and Road Sector Service Delivery**

### Correlations

		Delivery	Accountability
Delivery	Pearson	1	.286*
	Correlation		
	Sig. (2-tailed)		.010
	N	81	81
Accountability	Pearson	.286*	1
	Correlation		
	Sig. (2-tailed)	.010	
	N	81	81

\*. Correlation is significant at the 0.05 level (2-tailed).

*Source: Primary Data*

The findings in the table 12 above reveal that there is a moderate positive significant effect between financial accountability and road sector service delivery at  $(r) = 0.286^*$ , at the level of significant 0.05(2-tailed) given by the Pearson correlation. This indicates that when financial accountability is improved, Road Sector Service Delivery is likely to also improve. This implies that management of Rukungiri Municipal Council has to enhance financial accountability if Road Sector Service Delivery is to be improved.

**Table 13: Model summary of Financial Accountability and Road Sector Service Delivery**

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.286 <sup>a</sup>	.082	.070	.59750

a. Predictors: (Constant), Financial Accountability

*Source: Primary Data*

The model summary table 13 above reveals that correction coefficient (R), using predictor financial accountability, is 0.286 and the  $R^2$  (0.082). This implies that 8.2% ( $0.082 * 100$ ) variations in road sector service delivery are explained by financial accountability while the remaining 90.2% is explained by other factors.

**Table 14: Variation in Financial Accountability and Road Sector Service Delivery****ANOVA<sup>b</sup>**

Mode		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.479	1	2.479	6.944	.010 <sup>a</sup>
	Residual	27.846	78	.357		
	Total	30.325	79			

a. Predictors: (Constant), Accountability

b. Dependent Variable: Delivery

***Source: Primary Data***

The researcher used ANOVA statistical technique to analyze data. The study had the level of significance at  $\alpha=0.01$ . It can be deduced from the regression that financial accountability has got a strong significance to road sector service delivery at,  $F=6.944$  ( $0.010^a$ ). Since significance calculated  $0.010^a$  is lower than 0.05, the researcher accepted the hypothesis which stated that “Financial accountability positively affects road sector service delivery in RMC”. The results of the correlation and linear regression indicated that at 99% level of confidence (0.01) that 7.0% of variation in road sector service delivery in RMC was accounted for by financial accountability and this was statistically proved to be significant.

**Table 15: Regression of coefficients of financial accountability and Road Sector Service Delivery**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.268	.210		10.801	.000
	Accountability	.220	.083	.286	2.635	.010

a. Dependent Variable: Delivery

The study used coefficients (beta values) statistical technique to analyze data. This helped to determine the extent and direction of the effect of financial accountability on road sector service delivery and how financial accountability impacts on road sector service delivery. The study showed that financial accountability had beta value of 0.286. It can be deduced from the regression that at 1% increase in financial accountability, road sector service delivery is increased by 0.286% and at 100% increase in financial accountability; road sector service delivery is likely to increase by 28.6%. Therefore the management of RMC should strengthen financial accountability because it improves on road sector service delivery

#### **4.4.5 Financial Controls and Road Sector Service Delivery**

The third objective of the study was to assess how financial controls affect Road Sector Service Delivery in RMC. Financial controls entailed authorization, internal controls and monitoring. Table 16 below represents respondents' opinions on financial accountability and how it affects road sector service delivery.

**Table 16: Responses on Financial Controls in Rukungiri Municipal Council (RMC)**

Financial Controls	SD	D	N	A	SA
Authorization					

Financial expenditure is always approved by top management	6.2% (5)	7.4% (6)	7.4% (6)	38.3% (31)	40.7% (33)
Accounts staff follow approved requisitions before payments are made	1.2% (1)	7.4% (6)	14.8% (12)	44.4% (36)	32.1% (26)
There is proper accounting policies and procedures to be followed in RMC	4.9% (4)	8.6% (7)	18.5% (15)	38.3% (31)	29.6% (24)
<b>Internal Controls</b>					
There are strong and effective internal financial controls in Rukungiri Municipality	3.7% (3)	17.3% (14)	14.8% (12)	46.9% (38)	17.3% (14)
The internal financial controls in the Municipality are reviewed at the end of every financial year	7.4% (6)	22.2% (18)	16.0% (13)	42.0% (34)	12.3% (10)
The internal financial controls are strongly adhered to by the personnel in charge of finance in the road sector	7.4% (6)	12.3% (10)	21.0% (17)	48.1% (39)	11.1% (9)
The internal controls have helped to safe guard all the Municipal road sector assets and finances	4.9% (4)	19.8% (16)	8.6% (7)	50.6% (41)	16.0% (13)
<b>Monitoring</b>					
I strongly believe that monitoring expenditure reports lead to improved financial management practices on road sector service delivery	6.2% (5)	11.1% (9)	9.9% (8)	43.2% (35)	29.6% (24)
Road sector monitoring in the Municipality is very strong and effective	8.6% (7)	32.1% (26)	22.2% (18)	30.9% (25)	6.2% (5)
There is active participation in monitoring all the road sector projects	8.6% (7)	32.1% (26)	16.0% (13)	30.9% (25)	12.3% (10)
Continuous monitoring of road sector projects helps in improving financial management practices	7.4% (6)	11.1% (9)	11.1% (9)	45.7% (37)	24.7% (20)

*Strongly Disagree=SDA, Disagree=DA, Neutral=N, Agree=A, Strongly Agree=SA*

## Authorization

When respondents were asked if RMC financial expenditure was always approved by top management, 79.0% (64) of the respondents agreed with the statement, 7.4% (6) were neutral about the statement and 13.6% (11) of the respondents disagreed with the statement. This indicates that to a greater extent financial expenditure was always approved by top management. This means that there was proper expenditure on road sector service delivery. This implies that balanced output such as sustainable services on road sector would be realized. From the qualitative data it was observed that “*Financial controls are approved by the top administration before expenditure after*

*every financial year*”. This means that there was proper authorization of RMC road sector funds since there was proper authorization.

On the question “accounts staff follow approved requisitions before payments are made” 66.5% (62) of the respondents agreed with the statement, 14.8% (12) were neutral about the statement and 8.6% (7) of the respondents disagreed with the statement. This shows that to a large extent accounts staff follow approved requisitions before payments are made, an implication that all payments are according to certified activities hence no false or air payments would be made.

On whether there was proper accounting policies and procedures to be followed, 67.9% (55) of the respondents agreed with the statement, 18.5% (15) were neutral about the statement and 13.5% (11) of the respondents disagreed with the statement. This shows that to a large extent there were proper accounting policies and procedures to be followed. In brief RMC recognizes the importance of laid down policies and procedures. These policies can be used to improve on the quality of road sector service delivery. On the other hand one respondent observed that *“The financial controls are not adhered to strongly. The financial resources are at times reallocated to leave other sectors starved”*. An indication that RMC was not following budget allocations as a control measure of road sector funds as there was mischarge of accounts.

### **Internal controls**

On whether there was strong and effective internal financial control in RMC, 3.7% (3) strongly disagree 17.3% (14) disagree while 46.9% (38) and 17.3% (14) agree and strongly agree respectively and 14.8% (12) were neutral. This indicates that to a large extent there was strong and effective internal financial control in RMC. This implies that every coin is spent to intend use

hence improved road sector service delivery. In fact one respondent observed “*The internal financial controls are strongly respected by the respective/concerned personnel in the road sector*”. Proper adhering to internal controls would lead to improved road sector service delivery.

On the question “internal financial controls in the Municipality are reviewed at the end of every financial year”. 42.0% (34) and 12.3% (10) shows positive response while 22.2% (18) and 7.4 % (6) did not. 16.0% (13) were neutral. This showed that to a greater extent internal financial controls in the Municipality are reviewed at the end of every financial year. This implies that there is timely decision making and implementation of road sector network activities, and can help in timely prevention of mistakes and error in road sector service delivery.

On finding out whether internal financial controls are strongly adhered to by the personnel in charge of finance in the road sector, 48.1% (39) agreed, 11.1% (9) strongly agreed with the statement. On the hand 7.4% (6) and 12.3% (10) strongly disagree and disagree respectively and 21.0% (17) were neutral. This indicates that to a large extent internal financial controls are strongly adhered to by the personnel in charge of finance in the road sector. This implies that financial management practices are adhered to that can improve road sector service delivery. Indeed one respondent had this to say “*Financial controls should strictly be adhered to so as to improve on service delivery to the people as far as road sector is concerned*”. This indicates that some respondents appreciate the role played by financial controls in RMC.

On whether internal controls had helped to safeguard all the municipal road sector assets and finances, 50.6% (41) agree while 16.0% (13) strongly agree. On the other hand, 19.8% (16) disagreed, 4.9% strongly disagreed with the statement. 7.4% (6) where neutral. This indicates that

to larger extent internal controls helped to safeguard all the municipal road sector assets and finances. This implies that RMC should do what it takes to have internal controls in place thereby enhancing road sector service delivery.

## **Monitoring**

On the question “I strongly believe that monitoring expenditure reports lead to improved financial management practices on road sector service delivery”. 43.2% (35) and 29.6 (24) agreed and strongly agreed respectively while 6.2% (5) and 11.1% (9) strongly disagree and disagree with the statement and 9.9% (8) were neutral. This shows that to greater extent respondents strongly believed that monitoring expenditure reports lead to improved financial management practices on road sector service delivery. Therefore RMC can use the available measures to facilitate proper road service delivery. Indeed one respondent said *“With continuous monitoring and financial controls put in place value for money in RMC”*. This means that responds in RMC welcome the idea of continuous financial controls.

On finding out whether road sector monitoring in the municipality is very strong and effective, 30.9% (25) and 6.2% (5) agree and strongly agree with the statement where as 8.6% (7) and 32.1% (26) strongly disagree and disagree with the statement. 22.2% (18) where neutral. This shows that to a greater extent road sector monitoring in the municipality was not very strong and effective. This means that majority of stakeholders were not doing their roles, justifying why road service sector projects are not of good quality and timely completed. On the other hand from the qualitative data it was observed that

*“Monitoring of road*

*sector projects should not be centrally done but should actively involve Division staff and*

*other stake holders. More sensitization programmes should be conducted in villages to stake holders on how to maintain our roads after works are conducted”.*

This implies that though monitoring was in place, it was not properly handled. Stakeholders also needed to know the usefulness of roads and how it is important to keep them in good conditions.

On whether there was active participation in monitoring all the road sector projects, 30.9% (25) and 12.3% (10) agree and strongly agree with the statement whereas 8.6% (7) and 32.1% (26) strongly disagree and disagree with the statement. 16.0% (13) were neutral. This indicates that to a less extent there is active participation in monitoring all the road sector projects, and means that RMC never emphasized active participation in monitoring. This implies that a lot of loopholes are left behind for people to swindle road sector funds hence resulting to substandard outputs. However, one respondent observed that *“Monitoring at division level is poorly facilitated”*. This justifies why there was poor road sector network in RMC.

On finding out whether continuous monitoring of road sector projects help in improving financial management practices, 45.7% (37) and 24.7% (20) agreed and strongly agreed with the statement while 7.4% (6) and 11.1% (9) strongly disagree and disagree respectively and 11.1% (9) were neutral. This shows that to a large extent continuous monitoring of road sector projects help in improving financial management practices. Therefore RMC should emphasis continuous monitoring if they are to improve on road sector service delivery.

**Table 17: Correlations between Financial Controls and Road Sector Service Delivery**

Correlations			
		Delivery	Controls
Delivery	Pearson	1	.450**
	Correlation		
	Sig. (2-tailed)		.000
	N	81	81
Controls	Pearson	.450**	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	81	81

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Source: Primary Data*

The findings in the table 17 above revealed that there is a moderate positive significant effect of financial planning on road sector service delivery at  $(r) = 0.450^{**}$ , at the level of significant  $P = 0.001(2\text{-tailed})$  given by the Pearson correlation. This indicates that an improvement in financial controls leads to improved, Road Sector Service Delivery. The view therefore is that the management of Rukungiri Municipal Council should enhance financial control if Road Sector Service Delivery is to be improved.

**Table 18: Model summary of Financial Controls and Road Sector Service Delivery**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.450 <sup>a</sup>	.202	.192	.55689

a. Predictors: (Constant), Financial Controls

*Source: Primary Data*

The model summary table 18 above revealed that correction coefficient (R), using predictor financial controls, is 0.450 and the  $R^2$  (0.202). This implies that 20.2% ( $0.202 * 100$ ) variations in

road sector service delivery are explained by financial controls while the remaining 79.8% is explained by other factors.

**Table 19: Variation in Financial Controls and Road Sector Service Delivery**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.135	1	6.135	19.783	.000 <sup>a</sup>
	Residual	24.190	78	.310		
	Total	30.325	79			

a. Predictors: (Constant), Controls

b. Dependent Variable: Delivery

***Source: Primary Data***

The researcher used ANOVA statistical technique to analyze data. The study had the level of significance at  $\alpha=0.000$ . It can be deduced from the regression that financial controls has got a strong significance to road sector service delivery at,  $F=19.783$  ( $0.000^a$ ). Since significance calculated  $0.005^a$  is lower than 0.05, the researcher accepted the hypothesis which stated that “Financial controls positively affect road sector service delivery in RMC”. The results of the correlation and linear regression indicate that at 99% level of confidence (0.05) that 19.2% of variation in road sector service delivery in RMC was accounted for by financial controls and this was statistically proved to be significant.

**Table 20: Regression of coefficients of financial controls and Road Sector Service Delivery****Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.853	.220		8.418	.000
Controls	.385	.087	.450	4.448	.000

a. Dependent Variable: Delivery

The study used coefficients (beta values) statistical technique to analyze data. This helped to determine the extent and direction of the effect of financial controls on road sector service delivery and how they impact on it. The study showed that financial controls had beta value of 0.450. It can be deduced from the regression that at 1% increase in financial controls, road sector service delivery is increased by 0.450% and at 100% increase in financial control; road sector service delivery is likely to increase by 45.0%. Therefore the management of RMC could strengthen financial controls to improve on road sector service delivery.

**Table 21: Summary of the Study Correlations**

		Correlations			
		Delivery	Planning	Accountability	Controls
Delivery	Pearson	1	.313**	.286*	.450**
	Correlation				
	Sig. (2-tailed)		.005	.010	.000
	N	81	81	81	81
Planning	Pearson	.313**	1	.672**	.593**
	Correlation				
	Sig. (2-tailed)	.005		.000	.000
	N	81	81	81	81
Accountability	Pearson	.286*	.672**	1	.801**
	Correlation				
	Sig. (2-tailed)	.010	.000		.000
	N	81	81	81	81
Controls	Pearson	.450**	.593**	.801**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	81	81	81	81

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Table 22: Summary of the Study Hypotheses**

<b>Hypothesis</b>	<b>Accepted/ rejected</b>	<b>Inferential statistics</b>
Financial planning positively affects road sector service delivery in RMC	Accepted	$R^2 = 0.098$ , $r = 0.313^{**}$ , and $\text{sig} = 0.005$
Financial accountability positively affects road sector service delivery in RMC	Accepted	$R^2 = 0.082$ , $r = 0.286^*$ , and $\text{sig} = 0.010^a$
Financial controls positively affect road sector service delivery in RMC	Accepted	$R^2 = 0.202$ , $r = 0.450^{**}$ , and $\text{sig} = 0.000$

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This chapter presents the summary of the study, discussion of the findings, conclusions and recommendations and is presented objective by objective.

#### **5.2 Summary of the Study Findings**

The general objective of the study was to examine how financial management practices affect road sector service delivery in RMC. Financial planning, financial accountability and financial controls were the independent variables while road sector service delivery dependent variable.

The specific objectives of the study were; to find out how financial planning affects road sector service delivery in RMC, to examine the effect of financial accountability on road sector service delivery in RMC and to assess how financial controls affect road sector service delivery in RMC.

##### **5.2.1 How financial planning affect road sector service delivery**

The study findings revealed that there was a moderate significant positive effect of financial planning on road sector service delivery in RMC given by Pearson correlation of 0.313\* at  $(r) = 0.313$ , at the level of significant  $P = 0.005 > 0.01$  level (2-tailed). This implies that when financial planning is improved, road sector service delivery will also improve.

In addition, the findings from the interviews revealed that well enforced financial planning will improve road sector service delivery. These include goal setting, budgeting and coordination. In regards to goal setting and budgeting, the respondents revealed that there were clear and meant the

expected standards while coordination was to a less extent affecting the RMC's road sector service delivery despite being less emphasized and implemented.

### **5.2.2 How financial accountability affect road sector service delivery in RMC**

The study revealed that there was a moderate significant positive effect of financial accountability on road sector service delivery given by Pearson correlation of 0.286\* at  $(r) = 0.286$ , at the level of significant  $P = 0.005 > 0.01$  level (2-tailed). This implies that if there are good financial accountability, road sector service delivery improves.

The findings from the interviews revealed that accounting systems improve road sector service delivery. Also qualitative findings from auditing systems indicated that there were in place and good. This implies that management of RMC needs to monitor the implementers to achieve improved road sector service delivery. Furthermore the findings from interviews indicated that improvement in income and expenditure reports may lead to improved road sector service delivery

### **5.2.3 How financial controls affect road sector service delivery in RMC**

The study revealed that there was a moderate significant positive effect of financial controls on road sector service delivery given by Pearson correlation of 0.450\* at  $(r) = 0.450$ , at the level of significant  $P = 0.005 > 0.01$  level (2-tailed). This implies that if there are good financial controls, road sector service delivery improves.

Interview results suggest that financial controls enhance road sector service delivery as noted by the respondents who assert that “there is need for combined effort of all stakeholders and management to work together for road sector development”.

### **5.3 Discussion of Findings**

#### **5.3.1 The effect of financial planning on road sector service delivery**

The findings revealed that financial planning has a moderate significant positive effect on road sector service delivery. This was revealed by majority of respondents who accepted that RMC set goals and priorities on road sector network, and road sector budget allocations are discussed by sector committees and that there is road sector coordination committees in RMC. This is in agreement with Mohsin (2002), who asserts that financial planning is vital for every organization so as to achieve its goals. This is in line with Local Government Act Cap 243 (2010), Financial and Accounting regulations (2007) and article 152 Of 1995 constitution that make financial planning particularly very pertinent. However some respondents were of the view that financial planning though made, needs to be enhanced and made practical. This is in contrast with the observation of Higgins (2001) who argues that councils have to practice proper financial planning to reduce uncertainties that are common especially shortage of funds for recurrent expenditures, otherwise such could negatively affect service delivery.

Findings revealed that planning and budgeting is vital in financial planning decisions which concurs with Heezius (2006) who asserts that planning and budgeting are vital in financial management practices mainly on road sector service delivery, which take time to be completed.

Respondents were in agreement with Kakuru (2007) who affirms that financial planning is concerned with the liabilities and stockholders' equity side of the firm's balance sheet, such as a decision to issue bonds, this view is also supported by Campbell (2009).

### **5.3.2 The effect of financial accountability on road sector service delivery**

According to Elia (2005) accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives.

The findings revealed that there is need to ensure financial accountability for proper road sector service delivery, which is in line with Schedler (1999) who asserts that internal rules and norms as well as some independent commissions are mechanisms to hold civil servants within the administration of government accountable. Within a department or ministry, firstly, behavior is bounded by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are independent watchdog units to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, to avoid any conflicts of interest. Indeed majority of the respondents indicated that good accounting systems improve on road sector service delivery that auditors expose people who swindle road sector public funds and that road sector final accounts are prepared at the end of the financial year. The findings justify the need to keep strong financial accountability, which is in line with (Ben and Anderson, 2007), who asserts basically, the Government states that a strong accountability regime ensures public resources are used effectively and efficiently (producing value-for-money); promotes ethical and policy-based decisions, motivated by a concern for the public interest; rewards good performance and carries consequences when rules are knowingly broken, and embraces transparency as a way to make government more accountable and support the participation of citizens and organizations in public policy development.

However this contradicts with Aucoin and Jarvis (2008) who maintain that there is the other side of accountability, asserting that it is not just a one-way street of reporting. To work best, it involves a relationship that allows for and supports decision-making, and feedback that informs program delivery and outcomes performance. This therefore specifies the need for financial accountability on road sector service delivery of Rukungiri Municipal Council.

### **5.3.3 The effect of financial controls on road sector service delivery**

Aleksandra, R. (2009), states that there are number of types of financial controls, whose aim is to improve performance and reinforce financial accountability in the public agencies and bodies. The findings on financial controls revealed that there is a moderate significant positive effect on road sector service delivery. This is in agreement with Kloot (1997) who points out that in process terms, financial control exists in order to ensure that organizations achieve their objectives, and for Fisher (1995), control is used for creating the conditions that motivate an organization to obtain predetermined results. This was supported by majority of the respondents who indicated that there are proper accounting policies and procedures to be followed in RMC and that the internal controls help to safeguard all the Municipal road sector service delivery and that there is continuous monitoring of road sector projects to help in improving financial management practices. This was supported by Koontz and Heinz (2005) who suggest that control is the measuring and correcting individual and organizational performance to ensure that events conform to plans, they further assert that controlling facilitates the accomplishment of plans although planning the function must precede controlling. This is also in line with The public finance act (cap.193), part II, that states that the Minister shall supervise the finances of Uganda so as to ensure that a full account of those finances is made to Parliament and that its financial control is maintained, and for those purposes

shall, subject to the Constitution and this Act, have the management of the Consolidated Fund and the supervision, control and direction of all matters relating to the financial affairs of Uganda.

Respondents were in agreement with Deepa (1995) who affirms that acknowledges the importance of community participation in monitoring and evaluation of programs. Indeed majority of the respondents agreed that there was active participation in monitoring all the road sector projects.

## **5.4 Conclusions**

### **5.4.1 Financial management practices and road sector service delivery**

Financial management constitutes using different management practices to obtain the target road sector service delivery. However there should be a balance of how different management practices are to be used to attain the needed road sector service delivery. So, comprehensive organization of management practices is required in order to improve on road sector service delivery. This may address different financial management practices such as financial planning, financial accountability and financial controls to achieve the desired level of road sector service delivery in RMC. This ensures the right financial management practices are used and a uniform service is provided to the target service users so as to achieve the objectives of financial management practices road sector service delivery.

### **5.4.2 Financial planning and road sector service delivery**

Financial planning is the key to attain a balance between financial management practices and road sector service delivery by forging strong emotional contract between the RMC and its clients who are road sector users hence effect on road sector service delivery. The study revealed that financial planning has a moderate significant positive effect on road sector service delivery. The study also

found out that goal setting has got a strong positive effect with the road sector service delivery. It was also noted by majority of respondents that “RMC has set goals on road sector network”.

The study also indicated that budgeting has a moderate effect on road sector service delivery. However, some of the respondents disagreed that “approved annual road sector budgets are distributed to all stake holders”.

The study further showed that coordinating has got a positive significant effect on the road sector service delivery. Majority of respondents agreed that “There are road sector coordination committees in RMC”.

#### **5.4.3 Financial accountability and road sector service delivery**

The study indicated that financial accountability has got a relative significant positive effect on road sector service delivery. It was also noted by majority of respondents that “Road sector final accounts are prepared at the end of the financial year”.

The study also revealed that accounting system had a moderate significant effect on road sector service delivery. It was also noted by the majority of respondents that “I believe that good accounting systems improve on road sector service delivery in Rukungiri Municipality”.

Furthermore, the study revealed that Officers of the Municipality who fail to account for road sector finances were always reported and also that auditors inspect road sector projects to assess value for money and report to the council.

#### **5.4.4 Financial controls and road sector service delivery**

The study found out that financial controls have got a moderate positive significant effect on road sector service delivery.

The study also showed that accounts staffs follow approved requisitions before payments are made. This is due to the fact that there is proper accounting policies and procedures to be followed in Rukungiri Municipality.

The study also revealed that Internal Controls at Rukungiri Municipality are properly managed. This was expressed in responses on the question whether there are strong and effective internal financial controls in Rukungiri Municipality, the majority agreed, and this was further shown when respondents were asked if internal controls had helped to safe guard all the Municipal road sector assets and finances, were a positive response was showed.

### **5.5 Recommendations**

On the basis of the analysis of the study, the researcher made the following recommendations.

#### **5.5.1 Financial planning and road sector service delivery**

The researcher recommends that administrators at Rukungiri Municipal Council give full attention to financial planning by involving stakeholders since it was agreed that stakeholders take part in financial resource allocation for the municipal budget which help road sector service delivery.

The researcher recommends that management at Rukungiri Municipal Council encourage stakeholders to take part in financial resource allocation since some respondents disagreed that stakeholders take part in financial resource allocation for the Municipal budget.

The researcher recommends that management at Rukungiri Municipal Council start distributing budgets to all stakeholders since some respondents disagreed that approved annual road sector budgets are distributed to all stake holders.

#### **5.5.2 Financial accountability and road sector service delivery**

The researcher recommends that management of Rukungiri Municipal Council strengthen the accounting system. This is a result of some respondents disagreeing that accounting system were very strong and operating very effectively.

The researcher recommends that management at Rukungiri Municipal Council considers more serious actions on those who swindle public funds since some respondents disagreed that auditors expose people who swindle road sector public funds.

The researcher recommends that the management at Rukungiri Municipal Council continue preparing and filing financial statements which would facilitate road sector service delivery.

#### **5.5.3 Financial controls and road sector service delivery**

The researcher recommends that RMC give more attention to financial controls by enhancing more authorization, internal controls and monitoring since it has an effect on road sector service delivery.

The researcher recommends that management at Rukungiri Municipal Council review their internal financial controls at the end of every financial year since some respondents disagreed that the internal financial controls in the Municipality are reviewed at the end of every financial year.

The researcher recommends that administrators at Rukungiri Municipal Council consider a strong monitoring system. Most of the respondents disagreed when asked if road sector monitoring in the Municipality is very strong and effective.

## **5.6 Contributions of the Study**

The study findings have availed Rukungiri Municipal Council with the necessary data and information to guide the formulation of appropriate strategies of combating financial management practices in road sector service delivery.

Furthermore, the findings provide additional literature on the subject matter and also contributed to the body of knowledge in this country.

It will also act as a measure for policy formulation in road sector service delivery, Rukungiri Municipality and the country at large.

## **5.7 Limitations of the Study**

The study focused on financial management practices in Rukungiri Municipal Council only. The challenges faced by RMC may be unique compared to other Municipal Councils. Therefore it may not be easy to generalize the findings to all other financial management practices in Municipal Councils.

The study required a lot of time to look for data, process and analyze data and later on discuss the study findings to come to the conclusion. The researcher however adhered to the activity schedule to accomplish the study in time.

The study was a case and conducted in a limited timeframe. This could have left out certain critical respondents who may not have been readily available at the time of the research.

### **5.8 Areas of Further Research**

A similar study should be carried out on other Municipal Councils in Uganda so that the findings can be generalized.

The study factors that affect financial management practices in Rukungiri Municipal Council, Uganda, and this study focused on financial planning, financial accountability and financial controls only, yet there are other factors which should be looked at.

Most of the respondents in this study were current workers of Rukungiri Municipal Council; another study on service users would also provide another perspective.

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## **APPENDICES**

### **Appendix 1: Questionnaire for respondents**

I am a student of Uganda Management Institute pursuing a Master's degree in Management Studies (Business Administration).

I am conducting a study on financial management practices and road sector service delivery in Rukungiri Municipal Council, Uganda. This questionnaire has been designed purposely for data collection on financial management practices and road sector service delivery. You have been carefully identified as a potential person who can provide useful and reliable data that will help policy makers and implementers to improve on financial management practices on road sector service delivery in Rukungiri Municipality. The information generated will be handled with utmost confidentiality and will be used for academic purposes.

Thank you in advance for your cooperation by giving your valuable time and effort to fill the questionnaire.

Yours faithfully,

Robert Mugarura

**(STUDENT)**

## Section A: Demographics

*Please tick the most appropriate answer in the corresponding box*

1. **Gender :** 1)Male ☐ 2)Female ☐
2. **Age:** 1) 20-30 years ☐ 2) 31-40 years ☐ 3) 41 years and above ☐
3. What is your highest level of education?
  - 1) Primary Level ☐ 2) "O" level ☐ 'A' Level ☐ Diploma Level ☐
  - 5) Degree Level ☐ 6) Master's Degree ☐ 7) others (specify) -----
4. How long have you been in the municipality?
  - 1) Less than 1 year ☐ 2) 1-2 years ☐ 3) 3-5 years ☐ 4) 6 years and above ☐

## Section B: Financial management practices and service delivery

Please, use the scale below to answer the questions that follows by ticking the number that corresponds to your opinion.

5	4	3	2	1
Strongly disagree	disagree	Neutral	Agree	Strongly agree

## Section C. Financial Planning in Rukungiri Municipal Council (RMC)

	<b>Goal setting</b>	1	2	3	4	5
1.	RMC has set goals on road sector network					
2.	Stakeholders are normally invited to take part in selecting road sector expenditure priorities by RMC officials					
	<b>Budgeting</b>					
3.	RMC has included Road Sector service in its annual budget plan,					
4.	Stakeholders take part in financial resource allocation for the Municipal budget					
5.	Road sector is catered for in the municipal budget allocations					
6.	Road sector budget allocations are discussed by the sector committees					
7.	Road sector budget is approved by the Municipal council					
8.	Approved annual road sector budgets are distributed to all stakeholders					
	<b>Coordinating</b>					
9.	There is road sector coordination committees in RMC					
10.	Road sector programs budgeted for are jointly reviewed by stakeholders regularly.					

Do you have any comment(s) you would wish to make on the way the financial planning is carried out in RMC? Please specify

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#### Section D. Financial Accountability

	<b>Accounting System</b>	1	2	3	4	5
1.	I believe that good accounting systems improve on road sector service delivery in Rukungiri Municipality					
2.	RMC strictly follows accounting acts and regulations					
3.	RMC accounting system is very strong and operating very effectively					
	<b>Auditing System</b>					
4.	Officers of the Municipality who fail to account for road sector finances are always reported.					
5.	The RMC internal audit department is very strong in performing its duties					
6.	Municipal Audit department provides quarterly audit reports to the council					
7.	Auditors expose people who swindle road sector public funds					
8.	Auditors inspect road sector projects to assess value for money and report to the council					
	<b>Income &amp; Expenditure Reports</b>					
9.	Quarterly financial reports on road sector are produced regularly					
10.	Road sector final accounts are prepared at the end of the financial year					
11.	Financial statements are always prepared and filed					

Do you have any comment(s) you would wish to make on the way the financial accountability is carried out in RMC? Please specify

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#### Section E. Financial Controls in Rukungiri Municipal Council (RMC)

	<b>Authorization</b>	1	2	3	4	5
1.	Financial expenditure is always approved by top management					
2.	Accounts staff follow approved requisitions before payments are made					
3.	There is proper accounting policies and procedures to be followed in RMC					
	<b>Internal Controls</b>					
4.	There are strong and effective internal financial controls in Rukungiri Municipality					

5.	The internal financial controls in the Municipality are reviewed at the end of every financial year					
6.	The internal financial controls are strongly adhered to by the personnel in charge of finance in the road sector					
7.	The internal controls have helped to safe guard all the Municipal road sector assets and finances					
8.	Monitoring expenditure reports lead to improved financial management practices on road sector service delivery					
	<b>Monitoring</b>					
9.	I strongly believe that monitoring expenditure reports lead to improved financial management practices on road sector service delivery					
10.	Road sector monitoring in the Municipality is very strong and effective					
11.	There is active participation in monitoring all the road sector projects					
12.	Continuous monitoring of road sector projects helps in improving financial management practices					

Do you have any comment(s) you would wish to make on the way the financial controls are carried out in RMC? Please specify

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#### **Section F. Road Sector Service Delivery**

		1	2	3	4	5
	<b>Quality of Services</b>					
1.	The road sector infrastructure is of good quality					
2.	The Municipality has competent staff to deliver better road network services					
3.	The quality of road sector services provided has helped to improve service delivery in (RMC).					
4.	You always enjoy quality of road sector services rendered to RMC					
	<b>Timeliness.</b>					
5.	Most of the RMC road sector projects take long to be completed					
6.	There is always specified time for every road sector project					
7.	All payments are made after the works and services are completed.					
8.	RMC provides road sector services that last for a long time					
9.	The completed road network is regularly maintained,					
10.	RMC has enough road maintenance equipment's e.g Tractors, Graders.					
11.	RMC has a budget provision for road maintenance.					

Do you have any comment(s) you would wish to make on the way the road sector service delivery is managed in RMC? Please specify

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**Thank you for your time to fill this questionnaire.**

## **Appendix II: Interview guide for employees**

- i. Do you think the Municipality has financial management policies in place?
- ii. How is financial management carried out in your Municipality?
- iii. Has financial management practices supported you in measuring the level of road sector service delivery in the Municipality?
- iv. Are all stake holders and professional staffs involved in financial management?
- v. How is financial planning done in the Municipality?
- vi. Do you think Stake holders take an active part in budget preparation in the district?
- vii. Is the Road sector catered for in budget allocations?
- viii. Are there timely road sector budget performance reports in the Municipality?
- ix. Are Municipality Officers who fail to account for road sector finances of the Municipality reported?
- x. Are there any Income and expenditure reports at the Municipality?
- xi. Are there strong and effective financial controls in the Municipality?
- xii. Do you think the financial controls are strictly followed by all personnel concerned?
- xiii. Does the road sector have progressive reports on financial controls?
- xiv. Do you think the financial controls are useful to the Municipality road sector service delivery?
- xv. Have you had times when the beneficiaries complain on the accessibility and quality of road networks?
- xvi. Are there some barriers you have identified in trying to have road sector services accessible to the beneficiaries? If yes mention some?
- xvii. Do you know of any report on the quality of the road sector services provided by the Municipality? If yes, what are the findings?

**Thank you for your cooperation.**

### **Appendix III: Beneficiary Interview Guide**

Financial management practices and road sector services

- i. Are you aware that the government sends money to your Municipality to construct roads in the Municipality?
- ii. Are you satisfied with financial management practices towards road sector services?
- iii. Do you have any road constructed in your ward or division over the past 5 years?
- iv. If Yes, Did you bother to know the cost of constructing the roads in your division?
- v. Are you satisfied with the quality of roads construction?
- vi. Do you get satisfied with the quality of services given to you by the engineering and works staff?(Yes or no)
- vii. If No what made you not satisfied with their service?
- viii. What should be done to improve road sector service delivery in the Municipality?

**Thank you for your positive response**

#### **Appendix IV: Documentary review check list**

- I. Top management meeting minutes
- II. Audit reports
- III. Reports, minutes of meetings and other archival or file records
- IV. Documents related to budgeting
- V. Government Policy guidelines on budgeting
- VI. Road sector participation in budgeting process
- VII. Annual performance reports
- VIII. Development plans

## Appendix V: Reliability Results

### Case Processing Summary

		N	%
Cases	Valid	69	85.2
	Excluded <sup>a</sup>	12	14.8
	Total	81	100.0

a. Listwise deletion based on all  
variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.923	47

**Appendix VI: Table determining sample size from a given population**

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

Note: “N” is population size

“S” is sample size.

Krejcie, Robert V., Morgan, Daryle W., “Determining Sample Size for Research Activities”,  
Educational and Psychological Measurement, 1970.