



**FINANCIAL MANAGEMENT AND EDUCATION SERVICE DELIVERY
IN LOCAL GOVERNMENTS IN UGANDA: A CASE OF
BUSHENYI DISTRICT LOCAL GOVERNMENT**

BY

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DECLARATION

I JACOB KATO WARUFU do declare that this dissertation on Financial Management and Education service delivery in local governments in Uganda: a case of Bushenyi Local Government, is my original work and has never been presented to any other institution, University or body of Examiners for the award of any qualification. However, acknowledgement has been done for other people’s work that could have been referred to in this study.

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APPROVAL

This dissertation has been approved for submission as partial fulfillment for the award of the Master's Degree in Management Studies (Financial Management) of Uganda Management Institute. We certify that Jacob Kato Warufu has done this work under our guidance and supervision.

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Signed.....

Date

DEDICATION

This dissertation is dedicated to my wife Apophia and children Doris and Elijah who encouraged and missed me while doing this work. I also dedicate it to my late parents Warufu Stephen and Mable Nalongo (RIP) for laying a firm foundation for my education, and brothers for their support.

GOD BLESS YOU

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ACRONYMS

BLG Bushenyi district Local Government

CAO Chief Administrative Officer

CFO Chief Finance Officer

CG Central Government

CVI Content Validity Index

DEO District Education Officer

DIS District Inspector of schools

DV- Dependent Variable

IV- Independent Variable

LLG-Lower Local Government

LG- Local Governments

LGDP- Local Government Development Programme

MoLG- Ministry of Local Government

MoFPED- Ministry of Finance Planning and Economic Development

MoES- Ministry of Education and Sports

RDC Resident District Commissioner

SPSS Statistical Package for Social Scientists

UPE Universal Primary Education

USE Universal Secondary Education

UBOS- Uganda Bureau of Statistics

ABSTRACT

This study examined the effect of financial management on education service delivery in Bushenyi District Local Government. The general objective of the study was to examine how financial management influences education service delivery in Bushenyi District Local Government, and specific objectives of the study were to establish the relationship between financial planning and education service delivery in Bushenyi LG, to examine the extent to which revenue collection affects education service delivery in LG, and to find out how financial control affects education service delivery in BLG. The study was guided by the theory of agency as advanced by Stephen Ross and Barry Mitnick (1973). Financial management was taken as independent variable with dimensions of financial planning, revenue collection and financial control, while education service delivery was the dependent variable with dimensions of enrollment, school dropout, staffing, and education infrastructure. The study was carried out at Bushenyi district headquarters, and neighbouring sub counties. A case study and cross sectional research design, using both qualitative and quantitative research approaches in data collection and analysis was adopted. A sample size of 133 respondents composed of employees in Bushenyi LG and local population was used, and the response rate was 80.9%(107). The study found out that there was a moderate positive significant relationship between financial planning and education service delivery, that revenue collection to a lower but significant extent affects education service delivery, and financial control had positive significant influence on education service delivery in Bushenyi Local Government. It was also established that local revenue collection were inadequate, less funds are transferred to the district from central

government, and accountability is still poor. The study recommends that; financial planning should be more participatory, new measures to increase local revenues to be put in place, improving accountability for funds spent on service delivery, and the central government should increase funding to BLG.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Financial management is increasingly becoming a necessity for both public and private enterprises world over because it enables them to efficiently raise finances, allocate, use and control resources to achieve their goals (ACCA, 2008). In Uganda financial management is emphasized in both private and public organizations, and the government has been emphasizing it in all her departments and local governments to achieve better service delivery (UNDP, 2009) but a lot is still desired.

This study was about financial management and education service delivery in local governments in Uganda: a case of Bushenyi District Local Government. In this study financial management was conceived as the independent variable, and education service delivery as the dependent variable. Financial management was measured in terms of financial planning, revenue collection, and financial control. On the other hand education service delivery was measured in terms of enrollment, dropout rate, staffing, and education infrastructure specifically in primary education as illustrated in the conceptual frame work (figure 1).

This chapter consists of the background to the study, statement of the problem, general objective of the study, specific objectives of the study, research questions

and hypotheses, conceptual frame work, significance of the study, scope of the study, justification of the study, and operational definitions of terms.

1.2 Background to the study

1.2.1 Historical background

Financial management emerged towards the end of 19th century in the United States of America (USA), but all along, until 1890 it was a branch of economics. It has evolved through the traditional phase, transitional phase and the modern/current stage which is very interesting, dynamic and full of innovations each and every year that passes (Pandey, 2002). Since 1950's the traditional approach to financial management changed due to changing circumstances, and it shifted from episodic financing to managerial financial problems, that is; from raising funds for the organization, to efficient and effective use of funds. Pandey (2002) further asserts that this modern approach is an analytical way of looking into the organization's financial problems, and it is embedded with sound conceptual and analytical theories. Therefore management has a duty to ensure that funds are raised economically and used in the most efficient and effective manner (Pandey, 2002, Coombs and Heggins, 2001).

Globally there is an outcry to strengthen public sector performance, especially in fields of financial management, control, accountability, and financial planning, so as to improve public services (Kay, 2007). Most economies on the globe like; Brazil, Taiwan, South Africa, Kenya among others have been implementing public

sector reform programmes for almost 20 years to improve on service delivery. In Taiwan Local Governments are responsible for providing social services to the public, and advocate for greater autonomy from Central Government on how to use financial resources from central government, and local generated revenues (Kay, 2007). In many developing countries especially Africa, local governments still fail on efficient and effective use of funds and other resources at their disposal to provide basic services and goods to the population due to inadequate financial management (De muro, Salvatici, and Conforti 1998, Onyaach, 2007). However this remains a question under investigation for the case of Uganda.

In Uganda financial management is emphasized in both private and public organizations, and the government has been emphasizing it in all her departments and local governments to achieve better service delivery (UNDP, 2009) but a lot is still desired. The first post colonial governments had centralized powers, and service delivery was a full responsibility of the central government. Such powers were attained through the 1967 Constitution and enactment of the Local Administrative Act, 1967(LAA), which centralized most powers at National level. This created a lot of inefficiency in service delivery, because the local people were not involved, and very often they could be provided with service not of their priority and interest (Asimwe, 1989). This inefficiency in service delivery was worsened by political instabilities suffered by the country for more than two decades. Therefore when the National Resistance Movement (NRM) government came into

power in 1986, it found in place highly centralized government structures that promoted inefficiency in service delivery, ineffective utilization of resources, and poor financial control (MoLG, 2003). The government tried to follow the above policies, but later realized that they were not effective in service delivery, they then started public sector reform programmes especially decentralization, aimed at promoting efficient use of financial resources, accountability, and better service delivery (Asiimwe, 1989). The Public Sector Reform Programmes were adopted on advice of the IMF and World Bank, so as to improve service delivery, thus the central government had to decentralize and delegate most of its powers, duties and responsibilities on service delivery to lower local governments (Mushemeza, 2003).

The first step in decentralizing service delivery in Uganda was through Enactment of 1987 Resistance Council/committee (RCs) Statute 9, that legalized RCs and gave them powers over service delivery in areas of their jurisdiction (Asimwe,1989, Bashaasha, Najingo, and Nkonya, 2011). This was later followed by the enactment of the 1993 Resistance Council Statute, then enshrined in The 1995 Constitution of Republic of Uganda, and operationalised by The Local Government Act 1997. This Act established and legalized Local Governments (LCs) at different levels, that is; District/city level (LCV), Division/county (LCIV), sub county/town council (LC3), Parish (LC2) and Village levels (LC1). It made them corporate bodies and empowered them politically and economically to provide services to the population in areas of their jurisdiction. (Bashaasha et el 2011, Jenifer, 2010). From 1997 LGs

assumed full responsibility of service delivery to public, in partnership with Central Government, but to date the services provided are still poor, and a lot of issues need to be addressed on how LGs manage financial resources despite having a number of legislations on financial management like; Public Finance and Accountability (2003), Local Government finance and Accounting Regulation (2008), Local Government act, 2001(amended 2008) among others.

1.2.2 Theoretical background

This study was guided by the principal-agent theory, also referred to as the agency theory. This theory emerged around 1960's, but was not well studied and documented until 1970's. There is no clear literature as to the origin of Agency theory, but the first scholars who proposed the operationalisation of the theory were Stephen Ross, and Barry Mitnick in 1973, (Shapiro and Susan, 2005). Ross put forward the economic theory of Agency, while Mitnick, the Institutional theory of agency. The two scholars put forward key concepts of the theory, which were later developed by other scholars in social science and economics like; Arrow in 1985, Stiglitz 2002 among others. This theory therefore deals with the problem of designing mechanism that will induce agents (stewards) to act in their principal's interests. Most agents tend to pursue their own goals and interests contrary to the wishes and interests of their employers (principals) in an organization. The Principal has a duty of providing inducement to agents and must cooperate and assist them to perform their duties and monitor their activities, while agents have a

duty of accounting, performance, obedience and loyalty to their Principal (Kubasek, Browne, and Brennan 2003:189). This implies that Central Government and the general public (as Principals) have a duty of Cooperating and assisting Local Governments to perform their primary duty of service delivery. This study assumed Local government as agents, who are accountable to the central government and local population as their principals while delivering education services to the public. The agents (local government) have to plan and account for resources used in education service delivery.

1.2.3 Conceptual background

Financial management has been defined differently by various scholars, (ACCA, 2008) defines financial management as an efficient acquisition and deployment of both short term and long term financial resources so as to achieve the objectives of the enterprise. Likewise, Mohsin (2002) observes that financial management involves three important functions of; financial planning, financial control, and coordinating, and that financial planning is the core of all the three. Therefore throughout this study financial management was taken as financial planning, revenue collection, and financial control.

Apollo (2010) in his study on An assessment of financial resources management and its effects on service delivery in Kampala City Council(KCC), observes that; in local government setting, financial planning involves setting goals, budgeting, and making forecasts for revenues and expenditure. This is supported by (Chandra 2004, Anwar 2007) who assert that financial planning and budgeting go hand in

hand and the process is a key area of decision making in which interests of various groups confront each other. But generally financial planning is the determining of financial policies which act as guidelines for an organization to achieve its goals and objectives

Lance (2002) defines Service delivery as supplying citizens with basic services demanded by the entire community, especially education, health care, road maintenance, urban sanitation, security, street lights among others. She argues that provision of public goods/services is the primary role of every government, and this is supported by Dumba (2004). This study focused on services delivered by LG to citizens' mainly public primary education. Throughout this study it was perceived that financial management variables especially financial planning, revenue collection, and financial control, influence education services delivered to the public, such that if they are effectively utilized they may lead to better service delivery, and the reverse is also true.

1.2.4 Contextual background

The Local Government Act, 1997 (as amended 2008) empowers LG to collect resources, plan, control and use resources properly to improve the welfare of the population in the areas of their jurisdiction through provision of services. Also the Public Finance and Accountability Act (2003) together with article 152 of 1995 Constitution of Uganda ensure that financial resources are utilized efficiently so as to achieve better service delivery to the public. Despite the above measures in place

to ensure fiscal discipline and proper use of financial resources, there is still financial mismanagement in many LGs (World Bank, 2005), this could be due to the fact that fiscal decentralization was introduced in a hurry without properly equipping and training the local government personnel to handle such large sums of money. As a result in most local governments there have been instances of financial mismanagement, poor financial planning, low revenue collection and misuse of funds, poor control and accountability, leading to poor quality services delivered to the public by LGs (MoFPED, 2009). However this remains a question under investigation for the case of Bushenyi LG. In the recent past the central government has more than doubled the number of local governments (districts) to about 114 districts (UBOS, 2011) as a way of empowering people and bringing services closer to the population. In addition it has tried to increase on the amount of financial resources advanced to local governments. Despite such efforts, public service delivery has not improved in many local governments (UNDP, 2009, Onyaach-Olaa, 2007) and the researcher suspects that this could be related to the way these local governments are managing their financial resources. For instance (The New Vision, 9 May 2011) reported of; Kaliro residents complain of poor education services, that there are only fourteen 1st grades in the whole district with more than 40 primary schools.

In Bushenyi LG, the quality of services delivered seems not to be good; “Key challenges faced are poor quality services provided in education and health sectors, low revenue base, low value for money spent...” (District Development Plan: 2011-

2016: 48), yet Bushenyi is among the few districts in the country that were decentralized first to improve education service delivery, and has been receiving substantial amount of funds from central government (MoFPED,2009). There are a number of financial mismanagement incidences that have been reported in the media in the recent past mainly; poor planning, poor financial control and accountability, and low value for money on public expenditure, all which may adversely affect the quality of education services delivered. For example (The Daily Monitor, 14th June 2011), reported of Bushenyi District LG being sued by Activists demanding them to account for Ug. Shs 900 million on a construction of a sports stadium that does not exist. Likewise (The New Vision, 12 Jan 2010) reported that some primary schools in Bushenyi District have spent four months without teachers, all these indicate that there could be a problem in financial management and education service delivery.

1.3 Statement of the problem

A number of measures have been put in place by central government to promote good financial management in local governments in terms of financial planning, revenue collection and financial control so as to ensure better and efficient education service delivery to the public. This has been enhanced through enactment of The Public Finance and Accountability Act (2003) which emphasizes proper control and utilization of public funds, Local Government Act 1997 (amended 2001 &2008) and other legislations as enshrined in 1995 constitution. Despite

these measures in place, education service delivery seems to be poor in Local Governments (World Bank: 2005). Most Local governments in Uganda are still failing to properly control resources at their disposal to improve education service delivery.

Of recent, Bushenyi district LG has been increasing the amount of financial resources for improvement in education service delivery mainly (District Approved Budget Estimates 2011/12), but education service delivery seem to remain low with 28% of pupils not enrolled in primary schools in the district as compared to national rate of 36%, and those enrolled 30% drop out before completing primary seven in the district compared to national dropout rate of close to 40%, presence of inadequate infrastructure in schools, and high student teacher ratio (District Development plan 2011-2016, UBOS 2010). The causes for this inefficiency in education service delivery could be poor financial planning, poor revenue collection, and poor financial control. This situation if not controlled could lead to increased poverty, retarded development, high crime rate, high levels of ignorance, among others, thus need for this study on financial management and education service delivery in Bushenyi district local government.

1.4 General objective of the study

The general objective of the study was to examine how financial management influences education service delivery in Bushenyi local government.

1.5 Specific Objectives of the study

1. To establish the relationship between financial planning and education service delivery in Bushenyi local Government.
2. To examine the extent to which revenue collection affects education service delivery in Bushenyi local government.
3. To find out how financial control affects education service delivery in Bushenyi local Government.

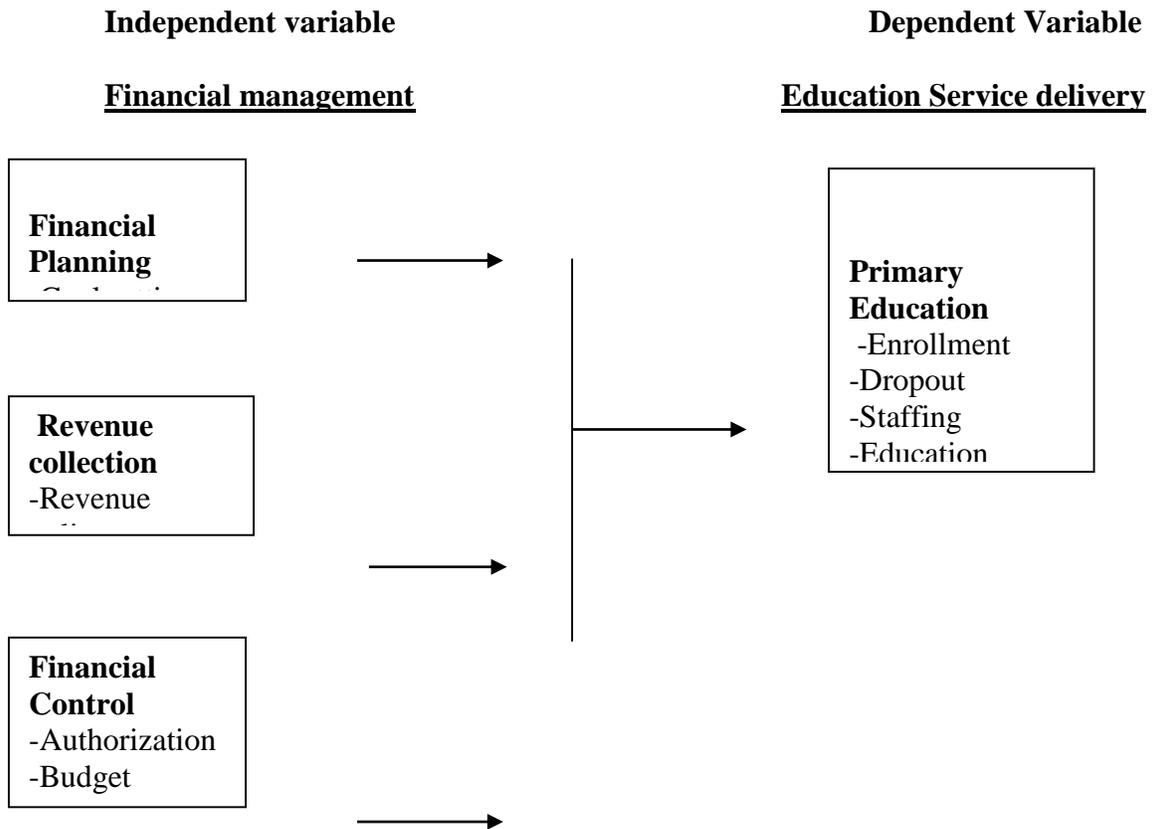
1.6 Research questions

1. What is the relationship between financial planning and education service delivery in Bushenyi district local government?
2. To what extent does revenue collection affect education service delivery in Bushenyi local government?
3. How does financial control affect education service delivery in Bushenyi local government?

1.7 Research hypotheses

1. There is a significant positive relationship between financial planning and education service delivery in local Governments.
2. Revenue collection significantly affects education service delivery in Bushenyi local government.
3. Financial control significantly affects education service delivery in Bushenyi local government.

1.8 Conceptual frame work



Source: adopted from Apollo (2010: 14) and modified by the researcher.

Figure 1: Conceptual framework showing the relationship between financial management and education service delivery.

The conceptual frame work above shows a hypothesized relationship between financial management and education service delivery. Financial management was taken as Independent Variable (IV) with dimensions of financial planning, revenue collection and financial control. On the other hand education service delivery was the dependent variable (DV) measured in dimension enrollment, school dropout, staffing and education infrastructure. It was assumed that when the dimensions in

the (IV) are properly operationalised, it would lead to efficiency in education service delivery in Bushenyi LG, indicated by increased enrollment, low rates of school dropout, low student to teacher ratio, and improved education infrastructure. Likewise if there was poor operationalisation in financial management dimensions it would lead to poor education service delivery in the district indicated by low school enrollment, high dropout rates and low levels of completion, inadequate staff in UPE schools and poor educational infrastructure. Therefore, in this study it was perceived that any change in dimensions of financial management above influences education service delivery to public in Bushenyi LG.

1.9 Significance of the study

The research findings would help the government i.e. both the central & local government to improve the education services provided to the population, through proper financial planning and revenue control.

The findings of the study would enable policy makers, planners and economists especially at national and district level to make informed decisions and plans based on researched information made available by this study.

To the research community, the findings of the study would form a basis for future research on how to improve service delivery in local government, especially by identifying the knowledge gaps for future research. Besides, it would add on the existing knowledge about education service delivery particularly in Bushenyi LG.

1.10 Scope of the study

1.10.1 Geographical scope:

This study was carried out in Bushenyi district local government. Bushenyi district is found in south western Uganda, and borders Sheema district in the East, Buhweju in North East, Rubirizi in the North, and Mitooma district in west and South West. This district was chosen because there are limited studies on financial management in relation to education service delivery, besides there were gaps which need to be addressed in education service delivery. Bushenyi district is composed of three constituencies that is Igara West, Igara East, and Bushenyi-Ishaka municipality, with 9 sub counties, and 3 divisions within the municipality, and has total population of 240,150 people, of which 117,000 are male and 124,500 females (UBOS, 2011). Samples were picked from district headquarters within Bushenyi-Ishaka Municipality, and outside the municipality especially service consumers

1.10.2 Content scope

The study examined the topic; financial management and education service delivery in local governments in Uganda: a case of Bushenyi district Local Government. The study was restricted to financial planning, revenue collection, financial control, and education service delivery as the only study variables.

1.10.3 Time scope

The study analyzed financial management in relation to the service delivery for a period of five years from 2008–2012. This period was chosen because it is when

the government increased significantly funding to local government for service delivery.

1.11 Justification of the study

Despite the various government efforts and interventions to improve service delivery to the population through fiscal decentralization, enactment of various laws, legislations and other reforms, public services have not improved in many local governments (MoFPED, 2009). There is public outcry across the country for the government to provide quality education services to the masses (UNDP, 2009), and lot is still desired in terms of quality, staffing, infrastructure, coverage, value for money, financial control and planning, thus need for this study to be carried out on Financial Management and Education Service Delivery in Bushenyi district LG.

1.12 Operation definition of terms

Service delivery; intangible products consumed by the general public especially education service delivery.

Financial management; refers to aspects of financial planning, revenue collection, and financial control.

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

Revenue collection; refers to assessment, collection of financial resources/receipts by the LG from both internal and external sources.

Financial control; 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, budget control, financial audit, and accountability.

Budgeting; the process of estimating the incomes and expenditure for a given period in an organization.

Central government; government at national level.

Local government; sub-national government/authority at lower levels, mainly at district level, municipal/city division, sub county level, and village level.

Accountability, In simple terms means showing how one has executed a task assigned to him or her by another. It thus means giving a feed back on what was done, how it was done.

Financial Accountability, It is a means of ensuring that public money has been used in a responsible and productive way so as to properly deliver education services. It involves giving a written report, and feed back to the authority that delegated you to utilize the funds.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examined the related literature to the study. It involves theoretical review, conceptual review, actual literature review, and a summary of literature review. The actual literature was reviewed objective by objective, and the sources of literature reviewed include; secondary sources especially text books, journal, newspapers, research dissertations, Government reports and publications, and primary source especially pilot study that were carried out.

2.2 Theoretical review

This study was guided by the Agency theory, also referred to as the principal-agent theory. It was developed by Stephen Ross and Barry Mitnick in 1973 independently and concurrently (Shapiro, Susan: 2005). Ross pioneered the economic theory of Agency, and Barry the institutional theory of Agency, but the two approaches have similar concepts, and are complementary of each other, however they can be used under different assumptions. Mitnick observed that institutions form around Agency and evolve to deal with imperfection of Agency relationship. He argues that Agents have a problem of selecting what principal's want without knowing their preference. Agency theory therefore deals with the problem of designing mechanism that will induce agents (stewards) to act in their principal's interests (Baiman, 1990). Most agents tend to pursue their own goals and interests contrary to the wishes and interests of their principals in an organization.

Ayee (2008) argues that the principal-agent relationship is a constitutive of state institutions, in particular public policy making in a democracy. He observes that the public policy making process and implementation of policies in public sector,

involves the problem of typical principal-agent relationship, in that there are attempts of the population as principals to monitor the efforts of politicians and bureaucrats as their agents, to see whether they live up to the terms of the contract agreed upon. In Bushenyi local government the above observation is real because on many instances the local population is always keen to know and monitor the activities and behavior of their agents/politicians as far as service delivery is concerned.

According to Ayee (2008), the principals must solve two basic tasks in choosing their agents i.e. selecting the best agent, and creating inducement for them to behave as desired. However they are challenges since the principal can never know everything about their agent. Principals can never be sure of knowing full details of the agents' performance, and are always at the information disadvantage (Arrow 1985, Shapiro and Susan, 2005). This information disadvantage by the principals over their agents in local governments tend to create a number of challenges in financial management like poor accountability, inadequate control and financial mismanagement because the principals don't know in detail what their agents are doing, and this compromises the quality of services delivered to the public (Mitnick 2011, Browne, Brennan & Kubasek 2003). Anwar (2007) further asserts that strong budgeting institutions and environment surrounding the budget process can promote fiscal discipline and promote accountability of politicians (agents), thus controlling the principal-agent problem in public finances.

In local government this theory can be manifested in the following ways; the central government (principals) versus local governments (agents), Voter/public (principals) versus elected local government officials (agents), elected officials (councilors) as principals versus technocrats and bureaucrats (Answar, 2007). Other example, of principal agent relationship include; lawyer-client, employer-employee, seller-buyer relationships extra. But any delegation of authority gives rise to this problem (Baiman, 2006).

This theory is applicable in this study since there are various parties and stake holders with local government in service delivery to the population. Besides Local governments have specific responsibilities, duties and obligations assigned to them by the central government as enshrined in The 1995 Constitution of Republic of Uganda, Local Government Act 1997,(as amended 2001,2008), implying that local government perform their duties as agents of the central government and local population/voters who are their principals.

2.3 Financial management and education service delivery in local government

2.3.1 Financial planning and education service delivery

Financial management is increasingly becoming a necessity for both private and Public organizations world over, and this is because, it enable organizations to achieve their goal, and promoting efficiency in use of financial resources (ACCA, 2008). In LGs it is believed that better financial management results into better services delivered to the public, which is their primary goal. Dumba (2004) observes that the role of government is to provide socio-economic infrastructure especially health care, education, roads, security and defence among others. It's also responsible for providing goods not adequately provided by the private sector like; urban sanitation, water, and street lights. The local Government Act (1997), Local Government Finance and Accounting Regulation,2007, in line with article 152 of 1995 constitution ensure that local governments properly plan, and budget for the local revenues to ensure sound and efficient 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 farther 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.

Anwar (2007) says that planning involves budgeting. He defines a Government Budget as a record of the revenues and expenditure estimates of the government during a given period of time. It shows what the government intend to do in given period, and how it intends to finance those activities. He observes that the budget comes up as a result of the budgeting process. Dumba (2004) asserts that the purpose of the budget is to achieve monetary and fiscal policies especially; raising government revenues for financing social services, controlling inflation, achieving equitable distribution of income, and protection of infant industries.

Financial planning enable 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 local governments have to practice proper financial planning to reduce uncertainties that are common especially shortage of fund for recurrent expenditures like purchase of drugs in health facilities, payment of service providers extra, otherwise such could negatively affect service delivery (Higgins 2001, Kay 2007). Higgins (2001) further argues that financial planning involves preparation of financial statements mainly the budget forecasts, 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 budget preparation 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.

2.3.2 Revenue collection and education service delivery

Under the Local Government Act (1997), amended 2001, and 2008, the district and sub counties, town councils, municipalities and city divisions were made corporate bodies separate from central government, and as such they had full autonomy on their budgets, plans and don't need budget approval by the minister. Also they are capable of suing and can be sued in courts of law. The Ugandan Constitution(1995), and the local Government Act 1997, empowers local governments to raise local revenue from a range of specific sources like; Graduated Taxes, market duties, local service tax, trading licenses, property rates, hotel taxes extra in order to finance the delivery of decentralized services to the population. In addition the central government supplements local revenues for better service delivery with three major types of grants; Unconditional grant i.e. involves a minimum grants that shall be paid to local governments to run decentralized services,

Conditional grant i.e. money given to local governments to finance programs agreed upon between the central government & local government, and Equalization grants i.e. the money paid to the local government that are lagging behind the national minimum standards for a given service.

Bashaasha, Najingo, and Nkonya (2011) observe that LGs in Uganda are currently obtaining finances from four major sources namely; Local generated revenues like

licences, local service tax, parking fees, hotel tax extra, Central government grants, donors and NGOs funding specific activities and projects for a specified period of time, and Fund- raisings from well-wishers. Of all the Central government transfers constitutes the biggest proportion of LG revenues which is close to 95% in most LGs (Onyach Olaa, 2007). This implies that there is an urgent need to increase local revenues collected so as to reduce financial dependence of LGs on central Government transfers, otherwise service delivery may be compromised since these transfer normally delay and have a lot of restrictions on their utilization as observed by (Bashaasha et el 2011, Lance 2002, and Local Government Finance Commission2003). Herridge (2002) observes that LGs in Uganda face a critical challenge of low financial resource base due to limited sources of local tax revenue, and over dependence on CG transfers, besides most activities performed by LGs require adequate financial resources. He cited other challenges facing LGs, as shortage of qualified and experienced staff, limited training opportunities for staff, low morale and facilitation of LG staff, and corruption where the local elite capture decentralized power and miss use it on the expense of the most vulnerable groups and masses

The Local Government Finance Commission, in their study on; Revenue Collection Methods in Local Governments, carried out by Price Water Coopers(2003), found out the following; there is need for local governments to increase sensitization of masses to pay taxes, the local governments have to promote transparency and accountability to the tax payers so as to motivate them to pay more taxes, and that Some local governments were using poor methods of tax collection which were oppressive and unfriendly to the population, for instance in collecting former graduated tax. The study further observed that if these local governments keep over relying on funds transferred from central government, it would negatively affect transparency, service delivery, and decentralization policy in the country, (Lance, 2002, Bashaasha et el 2011). This implies that there is need to economically empower local government to reduce over reliance on central government in order to promote service delivery and transparency in financial resource management (Herridge, 2002).

2.3.3 Financial control and education service delivery

Stonner (2002) defines financial control as the process of regulating organization's financial resources and activities such that actual performance conforms to the standards set. Koontz and Heinz (2003) argue that the task of control is to make plans succeed; and normally control must reflect plans, and planning precedes control. They further observe that a budget is a widely used device for managerial control, and argue that budgeting is the formulation of plans for a given future period in numerical terms. Mohsin (2002), also assert that financial control must

complement financial planning, and that the control function is composed of four distinct phases i.e. determination of operational standards, evaluation of the enterprise progress in relation to pre determined standards, investigation of organization financial function and taking corrective action in event of deviation, and lastly follow up actions by the executive personnel to ascertain whether corrective actions are effective. On many instances local governments in Uganda have had inadequate financial control that has made their plans fail, despite having good plans and substantial amount of funds at their disposal for service delivery (Onyach-Olaa, 2007). For instance the (Daily Monitor 14, June 2011), reported of Activists Suing Bushenyi Authorities over stadium Fund, “Activists sued Bushenyi Local Government demanding them to disclose information pertaining to shs 900million expenditure on construction of a sports stadium that does not exist”. They went on to argue that the funds are tax payers’ money necessitating value for money and timely services, proper control and accountability. From this article, one observes that planning could have been done properly but it is more likely that problems arose from financial control aspect, especially controlling expenditure, supervision and monitoring during the implementation of the planned project, however this remains a question for investigation.

The Public Finance and Accountability Act (2003), provides a frame work for regulating public funds by Government, and describes the responsibilities of persons/officers entrusted with management of government funds on behalf of the people, and regulates borrowing of funds by government. This Act is

complemented by Local Government Finance and Accounting Regulation (1998 and 2008). All of which give clear guidelines and details on how LGs can ensure sound financial management and control for effective service delivery to the masses.

2.3.4 Summary of literature review

From the literature reviewed above, it can be observed that; financial management refers to efficient acquisition and deployment of both short term and long term financial resources to achieve the goals of an organization ACCA (2008). Many LGs have failed to provide better education services to the public which is their primary goal due to inadequate financial management and control (Onyach-Olaa, 2007, MoFPED, 2009). They also face a critical challenge of low financial resource base, over dependence on central government transfers, poor financial control and accountability, low value for money spent, which effects negatively education service delivery, Local Government Finance Commission (2003), (Onyach Olaa, 2007, Bashaasa et el (2011).

Though a number of studies were carried out on service delivery in relation to local governments, those addressing financial managment are still limited, even those existing, were done in a different geographical setting other than Bushenyi Local Government, at different time and using different methods. This study therefore was carried out to address the knowledge gap existing as far as financial

management and education service delivery is concerned in Bushenyi district local government.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter explains the methods and procedures that were used in carrying out the study on the topic; financial management and education service Delivery in local governments in Uganda: a case of Bushenyi District Local government.

It contains the research design, population under study, sample size selection, sampling strategies/techniques, data collection methods and instruments, validity and reliability, data collection procedures, data analysis, and measurement of variables.

3.2 Research design

The study used a case study and cross-sectional research designs. A case study research design was used because it enabled the researcher to critically study/analyse a small sample, besides it takes place with minimal interference of natural flow of work in the organizations' environment. On the other hand, a Cross-sectional research design was used because the researcher was able to collect data once across all corners of the population of interest in the study. These designs were adopted in that they are relatively cheaper in terms of time and cost as observed by (Mugenda, 2003, Sekaran, 2004).

Both quantitative and qualitative research approaches for data collection and analysis was used in this study. According to Mugenda (2003), the two approaches supplement each other, and they help to reduce bias in each approach. Amin (2005)

argues that triangulation enables the researcher to have a deeper analysis using the inductive and deductive approaches through qualitative and quantitative perspectives, which enable the researcher to analyze data from all angles, and give a more concrete and realistic description of the findings. Qualitative approach helps in interpreting peoples' opinions, perceptions, and attitudes to give a deeper understanding into the problem under investigation.

3.3 Study population

The study population of 150 respondents was used, composed of Employees in Bushenyi District local government, mainly staff in finance, and education departments, local leaders and local people within the district. The employees were selected because the researcher believed that they were more knowledgeable and informed about the topic under investigation, while local leaders and local people were included because they were the consumers of education services provided, and therefore were able to give independent opinions on the actual state of education services delivered by Bushenyi Local Government.

3.4 Sample size and selection

The study targeted a sample of 133 respondents. This sample size was selected using both probability and non probability method, basing on mathematical approach advanced by Morgan & kerjcie (1970). The Krejcie size table was preferred to other techniques due to its simplicity in use, since the only information required when using it is the size of the population. This sample was drawn from employees at the district headquarters and local population in neighbouring

communities so as to clearly represent the entire district; where by staff from education departments were 44 respondents, 14 from finance department, 19 local leaders and 56 local people selected randomly to represent the service consumers. In addition 4 key informants were interviewed to supplement data from the above respondents. The details of the target population, sample size, and sampling technique are given in table 3.1 below.

The table 3.1; shows target population, sample size, and sampling techniques used in the study

Category of respondents	Population size(N)	targeted Sample size	Sampling technique
Finance staff	14	14	Purposive sampling
Education staff	50	44	Simple random sampling
Local people	66	56	Simple random sampling
local leaders	20	19	Simple random sampling
Total population	150	133	

Source: adopted from Bushenyi district local government population office and modified by the Researcher according Morgan & Krejcie, (1970) as adopted from Amin, (2005)

3.5 Sampling techniques and procedure

This study used both probability and non probability sampling techniques. In probability sampling, simple random sampling was used, while purposive sampling was used for non probability sampling.

3.5.1 Simple random sampling:

In this sampling technique every element/member in the population had equal chances of being selected to participate in the study. This technique was used because it avoids bias, and is easy to use. Neuman (2006). It was used to select respondents in education department, local people, and local leader.

3.5.2 Purposive sampling;

Purposive sampling strategy was used in this study, because it enabled the researcher to use cases in the population that have the required information, as argued by (Mugenda 2003; Neuman 2006). In purposive sampling the researcher approached those respondents that were more knowledgeable about the problem under investigation thus enabling him not to waste time and resources on respondents with less/no information on the problem. It was used on staff in finance department and key informants especially the CFO, Deputy CAO, District Inspector of Schools (DIS) and LC V executive.

3.6 Data collection methods

The researcher used both quantitative and qualitative data collection methods. Quantitative data was collected through questionnaire, and documentary review, while on qualitative data, interview and observation method was used.

3.6.1 Questionnaire survey

The researcher used a questionnaire survey method to collect data from respondents especially staff in the finance and education departments, plus the local population. In this method, respondents were given a questionnaire consisting of a set/number of inter related items about the research objectives and questions from which they could select their opinion. A questionnaire is essentially a structured technique of collecting primary data, and it involves a series of written items from which the respondents have to provide the answer, Bell (1999). This method was advantageous in that it enabled the researcher to collect large amount of data from many respondents in a short period of time, enabled respondents to participate in the study at their convenience, because they were able to answer any time and in any place. Besides the method is economical in terms of cost (Mugenda, 2003, Amin, 2005, Yuko & Onen 2010).

3.6.2 Interview method

The researcher used face to face interviews with key informants like; CFO, Deputy CAO, DIS, and LC V executive. In this method the researcher asked a number of questions to key informants who responded freely by giving their opinions, perceptions and views on the problem under investigation. This method was used because it provides in-depth data, is more flexible, and yields a higher response rate (Amin; 2005, Mugenda: 2003, Sekaran: 2004). It also enabled the researcher to get answers on questions of how? Why? and what?, which may not be easily got by other methods.

3.6.3 Documentary Review Method

The researcher reviewed financial management documents. The documents accessed were public documents especially district development plans, education annual work plans, budgets, archival records, personal documents, professional conference papers, journal libraries, electronic journals and research dissertations. These documents reviewed past financial reports, performance of education sector in the district, among others which enabled the researcher to get information that was related to the variables in the study. Sekaran (2003) classifies these documents as secondary sources of data collection method and argues that this method saves time and reduces the cost of gathering information.

3.6.4. Observation method

In this method of data collection, the researcher used his eye/vision to see/observe what was happening in real life situation. The researcher therefore visited facilities providing services especially UPE schools with in Bushenyi district, observed and recorded what was happening, especially the state of infrastructure, instructional materials used and general learning process without participating in the activity. This method enabled him to collect first-hand information which was more reliable, discover more while observing, and it was also not expensive as observed by Amin (2005).

3.7 Data collection instrument

The researcher used the following data collection instruments; the questionnaire, interview guide, observation checklist, and documentary review checklist.

3.7.1 The questionnaire

A self administered close- ended questionnaire was used to collect primary data from the staff in the finance, education department, plus local leaders and local people. A questionnaire based on a five Likert scale of Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D), and Strongly Disagree (SD) was designed by the researcher, and then administered to the above respondents by the researcher with the help of a research assistant. This questionnaire was divided into five section i.e. section A,B,C,D and E; to provide demographic information, data on

financial planning, revenue collection, financial control, and data on service delivery respectively.

3.7.2 Interview guide

Unstructured interview guide was designed and used by the researcher to collect qualitative data from key informants in the district. It had key items/questions that were asked to key respondents and then it was filled by the researcher while conducting a face to face interview. This instrument according to Sekaran (2004) enabled the researcher to collect rich and detailed data, get more clarifications, and it enabled him to establish rapport and motivate respondents to answer questions. Yuko & Onen (2009) argue that this instrument enables the researcher to collect data that can't be written, and to capture meaning beyond words, and it yields a high response rate. The researcher used the interview guide as seen in (appendix 2) to supplement data got from questionnaire and get more clarification on variables under the study especially financial management, and education service delivery in Bushenyi local government.

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, and the quality of education services delivered by Bushenyi District Local Government. This was achieved through a review of district development plans, budgets estimates, minutes of

meetings, work plans and other records from the archive so as to find out how financial planning, revenue collection and financial control was done in the district.

3.7.4. Observation checklist

Observation checklist Refers to a detailed list of behaviors to be observed. Therefore during observation the researcher checked each behavior at the school and then recorded the behavior as it occurred. The researcher used this instrument to observe whether pupils were present in UPE schools, teachers were available and enough compared to the number of students, to observe the state of education infrastructure especially classrooms, staff houses, sanitary facilities within the schools, and the general learning environment.

3.8 Validity and reliability

3.8.1 Validity

Validity refers to the extent to which research results can be accurately interpreted and generalized to other populations. It is the extent to which research instruments measure what they are designed to measure (Oso & Onen, 2008). In simple terms Validity is the relevancy of research instruments in relation to the research topic, objectives and questions.

In this study, validity was achieved by establishing content validity. The researcher achieved content validity by using the experts to assess the validity of the research instrument. The experts especially research supervisors and consultants from UMI were given data collection tools to assess whether the items in the instruments were

valid in relation to research topic, objectives, and questions. From the instruments they declared some items valid and others invalid. Those declared invalid were dropped, others adjusted, while the valid ones were maintained. Then content validity index (CVI) was computed by dividing the number of items declared valid by total number of items/questions in the data collection instrument.

$$\text{CVI} = \frac{\text{number of valid items in an instrument}}{\text{Total number of items in an instrument}}$$

Total number of items in an instrument

Table 3.2 shows the content validity index (CVI) of the research instruments

Variables	Total items	Valid items	CVI
Financial planning	10	08	.80
Revenue collection	13	10	.77
Financial control	11	09	.82
Service delivery	12	09	.75
Total	46	36	Average=0.785

Source: primary data

Therefore, CVI =0.78.5 (78.5%).

From table 3.2, CVI was 0.785(78.5%), and this was very good. According to Waner (2005), as cited in Barifaijo, Basheka and Oonyu (2010), if the CVI is greater than 0.7, then the instrument is said to have a high content validity.

3.8.2 Reliability

Reliability refer to the dependability or truth worthiness of a measuring instrument; it is the degree to which an instrument consistently measures whatever it is measuring and produces similar results if repeatedly used on same respondents under similar procedure (Amin:2005, Mugenda:2003). Reliability in this study was achieved by estimating the internal consistency, where by questions measuring the same concept, for instance questions on financial control and service delivery are grouped together and pre-tested. Then the responses from respondents were correlated using computer aided Statistics Package for Social Scientist (SPSS) to determine the Cronbach's Alpha. If the Alpha coefficient was close to one (greater than 0.7) the instrument was taken have a high reliability according to Mugenda and Mugenda (1999). Table 3.3 below shows reliability of instruments.

Table 3.3: shows Reliability of research instruments

Variables	Alpha	Number of Items
Financial planning	.808	08

Revenue collection	.673	10
Financial Control	.840	09
Service Delivery	.670	09
Average	.75	36

Source: primary SPSS data

** Overall reliability= $2.991/4 = 0.75$ (75%)

The table 3.3 shows reliability of instruments on different variable, with an average Alpha of 0.75(75%), and this was good enough for the study according to Mugenda & Mugenda (1999).

3.9 Data collection procedure

The researcher after designing and pre-testing data collection tools obtained a letter from UMI introducing him to the district authorities. He then approached the CAO and requested permission to collect data from the district/organization after explaining the purpose of the study. Upon being allowed he contacted some respondents to build rapport with them and make appointment. Then he went back on an appointed date and administered questionnaires assisted by a research assistant. Then questionnaires that were filled that day were collected, while those that were not completed were collected later as agreed with respondents. During the time of administering questionnaires, the researcher also contacted key informants, and made appointment with them for an interview. Then he went back again on the agreed dates and conducted interviews, using the interview guide.

For observation method, the researcher visited the facilities providing education services specifically UPE schools with his observation check list which he was filling basing on what was observed on education services delivered.

3.10 Data analysis

3.10.1 Quantitative data;

Quantitative data collected was first edited to ensure that all items/questions were answered, then it was coded, sorted, presented, analyzed and interpreted using descriptive statistics especially mean, standard deviation, graphs, and pie charts. Also inferential statistics like Pearson correlation was used to establish the relationship between variables, and testing hypotheses, while linear regression was used in trying to find the contribution of each predictor variable on the dependent variable. This analysis was done using a computer package of Statistical Package for Social Scientists (SPSS).

3.10.2 Qualitative data

This data was first written, coded and then analyzed using content analysis and thematic analysis. Content analysis is the reading and re-reading of transcripts/data with the aim of establishing similarities, differences so as to develop themes, while in thematic analysis data is analyzed theme by theme.

3.11 Measurement of variables

A variable is an element that take more than one form, and which a researcher measures, controls and manipulates. In this study, the researcher used nominal

scale and ordinal scale to measure variables. Nominal scale was used only to classify a variable without indicating order, distance. This was used only for identification but does not allow for comparison of variables being measured, e.g. gender, age, and experience among others. The ordinal scale indicates magnitude and order of variables, present relative order, position, and relationship. Therefore a five Likert scale was used to measure responses of respondents in the questionnaire based on continuum of; Strongly Agree(5), Agree(4), Undecided(3), Disagree(2), and Strongly Disagree(1) as shown in table 3.4. This scale enabled respondents to give their views, opinion and attitudes and perceptions about the concepts, on the problem being investigated.

Table 3.4 shows the 5-likert scale (ordinal scale) used to measure responses

Strongly Agree(SA)	Agree(A)	Undecided(UN)or Neutral (N)	Disagree(D)	Strongly Disagree(SD)
5	4	3	2	1

Table 3.4 shows the 5-Likert scale (ordinal scale) used in measuring responses of respondents.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

The study was set to examine how financial management influences education service delivery in local governments in Uganda, using a case of Bushenyi district Local Government. This chapter presents, analysis and interpretation of data collected from Bushenyi LG headquarters and surrounding areas, using methods explained in chapter three/methodology(above). It contains the response rate, demographic information of respondents, and findings according to objectives of the study and research hypotheses. Results on objectives and hypotheses are presented using descriptive and inferential statistics

4.1 Response Rate

One hundred and thirty three (133) questionnaires were distributed to respondents and four (4) key informants were targeted. Out of the 133 questionnaire, one hundred and seven (107) were returned fully completed, giving a response rate of 81%. In addition all four (4) key informants targeted were interviewed to supplement quantitative data from the questionnaire. The details are shown in the table 4.1.

Table 4.1: Shows the Response Rate of Respondents in the Study

Category of Respondent	Population size(N)	Targeted Sample Size	Actual Respondents	Percentage (%)
Finance staff	14	14	12	85.7
Education staff	50	44	33	75
local people	66	56	47	83.9
local leaders	20	19	15	78.9
Total population	150	133	107	80.89

Source: primary data

Table 4.1 shows that, a good response was achieved by the researcher among respondents in the field. According to Amin (2005) a response rate above 70% is good enough for the study, and the average response rate for this study was 80.9% which implies that the findings of this study are reliable and could be generalized to other similar situations

4.2 Demographic Information of Respondents

The researcher sought out to collect demographic information about the respondents. This information was about Gender, age, department of employee, education level, duration one worked and lived in Bushenyi and category of respondents.

4.2.1 Gender of Respondents

The researcher requested the respondents to indicate their gender, and this was intended to find out whether the sample size was a fair representation of the population. The response was presented in table 4.2.

Table 4.2: Gender of Respondents

	Frequency (f)	Percent (%)
Valid Male	49	45.8
Female	58	54.2
Total	107	100.0

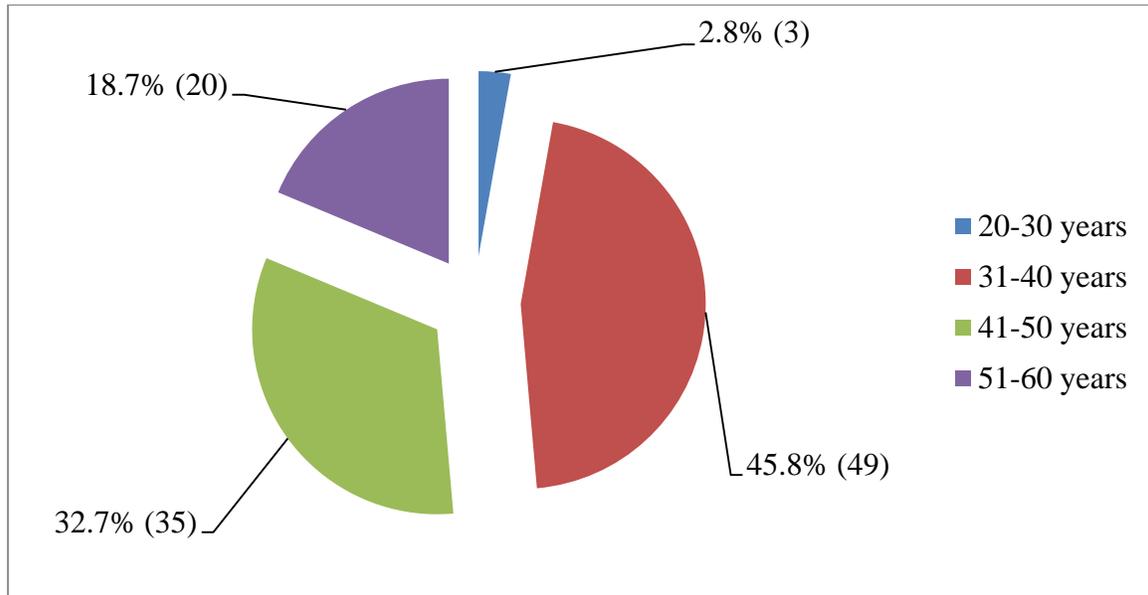
Source: Primary data

Table 4.2 shows that majority of respondents (54.2%) were females and 45.8% were males. The observation shows that female respondents were the majority that participated in the study. Though there was a difference in gender distribution, it can be concluded that the sample was a fair representation of the population where it was selected, since views of both male and female respondents were captured in the sample.

4.2.2 Age of Respondents

Age of the respondents was stratified into four strata, that is: 20-30years, 31-40, 41-50years, and 51-60years. This was aimed at ensuring that all age groups are

represented in the sample, and to find out how age influence variables under investigation and the results were presented in figure 4.1.



Source: primary data

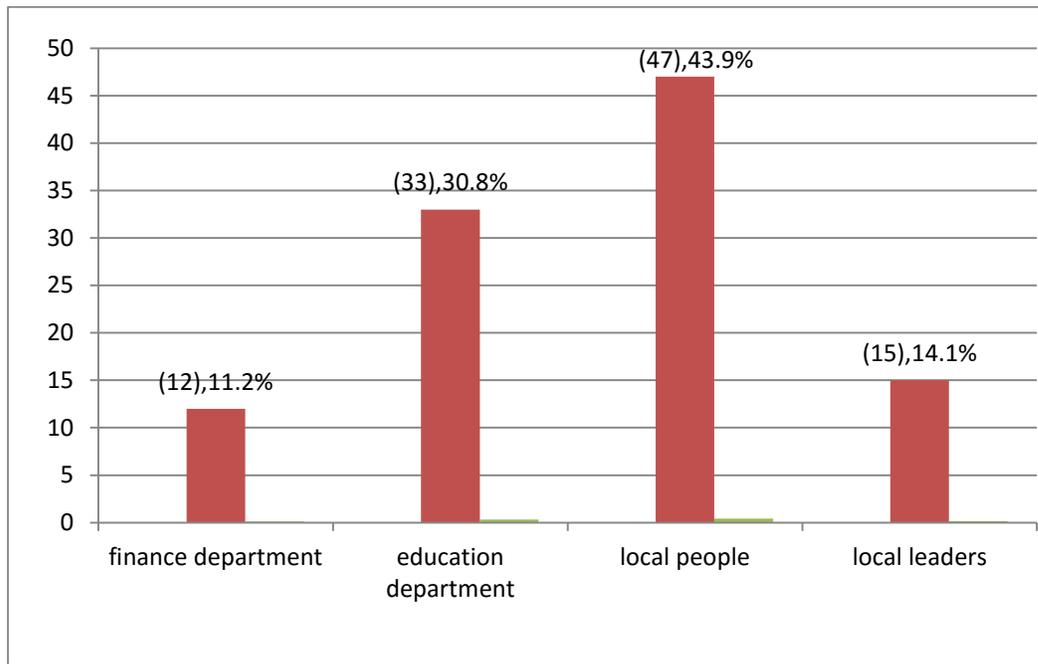
Figure 4.1: shows the age of respondents (both employees and service consumers) in years

Figure 4.1, shows that majority of respondents (45.8%) were aged between 31-40 years, followed by those aged between 41-50 years, at 32.7%, and those between 51-60 years at (18.7%), and the least were aged between 21-30 years at (2.8%). The findings also reveal that all age groups in the population were fairly represented, thus the sample was a fair representation of the population.

4.2.3 Category of respondents

The researcher requested the respondents to indicate their department/sector, and this was aimed at ensuring that respondents who are directly or indirectly

responsible for education service delivery are included in the sample from the population. Figure 4.2 show the findings.



Source: primary data

Figure 4.2 shows category of respondents.

Figure 4.2 shows that majority of respondents were local people (43.9%), followed by education staff (30.8%), local leaders 14.1%, and finance department with least number of respondents (11.2%).

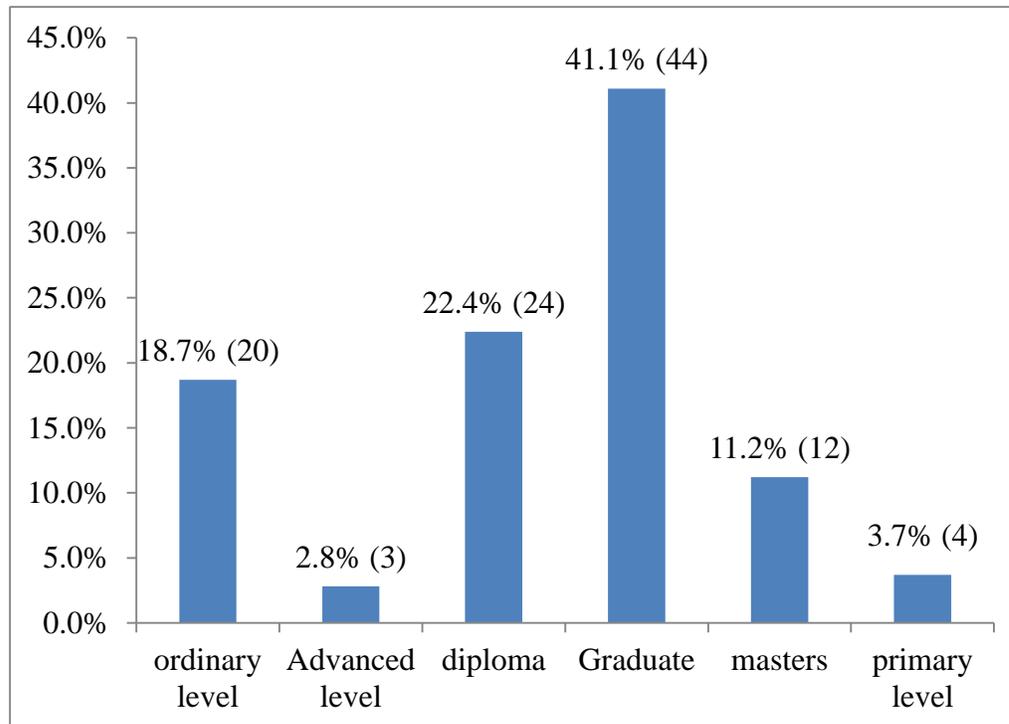
This implies that most of respondents who participated in this study were the local population, who at same time are service consumers, followed by those from education sector. This shows that respondents who participated in the study were

taken to be more knowledgeable about variables under investigation, and could fairly represent the population.

4.2.4 Level of Education

Respondents were asked to reveal their level of education, and this was intended to find out whether the sample was a fair representation of the population.

Findings were as in figure 4.3



Source: primary data

Figure 4.3 shows respondents' level of education.

Figure 4.3 shows that majority of the respondents (41.1%) were graduates, 22.4% were diploma holders, 2.8% had completed A level, 18.7% O level, and those with primary education were 3.7%. From the above findings it was observed that all

respondents were literate, and able to read and write implying that they were able to understand and give their view and opinions on variables under this study.

4.3 Empirical Findings as per objectives of the study

This section analyzed and presented information based on objectives of the study. Empirical findings as per objectives of the study were presented in tables 4.3, 4.4, 4.8, and 4.12. Respondents were presented with items and requested to either agree or disagree basing on a five Likert scale of; Strongly Agree(SA), Agree(A), Undecided(UD), Disagree(D) , Strongly Disagreed(SD).

SA+A= Agreed, SD+D= Disagreed, UD=Undecided/neutral. The study grouped SA and A to mean agreed, SD and D to mean disagree, and UD to mean respondents who were undecided. Percentages, Mean and standard deviation were used to interpret empirical results. The mean above 3 implied that majority agreed, and that below 3 means disagreed while 3 imply undecided/neutral. On the other hand, standard deviation of one (1) or above implied that majority were undecided or disagrees, and that less than One or equal to zero shows agreement. Also Pearson correlation was used in establishing the relationship between the independent variables and dependent variables, and regressions (model summary) were run to establish the variance (contribution) of the IV on the DV.

4.3.1 Financial Planning and education Service Delivery

The first objective of the study was to establish the relationship between financial planning and education service delivery in Bushenyi LG. Eight items were administered to respondents and their responses are summarized in the table 4.3

Table 4.3: Respondents' Opinion on Financial Planning.

Statements on Financial Planning	Percentage Response (%)					Mean	Std Dev
	SD (1)	D (2)	N (3)	A (4)	SA (5)		
There is good financial planning in Bushenyi district LG	0.9% (1)	3.7% (4)	6.5% (7)	45.8% (49)	42.1% (45)	4.25	0.817
Goals and targets to achieve in service delivery are clearly laid down in Bushenyi LG	0.9% (1)	12.1% (13)	5.6% (6)	64.5% (69)	16.8% (18)	3.84	0.881
There is a budget committee in Bushenyi LG responsible for making the budget	0.9% (1)	2.8% (3)	5.6% (6)	45.8% (49)	44.9% (48)	4.31	0.782
There is participatory budgeting involving all stake holders in Bushenyi Local Government	1.9% (2)	9.3% (10)	10.3% (11)	64.5% (69)	14.0% (15)	3.79	0.866
The budget conference is held every year in Bushenyi LG	00	1.9% (2)	4.7% (5)	46.7% (50)	46.7% (50)	4.38	0.668
The finance department does prepare revenue and expenditure forecasts for years a head in BLG	00	1.9% (2)	6.5% (7)	57.0% (61)	34.6% (37)	4.24	0.656
The financial budget is done based on the identified needs of Bushenyi district LG	4.7% (5)	6.5% (7)	13.1% (14)	56.1% (60)	19.6% (21)	3.79	0.988
The finance department coordinates well with other departments in Bushenyi LG	2.8% (3)	5.6% (6)	1.9% (2)	54.2% (58)	35.5% (38)	4.14	0.916
Average Mean = $\sum (\text{Mean})/n$						4.095	0.484

Source: primary data

Table 4.3, shows that the overall mean was 4.095 and standard deviation was 0.48338 which indicates that majority of respondents agreed on features of Financial Planning that affect service delivery since mean was above 3.0.

The response on the item “There is good financial planning in Bushenyi district LG” shows that 87.9% of the respondents agreed with the statement , 6.5% were not sure and 4.6% while mean was 4.25 and standard deviation was 0.817 which means that majority of respondents agreed with the statement since mean was above 3.0.

The response on the item “Goals and targets to achieve in service delivery are clearly laid down in Bushenyi LG” shows that 81.3% of the respondents agreed with the statement, 5.6% were not sure and 13% disagreed while mean was 3.84 and standard deviation was 0.881 which means that majority of respondents agreed with the statement since mean was above 3.0. This was further evidenced from documents reviewed which showed the goal of Bushenyi local government as “to provide quality services through a coordinated delivery system focusing on national and local priorities for sustainable development”. However, basing on data got from observation, it seemed that BLG was still far from achieving this goal.

Another item asked was that “There is a budget committee in Bushenyi LG responsible for making the budget”, and findings showed that 90.7% of the

respondents agreed with the statement, 3.7% were not sure and 5.6% disagreed while mean was 4.31 and standard deviation was 0.782 which means that majority of respondents agreed with the statement since mean was above 3.0. This was supported by one key informant in an interview who revealed that all heads of departments sit on the budget committee to prepare and review the budget on a monthly basis.

The response on the item; “There is participatory budgeting involving all stake holders in Bushenyi Local Government” shows that 78.5% of the respondents agreed with the statement, 11.2% were not sure and 10% disagreed while mean was 3.79 and standard deviation was 0.866 which means that majority of respondents agreed with the statement since mean was above 3.0.

However, contrary to the views from the respondents during the interview with one local leader he said that “many times we are not invited to take part in budgeting for the district”. This implies that there is inadequate participation of stake holders in the budgeting process which may compromise the quality of education service delivery in Bushenyi local government.

Respondents were further presented with item that “The budget conference is held every year in Bushenyi LG”, and responses show that almost all respondents agreed with the statement 93.4%, 4.7% were not sure and only 1.9% disagreed while the mean was 4.38 and standard deviation was 0.668 which means that majority of

respondents agreed with the statement since mean was above 3.0. This was further confirmed in documentary review where the researcher read through two budget conference papers for 2010 and 2012. This implies that Bushenyi LG hold budget conferences every year.

On the item that “The finance department does prepare revenue and expenditure forecasts for years ahead in BLG” shows that 91.6% of the respondents agreed with the statement, 6.5% were not sure and 1.9% disagreed while mean was 4.24 and standard deviation was 0.656 which means that majority of respondents agreed with the statement since mean was above 3.0.

The response on the item “The financial budget is done based on the identified needs of Bushenyi district LG” shows that 75.7% of the respondents agreed with the statement, 11.2% were not sure and 13.1% disagreed while mean was 3.79 and standard deviation was 0.988 which means that majority of respondents agreed with the statement since mean was above 3.0. This implies that financial budgets in Bushenyi LG are done according to the needs of the population. This was confirmed in an interview where one respondent said that “we always allocate our scarce resources to priority areas especially poverty eradication, provision of social service like education and health care which are in line with National and District Development plan”

The response on the item “The finance department coordinates well with other departments in Bushenyi LG ” shows that 89.7% of the respondents agreed with the statement , 1.9% were not sure and 7.5% disagreed while mean was 4.14 and standard deviation was 0.916 which means that majority of respondents agreed with the statement since mean was above 3.0.

Generally it can be observed that there is good financial planning in Bushenyi local Government, since mean was 4.095. This can farther be confirmed by one key informant who observed that “planning is properly done and there is good financial planning here, but much of the problems come in during implementation of the planned activities”

4.3.2 Education Service delivery

Responses were collected about service delivery particularly primary education in Bushenyi district, eight items were asked to respondents about this dependent variable, and findings were presented in the table 4.4.

Table 4.4: Descriptive Statements on education Service Delivery

	Percentage Response (%)	Mean	Std
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Statements on Education Service Delivery	SD (1)	D (2)	N (3)	A (4)	SA (5)		Dev
There is quality public primary education in Bushenyi district	1.9% (2)	9.3% (10)	34.6% (37)	43.0% (46)	11.2% (12)	3.52	0.883
All children of school going age are enrolled in primary schools in Bushenyi district	56.6% (61)	25.5% (27)	10.3% (11)	0.9% (1)	7.5% (8)	2.34	1.063
All pupils who join primary one do complete primary seven in Bushenyi LG	58.8% (63)	17.7% (19)	3.7% (4)	4.7% (5)	15.0% (16)	2.63	1.075
More than half of pupils who join primary one do complete primary seven in BLG	2.8% (3)	14.0% (15)	13.1% (14)	50.5% (54)	19.6% (21)	3.70	1.030
UPE schools in BLG have enough teachers compared to the number of pupils they have	10.3% (11)	31.8% (34)	13.1% (14)	28.0% (30)	16.8% (18)	3.09	1.300
The public primary schools are enough in the district	.9% (1)	6.5% (7)	4.7% (5)	36.4% (39)	51.4% (55)	4.31	0.905
There is adequate infrastructure in UPE schools in Bushenyi district	36.4% (39)	38.3% (41)	10.3% (11)	0.9% (1)	14.0% (15)	2.70	1.068
More than half of pupils in public primary schools pass with 1st grade in PLE exams	7.5% (8)	15.9% (17)	14.0% (15)	39.3% (41)	23.4% (25)	3.55	1.223
Average=$\sum fx/n$						3.230	1.068

Source: Primary Data

Table 4.4 shows that average mean was 3.230, and standard deviation was 1.068, this imply that on average, most of respondents agreed positively to the items posed

on education service delivery because mean was above 3.0, however some disagreed to certain items as shown by the standard deviation of 1.068 which is above one.

The response on the item “There is quality public primary education in Bushenyi district” shows that 54.2% of the respondents agreed with the statement and 34.6% were not sure, and 11.2% disagreed. The mean was 3.52 and standard deviation was 0.883 which means that majority of respondents agreed with the statement since mean was above 2.5. However data got from observation in some UPE schools contradicts the above as it showed; inadequate and incomplete classrooms, pupils without enough furniture in classrooms, and inadequate staff in some primary schools. This therefore leaves one wondering whether there is quality public primary education in Bushenyi district.

Another item presented to respondents was that “More than half of pupils who join primary one do complete primary seven in BLG”, and responses show that 70.1% of the respondents agreed with the statement and 13.1% were not sure, and 18.8% disagreed. The mean was 3.70 and standard deviation was 1.030 which means that majority of respondents agreed with the statement since mean was above 3.0.

The response on the item that “UPE schools in BLG have enough teachers compared to the number of pupils they have” shows that 44.8% of the respondents agreed with the statement and 13.1% were not sure, and 42.1 % disagreed. The

mean was 3.09 and standard deviation was 1.300 which means that majority of respondents agreed with the statement since mean was above 3.0. This was supported by findings from the field, where one key informant said that;

“Teachers in UPE schools would be enough, but the biggest challenge is absenteeism, for instance yesterday we visited Nyakabanga primary school and found there only three teachers in a school with 14 teachers”.

However at Rukindo primary school the school had eight teachers, and only four were observed on various visits, yet it had about 600 pupils. This implies that absenteeism of teachers and inadequate staffing were still compromising education service delivery in Bushenyi Local government.

On the item that “The public primary schools are enough in Bushenyi district” shows that 87.8% of the respondents agreed with the statement and 4.7% were not sure and 7.4 % disagreed. The mean was 4.31 and standard deviation was 0.905 which means that majority of respondents agreed with the statement since mean was above 3.0. This is contrary to findings from interview where one respondent revealed that *“with introduction of UPE more children enrolled in primary schools, creating an eminent demand for more public primary schools in the district”*. This implies that public primary schools are not enough and this may adversely affect education service delivery in Bushenyi district.

The response on the item that “More than half of pupils in public primary schools pass with 1st grade in PLE exams “shows that 62.7% of the respondents agreed with the statement and 14% were not sure and 23% disagreed. The mean was 3.55 and standard deviation was 1.223 which means that majority of respondents agreed with the statement since mean was above 3.0. However these findings contradicts the National Education Assessment Report (2012), which shows that 13% (5363) of pupils in primary schools in the district passed in 1st Grade in 2009, and only 18% (4198 pupils) in 2012, implying that majority of pupils don’t pass in grade one in Bushenyi District.

On the other hand, majority of respondents showed disagreement on items below. On the item that “All children of school going age are enrolled in primary schools in Bushenyi district”, responses indicate that 81.3% of the respondents disagreed with the statement and 10.3% were not sure, and 11.2% agreed. The mean was 2.34, and standard deviation was 1.063. This implies that a big proportion of children are not in primary schools in Bushenyi district yet there is free primary education in the country.

The response on the item “All pupils who join primary one do complete primary seven in Bushenyi LG shows that 76.7% of the respondents disagreed with the statement and 3.7% were not sure, and 19.7% agreed. The mean was 2.63 and standard deviation was 1.075 which means that majority of respondents disagreed

with the statement since mean was below 3.0. This implies that many children who join primary do not graduate at the end of seven years.

Respondents were further presented with an item that “There is adequate infrastructure in UPE schools in Bushenyi district” and responses show that 74% of the respondents disagreed with the statement and 10.3% were not sure, and 14.9 % disagreed. The mean was 2.70 and standard deviation was 1.068. This means that majority of respondents disagreed with the statement since mean was below 3.0. This implies that there is inadequate infrastructure in UPE schools in Bushenyi BLG, and to improve education service delivery, BLG need to develop and improve education infrastructure.

This was farther confirmed by the researcher during observation tours at Nyakatooma and Rukindo primary schools, where he found out that the schools had fewer class rooms, some classes had no windows and doors, and functioning latrines were very few, yet these schools were accommodating over 500 pupils. It was also observed that there was only one house for teachers at Rukindo primary school.

On the other hand one key respondent revealed that “Bushenyi Local Government authorities now have less powers over head teachers and school management committee because funds are transferred directly to school accounts from the central government. That the district administration comes in supervisory and guidance”. This action tends to reduce the powers of Bushenyi district

administrators to control public schools, which may negatively affect the quality of education service delivery.

Correlation for Financial Planning and education Service Delivery

A correlation analysis was run and interpreted to establish whether a relationship existed between financial planning and Service Delivery in Bushenyi district Local Government.

The results were presented in table 4.5.

Table 4.5: Correlation Results on Financial Planning and education Service Delivery

		Education Service Delivery	Financial Planning
Service Delivery	Pearson Correlation	1	.402**
	Sig. (2-tailed)		.000
	N	107	107
Financial Planning	Pearson Correlation	.402**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Source: primary data

Table 4.5 shows that there was a moderate positive significant relationship between financial planning and education service delivery where by Pearson’s correlation coefficient $r = 0.402^{**}$ and $p = 0.000$. This means that when Financial Planning is improved and properly done in Bushenyi LG, education service delivery could improve significantly.

Regression Results for Financial Planning and education Service Delivery

A regression analysis was run to establish the variance (contribution) of financial planning on education Service Delivery and the results are presented in the Table 4.6.

Table 4.6: Regression Model Summary between Financial Planning and Education Service Delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.402 ^a	.162	.154	.45394

a. Predictors: (Constant), Financial Planning

Source: primary data

Table 4.6 shows adjusted R² value of 0.154 between Financial Planning and Education Service Delivery indicating that 15.4% of variations in education service delivery were explained by financial planning in Bushenyi district. This implies that Financial Planning was a relatively significant predictor of education service delivery in the district, though the percentage variation it had on education service delivery was not so high.

Further regression analysis was made to understand the variation in financial planning by education service delivery and results are presented in the table 4.7.

4.3.3.1 Hypothesis testing

The study tested the null hypothesis which stated that there is a significant positive relationship between financial planning and education service delivery in Bushenyi local Government.

The researcher tested the hypothesis using ANOVA statistical technique which established the difference between the samples mean. The study had the level of significance at $\alpha=0.05$, as shown in table 4.7.

Table 4.7: Regression ANOVA of financial planning and education service delivery.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.170	1	4.170	20.237	.000 ^a
	Residual	21.637	105	.206		
	Total	25.807	106			

a. Predictors: (Constant), Financial Planning

b. Dependent Variable: Education service delivery

Source: primary data

Table 4.7 shows that financial planning has got a strong contribution to education service delivery, $F=20.237$ (0.000a). Since significance calculated was 0.000a which is lower than 0.05, the researcher accepted the hypothesis which was stated that “There is a significant positive relationship between financial planning and service delivery in Bushenyi local Governments”.

This means that excellence in financial planning would result in improvement in education service delivery, implying that to increase education service delivery in Bushenyi district Local government; one has to streamline financial planning.

4.3.4 Revenue Collection and education Service delivery

The second objective of the study was to examine the extent to which revenue collection affects education service delivery in BLG. Ten items were asked to respondents' on this variable, and below are empirical findings in table 4.8.

Table 4.8: Respondents' opinions on Revenue Collection

Statements on Revenue Collection	Percentage Response (%)					Mean	Std Dev
	SD (1)	D (2)	N (3)	A (4)	SA (5)		
The district has a revenue/charging policy in place that is effective in generating revenue for service delivery	0	2.8% (3)	7.5% (8)	58.9% (63)	30.8% (33)	4.18	.684
Revenue collected is properly assessed and assessment forms are given to tax payers	0	4.7% (5)	11.2% (12)	42.1% (45)	42.1% (45)	4.21	.824
Local revenue in the district is collected by authorized officials who issue out receipts to tax payers	0.9% (1)	9.3% (10)	21.5% (23)	45.8% (49)	22.4% (24)	3.79	.929
Local revenue collected in Bushenyi district is enough to cater for services provided to the public.	62.6% (67)	19.6% (21)	8.4% (9)	1.9% (2)	7.5% (8)	2.21	1.032
There is timely collection of local revenues in Bushenyi LG	0	8.4% (9)	8.4% (9)	59.8% (64)	23.4% (25)	3.98	.812
There is an urgent need for more new sources of local revenues in Bushenyi LG	0	4.7% (5)	6.5% (7)	58.9% (63)	29.9% (32)	4.14	.733
Fees and taxes are the major sources of local revenue in Bushenyi LG	1.9% (2)	9.3% (10)	15.0% (16)	47.7% (51)	26.2% (28)	3.87	.972
Proper utilization of local revenues encourage people to pay their dues promptly to the district	1.9% (2)	5.6% (6)	10.3% (11)	64.5% (69)	17.8% (19)	3.91	.819
Enough funds are transferred from central Government to Bushenyi LG	52.3% (56)	19.6% (21)	15.9% (17)	1.9% (2)	10.3% (11)	2.42	1.041
Revenue collection affects service delivery in BLG	6.5% (7)	14.0% (15)	32.7% (35)	32.7% (35)	14.0% (15)	3.34	1.090
Average						3.605	0.894

Source: Primary Data

Table 4.8, shows that overall mean was 3.605 and standard deviation was 0.894 which indicates that, on average majority of respondents agreed on features of revenue collection that affect education service delivery in Bushenyi LG, since the mean was above 3.0.

The response on the item that “The district has a revenue/charging policy in place that is effective in generating revenue for service delivery” shows that 89.7% of the respondents agreed with the statement and 7.5% were not sure and 2.8% disagreed while mean was 4.18 and standard deviation was 0.684 which means that majority of respondents agreed with the statement since mean was above 2.5.

This document was observed and analysed by the researcher while carrying out documentary review at the district. This implies that the district has a charging policy in place, and this is a good practice of financial management that needs to be upheld.

On the item that “Revenue collected is properly assessed and assessment forms are given to tax payers” shows that 84.2% of the respondents agreed with the statement and 11.2% were not sure and 4.7% disagreed while mean was 4.21 and standard deviation was 0.824 which means that majority of respondents agreed with the statement since mean was above 2.5. This implies that there is good assessment of tax payers in Bushenyi district.

On the item that “There is an urgent need for more new sources of local revenues in Bushenyi LG.”, responses indicate that 88.8% of the respondents agreed with the

statement and 6.5% were not sure and 4.7% disagreed while mean was 4.14 and standard deviation was 0.73 which means that majority of respondents agreed with the statement. This implies that Bushenyi district authorities need to urgently devise more new sources of local revenue to reduce over dependence on central government and promote education service delivery. This was farther emphasized in most documents reviewed particularly the Bushenyi District Development Plan ((2012-2016), and highlighted by most key informants during interviews.

The response on the item “Fees and taxes are the major sources of local revenue in Bushenyi LG.” shows that 73.9% of the respondents agreed with the statement and 15% were not sure and 11.2% disagreed. While mean was 3.87 and standard deviation was 0.972. This means that majority of respondents agreed with the statement since mean was above 2.5, implying that fees and taxes form the biggest proportion of local revenue collected in Bushenyi LG. This was confirmed by the researcher during documentary review where he found out that out of SHS 577,146,577 raised locally in 2011/12 in the district, more than 60%(346.290000shs) was from fee and taxes.

The response on the statement that “Proper utilization of local revenues encourage people to pay their dues promptly to the district.” shows that 82.3% of the respondents agreed with the statement and 10.3% were not sure and 7.5% disagreed while mean was 3.91 and standard deviation was 0.819 which means that majority

of respondents agreed with the statement. This implies that if BLG promotes proper utilization of local revenues people would be encouraged to pay their tax dues more promptly.

The response on the item “Revenue collection affects service delivery in BLG.” shows that 46% of the respondents agreed with the statement and 32.7% were not sure and 20.5% disagreed while mean was 3.34 and standard deviation was 1.090 which means that majority of respondents agreed with the statement since mean was above 2.5. This implies that revenue collected to some extent affect service delivery.

However when respondents were asked whether “Enough funds are transferred from central Government to Bushenyi LG.” majority of respondents that is 71.9% disagreed with the statement and 15.9% were not sure and 12.2% agreed while mean was 2.41 and standard deviation was 1.032 which means that majority of respondents disagreed with the statement. This implies that resources transferred to Bushenyi LG from central government are still inadequate compared to services delivered to the population by the district.

Farther responses were thought on the item that “Local revenue collected in Bushenyi district is enough to cater for services provided to the public”, and results show that 82.2% of the respondents disagreed with the statement and 8.4% were

not sure and 9.4% agreed while mean was 2.31 and standard deviation was 1.041 which means that majority of respondents disagreed with the statement. This is in conformity with findings from one of key respondents who had to say that; “Unless more new avenues for local revenues are devised in BLG, most activities may come to a standstill because local revenues collected are negligible, yet it’s what used to fund most local activities since central government transfers are conditional. He farther revealed that much of the local revenue sources within the district are found with Bushenyi-Ishaka municipality yet this is a semi-autonomous institution from the mother district”. This is in line with findings from documentary review, where it was observed that local revenue collected in 2011/12 was only 3.9%(shs 577146577) , central government transfers were 90.5%(shs 13.45bn), and 5.6%(0.838bn) from development partners.

Though respondents disagreed with some items on revenue collection, still a big proportion agreed on other items posed, implying that Bushenyi LG is trying to implement good practices in revenue collection so as to improve education service delivery in the district.

Correlation for Revenue Collection and Education Service Delivery

A correlation analysis was run and interpreted to establish whether a relationship existed between revenue collection and education service delivery in BLG. The analysis was done using Pearson correlation, and results are presented in table 4.9.

Table 4.9: Correlation Results for revenue collection and Education Service Delivery Correlations

		Education Service Delivery	Revenue Collection
Service Delivery	Pearson Correlation	1	.475**
	Sig. (2-tailed)		.000
	N	107	107
Revenue Collection	Pearson Correlation	.475**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Source: primary data

Table 4.9 shows that there was a moderate positive significant relationship between revenue collection and education service delivery where Pearson’s correlation coefficient $r = 0.475^{**}$ and $p = 0.000$. This means that when revenue collection is improved and fully maximised in Bushenyi LG, education service delivery also improves, implying that to provide better education service delivery in BLG, revenue collection has to be maximised.

Regression results for Revenue collection and Education Service Delivery

A regression analysis was run to establish the variance (percentage effect) revenue collection had on education service delivery and the results that emerged are presented in the Table 4.10.

Table 4.10: Regression Model Summary of revenue collection and education service delivery

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.475 ^a	.226	.219	.43616

a. Predictors: (Constant), Revenue Collection

Source: primary data

Table 4.10: shows adjusted R² value are 0.219 between Revenue Collection and Education Service Delivery, indicating that 21.9% of variation in education service delivery was explained by revenue collection. This means that when revenue collection is maximized, it can improve education service delivery in Bushenyi local government by 21.9%. Implying that to a relatively lower but significant extent revenue collection affects education service delivery in Bushenyi LG.

Further regression analysis was made to understand the variation revenue collection had on education service delivery and results are presented in the table 4.11.

Hypothesis testing

The study tested the null hypothesis which stated that “Revenue collection significantly affects education service delivery in Bushenyi local government”. This was done using ANOVA statistical technique which established the difference between the samples mean. The study had the level of significance at $\alpha=0.05$, details from the analysis are presented in the table 4.11.

Table 4.11 Regression ANOVA on Revenue collection and education Service Delivery

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.832	1	5.832	30.656	.000 ^a
	Residual	19.975	105	.190		
	Total	25.807	106			

a. Predictors: (Constant), Revenue Collection

b. Dependent Variable: Service Delivery

Source: primary data

Table 4.11, reveals that Revenue Collection has got a strong contribution to the Education Service Delivery, $F=30.656$ (0.000a). Since significance calculated 0.000a is lower than 0.05, the researcher accepted the hypothesis which was stated that “Revenue collection significantly affects education service delivery in Bushenyi local government”. This means that enhancement in Revenue collection would result in improvement in education service delivery implying that to increase

education service delivery in Bushenyi district, there is need to improve revenue collection.

4.3.4 Financial Control and Education Service delivery

The third objective of the study was to find out how financial control affects education service delivery in Bushenyi local government. On this objective nine items were posed to respondents and their responses are presented in table 4.12.

Table 4.12: Descriptive Statements on Financial Control

Statements on Financial Control	Percentage Response (%)					Mean	Std Dev
	SD (1)	D (2)	N (3)	A (4)	SA (5)		

The council always discusses and approve the budget before expenditure is made	1.9% (2)	3.7% (4)	29.9% (32)	45.8% (49)	18.7% (20)	3.76	.867
All expenditure made in Bushenyi LG is authorized by responsible officers.	.9% (1)	4.7% (5)	4.7% (5)	47.7% (51)	42.1% (45)	4.25	.825
A vote book is available and expenditures are made as budgeted in the district	0	2.8% (3)	5.6% (6)	45.8% (49)	45.8% (49)	4.35	.715
Budget performance reports are prepared regularly in the district	1.9% (2)	10.3% (11)	7.5% (8)	53.3% (57)	27.1% (29)	3.93	.964
There is an effective internal audit department in Bushenyi LG	3.7% (4)	9.3% (10)	9.3% (10)	39.3% (42)	38.3% (41)	3.99	1.095
Audit reports are prepared regularly in BLG to reduce chances of financial mismanagement	8.4% (9)	29.9% (32)	9.3% (10)	32.7% (35)	19.6% (21)	3.25	1.304
There are affective financial control measures in the district to ensure efficiency in service delivery	2.8% (3)	10.3% (11)	11.2% (11)	51.4% (55)	24.3% (26)	3.84	1.001
Revenue control affects service delivery in BLG	.9% (1)	6.5% (7)	12.1% (13)	43.9% (47)	36.4% (39)	4.08	.912
There is good accountability for Revenue spent on service delivery in BLG	21.7% (23)	20.5% (22)	8.4% (9)	49.3% (52)	00	2.91	1.115
Average Mean = $\sum (\text{Mean})/n$						3.90	0.445

Source: Primary Data

Table 4.12 shows that the overall mean was 3.90 and standard deviation was 0.445 which indicates that majority of respondents agreed on features of financial control that influence Service Delivery in Bushenyi LG since mean was above 3.0.

The response on the item that “The council always discusses and approves the budget before expenditure is made” shows that 64.5% of the respondents agreed with the statement and 29.9% were not sure, and 5.6% disagreed. The mean was

3.76 and standard deviation was 0.867 which means that majority of respondents agreed with the statement. This implies that the council in Bushenyi district LG discusses and approves the budget before expenditure, which could help to improve education service delivery.

On the item that “All expenditure made in Bushenyi LG is authorized by responsible officers”, responses show that 89.8% of the respondents agreed with the statement and 4.7% were not sure, and 5.6% disagreed. The mean was 4.25 and standard deviation was 0.825 which means that majority of respondents agreed with the statement implying that expenditures are controlled in BLG, a signal of good financial control.

Further responses were thought on the item; “A vote book is available and expenditures are made as budgeted in the district “, and results show that 91.6% of the respondents agreed with the statement and 5.6% were not sure, and 2.8% disagreed. The mean was 4.35 and standard deviation was 0.715 which means that majority of respondents agreed with the statement since mean was above 3.0. This was farther confirmed by the researcher who was provided with a vote book for 2010/11 at the district headquarters for review.

The response on the item “Budget performance reports are prepared regularly in the district “shows that 80.4% of the respondents agreed with the statement and 7.5% were not sure, and 12.2% disagreed. The mean was 3.93 and standard

deviation was 0.964 which means that majority of respondents agreed with the statement since mean was above 3.0.

The response on the item that “There is an effective internal audit department in Bushenyi LG” shows that 77.6% of the respondents agreed with the statement and 9.3% were not sure, and 38.3% disagreed. The mean was 3.25 and standard deviation was 1.304 which means that majority of respondents agreed with the statement since mean was above 3.0

The response on the statement that; “Audit reports are prepared regularly in BLG to reduce chances of financial mismanagement “shows that 77.6% of the respondents agreed with the statement and 9.3% were not sure, and 38.3% (41) disagreed. The mean was 3.25 and standard deviation was 1.304 which means that majority of respondents agreed with the statement. This was farther supported by findings from interview, where by one key informant revealed that “BLG often send auditors to UPE schools, and schools are required to display receipts used, and files with minutes for Finance committee, and school management committees, and other source documents”. This is a good aspect of financial control that needs to be upheld by Bushenyi LG, if they are to achieve better service delivery.

The response on the question “There are affective financial control measures in the district to ensure efficiency in service delivery “shows that 75.7% of the

respondents agreed with the statement and 11.2% were not sure, and 13.1% disagreed. The mean was 3.84 and standard deviation was 1.001 which means that majority of respondents agreed with the statement since mean was above 3.0

The response on the question “Revenue control affects education service delivery in BLG” shows that 80.3% of the respondents agreed with the statement and 12.1% were not sure, and 7.4% disagreed. The mean was 4.08 and standard deviation was 0.912 which means that majority of respondents agreed with the statement since mean was above 3.0

However when respondents were asked whether “There is good accountability for revenue spent on education service delivery in BLG” they expressed mixed reactions with 49.3 % of the respondents agreeing with the statement, 8.4% were neutral, and 42.2% disagreed. The mean was 2.91 and standard deviation was 1.115, which means that quite a good proportion of respondents were not comfortable with the statement as mean was below 3.0. This implies that there are still gaps that need to be closed in accountability for revenue spent in BLG, and perhaps improving communication with stake holders.

Correlation for Financial Control and Education Service Delivery

A correlation analysis was generated and interpreted to establish whether a relationship existed between financial control and education service delivery in BLG. The results were presented in table 4.13

Table 4.13: Correlation Results for financial control and Education Service Delivery Correlations

		Service Delivery	Financial control
Service Delivery	Pearson Correlation	1	.363**
	Sig. (2-tailed)		.000
	N	107	107
Financial control	Pearson Correlation	.363**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Source: primary data

Table 4.13 shows that there was a moderate positive significant relationship between financial control and education service delivery where Pearson's correlation coefficient $r = 0.363^{**}$ and $p = 0.000$. This implies that when financial controls is improved, strengthened and fully operationalised by Bushenyi District administrators, education service delivery will improve to some extent.

Regression Results for Financial Control and Education Service Delivery

A regression analysis was run to establish the variation (contribution) financial control had on education service delivery and the results that emerged are presented in the Table 4.14.

Table 4.14: Regression Model Summary financial control and education service delivery.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.363 ^a	.132	.123	.46198

a. Predictors: (Constant), Financial control

Source: primary data

Table 4.14 shows adjusted R2 value of 0.123 between financial control and service delivery indicating that 12.3% of variation in education service delivery is explained by financial control. This suggested that financial control was a relatively significant predictor of education service delivery.

Hypothesis testing.

The study tested the null hypothesis which stated that “financial control significantly affects education service delivery in Bushenyi local government”.

This was done using the ANOVA statistical technique to establish the mean of samples, and compute F-value so as determine the contribution of IV on DV. The study had the level of significance at $\alpha=0.05$, details are presented in table 4.15.

Table 4.15: Regression ANOVA on financial control and education service delivery

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.397	1	3.397	15.919	.000 ^a
	Residual	22.409	105	.213		
	Total	25.807	106			

a. Predictors: (Constant), Financial control

b. Dependent Variable: Service Delivery

Source: primary data

Table 4.15 shows that Financial control has got a relatively significant contribution to education service delivery, $F=15.919$ (0.000a).

Since significance calculated 0.000a was lower than 0.05, the researcher accepted the alternate hypothesis which was stated that “Financial control significantly affects education service delivery in Bushenyi local government”.

This means that perfection in Financial Control would result in improvement in education service delivery, implying that to achieve better education service delivery in Bushenyi district there is need to improve financial control.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The purpose of the study was to examine how financial management influences education service delivery in local governments in Uganda, a case of Bushenyi District Local Government.

This chapter presents a summary of findings from the field, discussion of results, conclusions, recommendations, limitations and contributions of the study and areas recommended for future research.

5.1.0 Summary of key findings

The study was set to achieve three specific objectives that is:

1. To establish the relationship between financial planning and education service delivery in Bushenyi local Government.
2. To examine the extent to which revenue collection affects education service delivery in Bushenyi local government.
3. To find out how financial control affects education service delivery in Bushenyi local Government.

The findings from the field were summarized below objective by objective.

5.1.1 Financial planning and education service delivery

The study findings showed that there is a moderate positive significant relationship between financial planning and education service delivery in Bushenyi district, given that Pearson correlation $r = 0.402^{**}$ and significance of 0.000. The stated hypothesis that; “There is a significant positive relationship between financial planning and education service delivery in Bushenyi local governments” was accepted implying that financial planning was a strong predictor of education service delivery in Bushenyi district. It was also established that financial planning features such as goal setting, budgeting and coordinating all influence education service delivery in the district. However from respondents and interviews it was

found out that financial planning tend to exclude the local population and field education staff in Bushenyi district which could negatively affect education service delivery.

5.1.2 Revenue collection and education Service delivery

From data presentation, analysis and interpretation of findings in chapter four, it was established that to a lower but significant extent revenue collection effects education service delivery in Bushenyi local government, since it caused 21.9% of the variance in education service delivery. It was also found out that there is a moderate positive significant relationship between revenue collection and education service delivery, given by Pearson correlation $r = 0.475^{**}$ and significance of 0.000. Furthermore the study accepted the stated hypothesis that “revenue collection significantly affects education service delivery in Bushenyi local government”. From questionnaires, interviews and documents reviewed, it was revealed that local revenues collected are inadequate, and that there is need to increase funding to Bushenyi Local government from central government in relation to services delivered to the public, specifically primary education.

5.1.3 Financial control and education service delivery

The study findings from data analysis and interpretation in the previous chapter showed that financial control significantly affects education service delivery in Bushenyi local government. It was also established that there is a moderate positive significant relationship between financial control and education service delivery in Bushenyi LG, given by Pearson correlation $r = 0.363^{**}$ and significance of 0.000.

The financial control features such as expenditure authorization, budget control, financial audit, and financial accountability were found all to influence education service delivery in Bushenyi district. Findings from respondents and interviews revealed that there were gaps to address in financial accountability at the district and in UPE schools so as to have improved education service delivery in the district. However some respondents had limited knowledge on financial control measures in place, implying that they were not fully involved in financial control practices.

5.2 Discussion of findings

5.2.1 Financial planning and education service delivery

The first objective of the study was to establish the relationship between financial planning and education service delivery in Bushenyi local government. Data analysis and interpretation of responses from questionnaires and interviews reveal that there was a moderate significant positive relationship between financial planning and education service delivery in Bushenyi LG. These findings imply that any improvement in financial planning could lead to improved education service delivery to the public. This is in line with Kamara (2010) who found out that there was a positive correlation between planning for financial resources and education service delivery in local governments in Uganda. This further implies that local governments in the country need ensure better financial planning to improve on service delivery.

Mohsin (2009) asserts that financial planning is the systematic process of: using financial resources by setting goals, targets and objectives to achieve in a specified period of time. The findings from the field revealed that Bushenyi LG sets clear goals and targets to achieve based on identified needs of the population. This is a positive step to improve education service delivery to the public; however there is need to make it more participatory so as to address the immediate needs of the local population, in that most respondents agreed that they were neither involved nor consulted in setting objectives, goals to achieve in their departments.

Anwar (2007) observed that financial planning involves budgeting, which should be participatory, and this is in agreement with the study findings where majority of respondents agreed that there is participatory budgeting in BLG, that the budget committee is available, and budget conferences are held every year. This aspect of financial planning if well done by management of Bushenyi local government could improve the quality of education services delivered to the public. However findings from interviews reveal that some sections of people are left out in budgeting process, and aren't consulted especially the local people and field education staff "budgeting here is a top bottom process" revealing one key informant. This implies that the top administrators simply impose their views on population which impacts negatively education services delivered.

According to Higgins (2001) he asserts that financial planning involves preparation of financial statements like budget forecasts, income statements, revenue and expenditure budget, and cash flow statement. The study found out that most of these statements were prepared by Bushenyi LG, as seen by researcher in documentary review and observations, and then confirmed by majority respondents in questionnaires and interviews. This need to be upheld by management of Bushenyi LG because it could enable the district not to suffer from uncertainties and cash flow problems like shortage of funds to meet recurrent expenditure that may negatively affect service delivery as it has been the case with other local governments in Uganda as observed by (Herridge, 2002).

5.2.2 Revenue collection and education service delivery

The second objective of the study was to examine the extent to which revenue collection affects education service delivery in Bushenyi LG. Results from data analysis and interpretation revealed that revenue collection to a lower but significant extent affects education service delivery in Bushenyi local government, since it had a percentage affect of 21.9% on education service delivery. It was also established that there is a moderate positive significant correlation between revenue collection and education service delivery in the district. These findings imply that any increase in local revenue collection could lead to better education service delivery to the public by Bushenyi LG. This is in line with Local Government Finance Commission (2003) and Lance (2002) who found out that an increase in

local revenue collection by local governments in Uganda leads to improvement in education service delivery.

The study also observed that local revenues collected were inadequate, and there is an urgent need to look for more new sources of local revenue in Bushenyi LG, so as to improve education service delivery. Such a situation could be due to a narrow tax base as a result of low levels of investment in the district as observed by Betiina (2012), and supported by Herridge (2002) and Onyach-Olaa (2007) who assert that local governments in Uganda face a critical challenge of low financial resources due to limited sources of local revenue. This implies that there is need to put in place new measures that could lead to an increase in tax base and local revenue collected by the district especially by encouraging more investors in the district, taxing commercial farmers/plantations that are very common in the district, setting up more new markets among others, all which are in line with The Ugandan Constitution (1995), and Local Government Act 1997 which empower local governments to collect local revenues from a range of activities so as to provide decentralized services.

From documents reviewed and interviews it was found out that local revenue collected by Bushenyi LG is almost negligible i.e. less than 4%, (District Approved Budget estimates 2011/12). This means that the Central Government has to economically empower LG by allowing them to collect more taxes in order to reduce over dependence on it and perhaps improve their capacity to deliver

services. However central government often fear losing resources and power to local governments as argued by Smoke (2005). This incapacitates them to deliver services as desired.

5.2.3 Financial control and education service delivery.

The study was set to find out how financial control affects education service delivery in Bushenyi Local Government, and it was found out that financial control significantly affects education service delivery in BLG, and that there was a moderate positive significant relationship between financial control and education service delivery in the district. These findings show that any positive improvement in financial control is likely to result in an improvement in education service delivery, implying that administrators of Bushenyi district LG need to focus more on better financial control practices so as to improve education service delivery.

Stonner (2002) asserts that financial control is the process of regulating an organization's financial resources and activities to ensure that actual performance conforms to the standards set. Findings got from the field were in line with Stonner's observation where by majority of respondents agreed that all expenditures made in Bushenyi district are authorized by the responsible officers. It was further found out that a vote book is available and expenditures are made as budgeted. This confirms that Bushenyi LG is trying to emphasize proper financial control measures so as to achieve quality education service delivery.

Onyach- Olaa (2007) found out that local governments in Uganda have had inadequate financial controls measures which have made their plans fail despite having substantial amounts of financial resources at their disposal for service delivery. However in Bushenyi district it was found out that there is effective financial control measures, but the question remains why education service delivery is not good?, and this remains a subject for farther investigations. Findings also revealed that there is an effective internal audit department in Bushenyi LG, and audit reports are prepared regularly to reduce chances of financial mismanagement.

On the other hand mixed reactions/responses were obtained on the item of whether there is good accountability for revenue spent on service delivery in BLG, where by respondents who disagreed were almost the same as those agreeing. This implies that Bushenyi LG authorities need to improve financial accountability to the public since a good number of respondents were not satisfied with financial accountability.

This is in line with Betiina (2012) who carried out a related study in Bushenyi LG and found out that financial accountability and communication to stake holders was inadequate. This can farther be confirmed by some media reports about financial mismanagement in BLG (Daily Monitor 14th June 2011). This therefore requires Bushenyi district administrators to address the gaps in financial accountability so as to achieve better education service delivery.

5.3 Conclusion

The study was set out to examine how financial management influences education service delivery in Bushenyi district, and had three objectives.

Conclusions of the study were made based on the study findings from respondents, documents reviewed, interviews, and observations. Conclusions are presented below according to objectives of the study.

5.3.1 Financial planning and education service delivery

From the study findings on first objective which was to establish the relationship between financial planning and education service delivery, it was established that; financial planning had a moderate significant relationship with education service delivery in Bushenyi district. Therefore it can be concluded that financial planning is a significant predictor of education service delivery in Bushenyi local government, Such that any improvement in financial planning could lead to better education service delivery.

It can further be concluded that financial planning and budgeting in Bushenyi district takes a “top-bottom” approach, and tend to include only top district

administrators and politicians excluding field education staff and local people. This was evidenced by most staff at the district that expressed ignorance about financial planning. This situation was the same in some UPE schools, for instance in Nyakatooma primary school where a respondent revealed that budgeting is done by the head teacher and Chairperson of school management committee excluding other stake holder. This therefore tends to negatively impact education service delivery in the Bushenyi district. But generally Bushenyi district local government had good financial planning as it was confirmed by majority respondents on a number of items asked on this variable, and supported by findings from key informants and documents reviewed.

5.3.2 Revenue collection and education service delivery

From the second objective of the study which was to examine the extent to which revenue collection affects education service delivery in Bushenyi local government, it was established that revenue collection to a lower but significant extent affects education service delivery in Bushenyi district LG. Findings from the field and data analyzed indicate that there is a positive moderate relationship between financial planning and education service delivery in Bushenyi district. Basing on these findings it can therefore be concluded that revenue collection is a strong predictor of education service delivery in the district, implying that any positive change/increase in revenue collection in BLG could lead to betterment of education service delivery. However it was observed that local revenues collected were not enough to cater for education services delivered to public, and funds transferred

from central government to the district were inadequate in relation to education services delegated to BLG by the central government. Therefore management of Bushenyi LG should look for alternative ways of increasing local revenue collection so as to improve education service delivery.

5.3.3 Financial control and education service delivery

This study found out that financial control significantly affects education service delivery in Bushenyi local government, and that there is a moderate positive significant relationship between financial control and education service delivery in BLG. This means that financial control is a strong predictor of education service delivery in Bushenyi LG, thus we can conclude that proper financial control leads to better education service delivery in Bushenyi LG. However most respondents were not satisfied with financial accountability as they were not given feedback of revenue spent on education service delivery, indicating that there is no good financial accountability of revenues spent on education service delivery in the district.

5.4 Recommendations

On the basis of the analysis of the study, the researcher made the following recommendations, as per each objectives of the study.

5.4.1 Financial planning and education service delivery

The study found out that financial planning is monopolized by top district officials excluding local population and field education staff. The researcher recommends that financial planning should be participatory involving all stakeholders i.e. district staff, local population, field education staff and civil society organizations. It should also be based on peoples' needs especially when setting goals and objectives.

Bushenyi LG should continuously improve financial planning especially in education sector since it was found to be strong predictor, and has a positive relationship with education service delivery in the district. At the same time the district should try to explore other causes of poor education service delivery, and address them appropriately.

5.4.2 Revenue collection and education service delivery

Since the study found out that local revenue collection significantly affects education service delivery, and that local revenues collected in Bushenyi LG are inadequate, it recommends that Bushenyi local Government administrators should put in place new measures to increase the tax base and local revenue collections. Some of these measures may include; encouraging more investors in the district, taxing commercial farmers/plantations that are very common in the district to supplement on existing sources of local revenue, introducing bodaboda tax, opening new markets among others.

Bushenyi LG should also work closely with other local governments and engage the central Government in negotiations to ensure that it allows some taxes like PAYE or VAT to be collected by LGs so as to reduce over dependence on central Government transfers, and improve the capacity of districts to deliver better education services (CG transfers in BLG stand at 98% as per 2011/12 Budget Estates).

Lastly the Central Government need to increase funding to Bushenyi local Government so as to achieve some balance between the education services delivered by district and funding received. This is because the study found out that inadequate funds were transferred from CG to BLG, in relation to services delivered.

5.4.3 Financial control and education service delivery

Bushenyi LG administrators need to ensure proper accountability for funds spent on education service delivery because most respondents were not satisfied with accountability for funds spent.

The study also revealed that in some UPE schools the budget was made by head teachers, and chair persons of school management committee, yet these committees were existing but non functional. Therefore it is recommended that management committees need to be strengthened in schools by district authorities so to ensure proper financial control and better education service delivery.

The central government should reduce restrictions and conditions on funds transferred to local governments, such that they can adjust accordingly and use the money in areas where services are desired most, and according to their local needs.

5.5 Limitations of the Study

- The study focused on financial management and education service delivery in local governments in Uganda, but a big proportion of respondents had less knowledge on variable of financial management specifically financial planning and financial control. This could have compromised the quality of the study.
- Bushenyi district is unique and different from other LG in Uganda, therefore the study findings may not easily be generalized to other local governments in the country, as they may not be similar to BLG in terms of population, geography.
- Some respondents were not willing to participate in the study (answer questionnaires and be interviewed), but the researcher had to politely request and motivate them to participate in the study. Even those who participated some never returned the questionnaires, however the researcher had distributed more questionnaires to respondents than the sample size.
- The case study that is Bushenyi district was far away from UMI centre (330km) from Kampala, and this was a big challenge in that the researcher could not easily access facilities from the Institute especially library, computers, consultants among others. However he tried to overcome that

by using internet facilities and travelling to Kampala very many times, which was quiet expensive.

- Lastly the study did not address the moderator and intervening variables which could have had an influence on education service delivery in Bushenyi LG.

5.6 Contributions of the study

- The study contributed to the existing body of knowledge about financial management and education service delivery in Bushenyi LG. There are limited studies on education service delivery in relation to financial management particularly in BLG, this study therefore is fundamental since it forms a basis for further studies on the same topic in Bushenyi LG.
- Whereas most studies on education service delivery in local governments tend to use more of the systems theory, for example that Kamara (2010) and Betiina (2012) and others. This study is unique in that it used a different theory i.e. the Principal-agency theory, and different methods like the case study cross-section research design.
- The study farther established that financial planning, revenue collection and financial control all have a positive significant relationship with education service delivery. This is likely to help Bushenyi LG and central government to improve education service delivery to the public.

5.7 Areas recommended for Further Research

- The study focused on financial management and education service delivery in Bushenyi district LG. Therefore the researcher recommends similar studies to be done focusing health service delivery, feeder road maintenance, water and sanitation or any other service provided by local government.
- Future studies on financial management in BLG should focus on revenue utilization because most of key informants agreed that financial planning is fairly done but much challenges come in during the implementation of planned activities/projects.
- Future studies similar to this one should try to look at moderating and intervening variables, and how they influence education service delivery in BLG, and where possible use different methodologies than the ones used in this study.

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1. Finance department 2. Education department
 3. Planning department 4. Administration 5. Others, specify.....

(d) Level of Education

1. Ordinary level (“O”) 2. Advanced level (“A”)
 3. Diploma 4. Graduate
 5. Masters 6. Others, please specify.....

For sections B, C, D, and E, use the scale below to select the number corresponding to your opinion.

5	4	3	2	1
Strongly Agree(SA)	Agree (A)	Undecided/Not sure(UD)	Disagree(D)	Strongly Disagree(SD)

- **BLG-** Bushenyi Local Government

Section B; Financial Planning and Service Delivery in Bushenyi LG

		5	4	3	2	1
1	There is good Financial planning in Bushenyi district LG					
2	Goals and targets to achieve in service delivery are clearly laid down.					
3	There is a budget committee in place responsible for making the budget.					
4	There is participatory budgeting, involving all stake holders in BLG					
5	The budget conference is held every year in Bushenyi LG.					

6	The finance department does prepare revenue and expenditure fore casts for the years ahead.					
7	The financial budget is done based on the identified needs of Bushenyi LG					
8	The Finance department coordinates well with other departments in Bushenyi LG.					

Section C: Revenue Collection and Service Delivery

		5	4	3	2	1
9	The district has a Revenue /charging policy in place which is effective in generating revenue for service delivery					
10	Revenue collected is properly assessed and assessment forms are given to tax payers.					
11	Local revenue in the district is collected by authorized officials who issue receipts to tax payers					
12	Local revenue collected is enough to cater for services provided to the public.					
13	There is timely collection of local revenues in Bushenyi LG.					
14	There is need for more new sources of local revenue in BLG					
15	Fees and taxes are the major sources of local revenues in BLG					
16	Proper utilization of local revenues encourages people to pay their dues promptly to the district.					
17	Enough funds are transferred to BLG from Central Government					
18	Revenue collection affects service delivery in BLG					

Section D: Financial control and education service delivery

		5	4	3	2	1
19	The Council always discusses and approves the budget before expenditure is made.					
20	All expenditures made are authorized by officers responsible in Bushenyi district LG.					
21	A Vote book is available and expenditures are made as budgeted.					
22	Budget performance reports are prepared regularly in the district					
23	There is an effective internal audit department in Bushenyi LG.					
24	Audit reports are prepared regularly in the district to reduce chances of financial mismanagement.					
25	There is effective financial control measures in the district to ensure efficiency in service delivery.					
26	Revenue control affects service delivery in Bushenyi LG.					
27	There is good accountability for revenue spent on service delivery in Bushenyi LG					

Section E: Education Service Delivery

	Primary Education					
28	There is quality public primary education in Bushenyi district.					
29	All children of school going age are enrolled in primary schools in Bushenyi district.					
30	All pupils who join primary one complete primary seven.					
31	Close to half of pupils who join P.1 don't complete primary seven.					
32	UPE schools in Bushenyi district have enough teachers compared to the number of students they have.					
33	The public primary schools are enough in Bushenyi district.					
34	There is adequate infrastructure in UPE schools in Bushenyi LG					
35	More than half of pupils in UPE pass in 1 st grade in PLE exams in Bushenyi district.					

Appendix 2
Interview guide

To be used on key informants specifically the CFO, CAO, DEO, and LCV executive.

Introduction

My name is

I am a student at Uganda Management Institute (UMI), doing a masters degree in Management Studies (Financial Management). This study is being done purely for academic purposes, and the responses given will be treated with maximum confidentiality they deserve. Thank you for accepting to participate in this study.

Research Topic: **Financial Management and education Service delivery in local governments in Uganda. A case of Bushenyi district LG.**

1. As local Government, you are required by the Constitution and Local Government Act to provide services to the public, are you satisfied with the quality of services delivered?
2. What are the major challenges you are facing in service delivery to the public?
3. Do you collect enough revenues to facilitate service delivery?
4. Are people cooperating in local revenue collection in the district?
5. How is the quality of primary education in Bushenyi Local Government?
- 6 .Do you have enough primary schools in the district? How effective are they in providing education services to the public?
8. On education, do UPE schools have enough qualified teachers in the district?
9. Only 30% of pupils who joined P.1 in 2006 sat for PLE country wide in 2012, is it the same situation in Bushenyi district?

10. What could be the cause of this high dropout rate?

11. What is the general performance of UPE schools in PLE exams in Bushenyi district?

12. Could this be as a result of poor financial planning and control?

Are UPE funds properly utilized by the schools in BLG

13. Any observation/suggestion you wish to put forward on how best Local LGs can improve service delivery.....

.....

Thank you once again for your time and views.

Appendix 3

Observation Checklist to assess the condition of services delivered.

The researcher moves around the health centre or school to assess the condition of the service delivery.

Name of the facility.....

Type/level of the facility.....

Date of observation.....

Key: YES 1, NO 2

No	Item	Code
	PRIMARY EDUCATION	
1	Pupils are present in school and learning	
2	Teachers present in school and teaching.	
3	The classrooms are enough compared to number of pupils	
4	Staff houses are available near by the school.	
5	The school has enough latrines and toilets	
6	The general environment at the school is conducive/good for learning	
7	Classes are in good conditions	
8	Windows and doors are fixed with the class rooms	
9	Pupils have enough furniture in classes	
10	Pupils have books and pens to use at school	
11	School has enough water for pupils to use	

Source: Adopted and modified from: Etit Jennifer (2010).

Appendix 4
DOCUMENTARY REVIEW CHECK LIST

a) Financial planning

- Documents related to financial planning
- Government Policy guidelines on budgeting
- District Development plan.
- Approved District Budget Estimates

b) Revenue Collection

- Charging/Revenue policy
- Income and Expenditure record
- Revenue and expenditure reports

c) Financial Controls

- A vote book is available
- Financial controls documented
- Monitoring expenditure reports
- Audit reports in place
- District Public Accounts' Reports

d) Education Service delivery

- Annual Education performance reports in place
- Education related infrastructure and equipment reports
- National Education Assessment Report
- District Annual Education Report

Appendix 5
OUT PUT OF REGRESSION ANALYSIS OF FINANCIAL PLANNING AND
EDUCATION SERVICE DELIVERY

Correlations

		ServiceDelivery	FinancialPlannin g
ServiceDelivery	Pearson Correlation	1	.402**
	Sig. (2-tailed)		.000
	N	107	107
FinancialPlanning	Pearson Correlation	.402**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.402 ^a	.162	.154	.45394

a. Predictors: (Constant), Financial Planning

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.170	1	4.170	20.237	.000 ^a
	Residual	21.637	105	.206		
	Total	25.807	106			

a. Predictors: (Constant), Financial Planning

b. Dependent Variable: education Service Delivery

Appendix 6
OUT PUT RESULTS OF REGRESSION ANALYSIS OF REVENUE
COLLECTION AND EDUCATION SERVICE DELIVERY

Correlations

		Service Delivery	Revenue Collection
Service Delivery	Pearson Correlation	1	.475**
	Sig. (2-tailed)		.000
	N	107	107
Revenue Collection	Pearson Correlation	.475**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.475 ^a	.226	.219	.43616

a. Predictors: (Constant), Revenue Collection

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.832	1	5.832	30.656	.000 ^a
	Residual	19.975	105	.190		
	Total	25.807	106			

a. Predictors: (Constant), Revenue Collection

b. Dependent Variable: education Service Delivery

Appendix 7
OUTPUT RESULTS ON OF REGRESSION ANALYSIS OF FINANCIAL
CONTROL AND EDUCATION SERVICE DELIVERY IN BUSHENYI LOCAL
GOVERNMENT

Correlations

		ServiceDelivery	Financialcontrol
ServiceDelivery	Pearson Correlation	1	.363**
	Sig. (2-tailed)		.000
	N	107	107
Financialcontrol	Pearson Correlation	.363**	1
	Sig. (2-tailed)	.000	
	N	107	107

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.363 ^a	.132	.123	.46198

a. Predictors: (Constant), Financial control

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.397	1	3.397	15.919	.000 ^a
	Residual	22.409	105	.213		
	Total	25.807	106			

a. Predictors: (Constant), Financial control

b. Dependent Variable: education Service Delivery

Appendix 9
INTRODUCTORY LETTER



BUSHENYI DISTRICT LOCAL GOVERNMENT

Tel/Fax: 0485443575
Email: bushenyi@yaho.com

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER
BUSHENYI DISTRICT
P.O BOX 1
BUSHENYI - UGANDA

Our Ref: CR/220/1

Your Ref:

Date: 07/09/2012

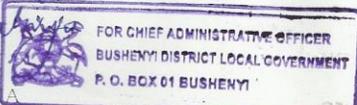
TO WHOM IT MAY CONCERN

RE: KATO JACOB WARUFU 11MMSFM/25/022

Reference is made to a letter Ref No/G/35 from Uganda Management Institute dated 21st August, 2012 introducing Mr. Kato Jacob Warufu 11MMSFM/25/022 as a bonafide Student of Uganda Management Institute doing Masters Degree in Management Studies.

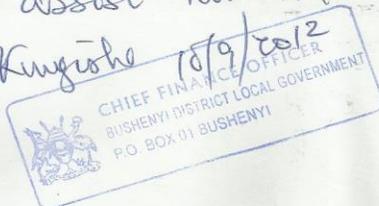
He is currently carrying out research on topic "Financial Management and Service Delivery in Local Governments in Uganda: A case of Bushenyi District Local Government"

Any assistance rendered to him will be highly appreciated.



MABIYA JOSHUA
FOR: CHIEF ADMINISTRATIVE OFFICER/BUSHENYI

Mr. Medard

Please assist him with information

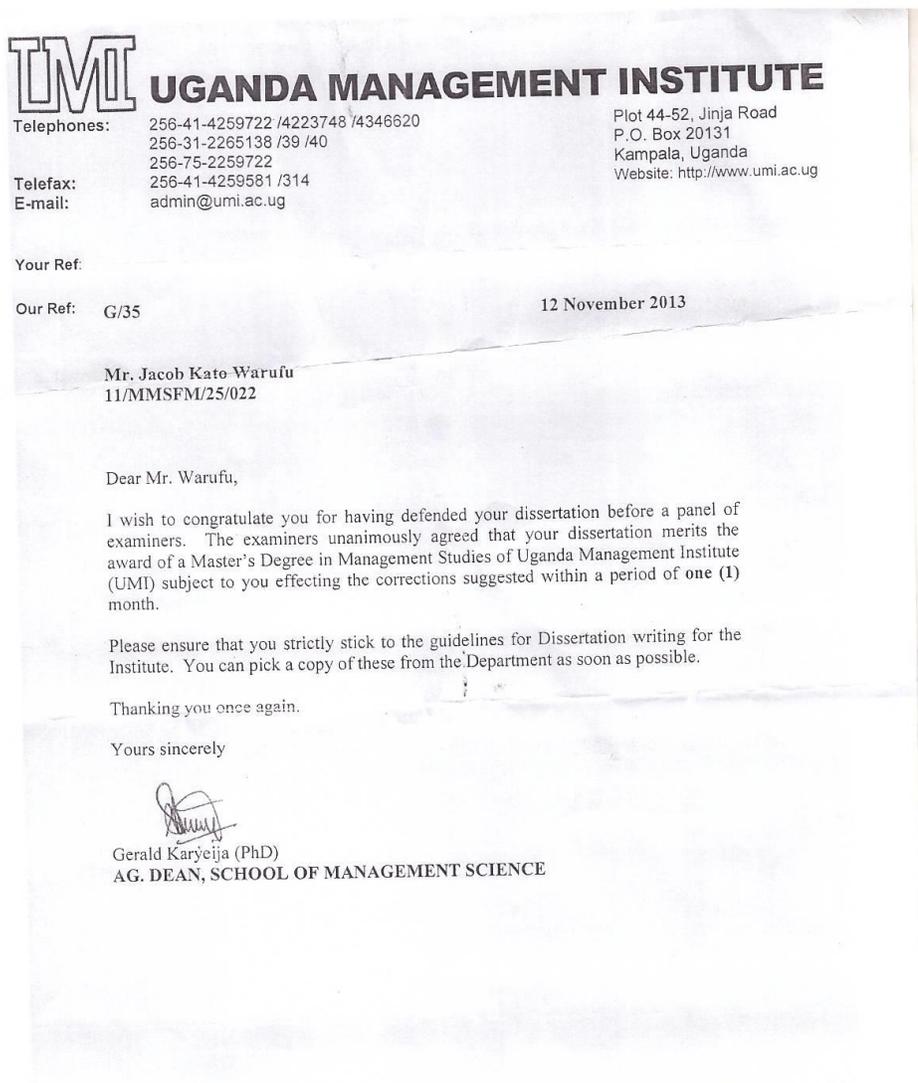


CHIEF FINANCE OFFICER
BUSHENYI DISTRICT LOCAL GOVERNMENT
P.O. BOX 01 BUSHENYI

0779792831

0718760894

Appendix 10

Research report defence letter



APPROVED BUDGET ALLOCATION BY SECTOR: 2011/2012

(BUSHENYI LOCAL GOVERNMENT)

**BUSHENYI LOCAL GOVERNMENT
BUDGET ESTIMATES FOR 2011/2012
SUMMARY OF ALLOCATIONS TO SECTORS**

SECTOR	WAGE	NON WAGE	DEVELOPMENT	TOTAL	%age
MANAGEMENT	269,179,965	323,376,585	-	592,556,550	4.0
FINANCE	134,737,427	299,186,155	-	433,923,582	2.3
FINANCE-TRANSFER TO SUB COUNTIES	-	203,456,865	212,967,690	416,424,555	2.8
STATUTORY BODIES	61,927,044	366,609,989	-	428,537,033	2.9
PRODUCTION	417,981,864	161,296,797	91,759,478	671,038,139	4.5
PRODUCTION-TRANSFER TO SUBCOUNTIES(NAADS)	-	-	760,352,999	760,352,999	5.1
HEALTH	802,318,000	1,335,112,281	185,345,000	2,322,775,281	15.7
EDUCATION	5,802,173,088	1,125,586,478	551,585,637	7,479,345,203	50.5
WORKS	63,298,754	101,728,023	837,098,282	1,002,125,059	6.8
NATURAL RESOURCES	75,897,058	98,067,350	65,792,914	239,757,322	1.6
COMMUNITY BASED SERVICES	65,328,758	222,348,748	-	287,677,506	1.9
PLANNING	-	131,761,979	-	131,761,979	0.9
INTERNAL AUDIT	22,980,042	12,876,264	-	35,856,306	0.2
GRAND TOTAL	7,715,822,000	4,381,407,514	2,704,902,000	14,802,131,514	100.0