FINANCIAL MANAGEMENT SYSTEMS AND BUDGET PERFORMANCE IN LOCAL GOVERNMENT IN UGANDA: THE CASE OF KITGUM DISTRICT LOCAL GOVERNMENT IN NORTHERN REGION

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DECLARATION

This is to declare that this dissertation is my own original work and it has never been presented anywhere else for academic or any award before.

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APPROVAL

This is to certify that this dissertation entitled "*Financial Management Systems and Budget Performance in Local Government in Uganda: The Case of Kitgum District Local Government in Northern Region*" was carried out under our supervision as partial fulfillment of the requirements for the award of a degree in Master of Business Administration of Gulu University

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DEDICATION

This dissertation is dedicated to my parent Mr. Oyat Alfred, my brothers; Nokrach David, Oweka Richard, Lutara Wilson, and my lovely sister Mrs. Christine Okot, who gave me a firm foundation in their prayers and support that enabled me to become what I am today.

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LIST OF ABBREVIATIONS AND ACRONYMS

CAO	Chief Administrative Officer
DFID	Department for International Development
ESAAAG	Eastern Southern African Association of Accountants General
FINMAP	Financial Management Accountability Programme
GOU	Government of Uganda
IFMIS	Integrated Management Information Systems
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IPPS	Integrated Personnel and Payroll System
IT	Information Technology
KDLG	Kitgum District Local Government
LC	Local Council
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
MOFPED	Ministry of Finance Planning and Economic Development
NPM	New Public Management
PFAA	Public Finance and Accountability Act
PFM	Public Financial Management
PSFRs	Public Sector Financial Reforms
PPR	Public Procurement Reform
SAP	Structural Adjustment Program me
SPSS	Statistical Package for Social Scientists

ABSTRACT

The study was conducted on Financial management System and budget performance in local governments, A case of Kitgum district with specific objectives of establishing the relationship between integrated financial management systems and budget performance, the extent of relationship between personnel and payroll system and budget performance and to assess the relationship between Public Procurement and budget performance in Kitgum district local government. Across sectional design was applied with both qualitative and quantitative approaches employed. It was established that integrated financial management system has helped in budget performance as confirmed. The findings further revealed a weak performance of integrated personnel and payroll system, and most respondents were unsatisfied with its performance. The report revealed that public procurement system in the district was well executed. It was also revealed that effective implementation strategies in the district were achieved and this was in agreement with the majority of respondents. The study revealed a significant and positive relationship between the Financial management System and budget performance in the district local government and the results indicated that 97.9% of the variation in quality of budget performance as indicated. In conclusion, financial management reformhas positively influenced the performance of public services in local governments, implying that if the internal implementation strategies of managing the reforms are improved, the level of service delivery in local governments will definitely improve. Much as many local governments take back money to the treasury, Kitgum district local government managed to always consume 90% of her budget every financial year. As per the recommendation, Local government services should be in accordance with the standards of local government civil service activities, which will create a credible apparatus. To ensure improved service delivery of essential public services and ultimate achievement of budget performance in local governments, government has to ensure there is effective and efficient performance standards set and adhered to. Working tools and resources to be provided for implementing the assigned duties, with close monitoring and supervision.

CHAPTER ONE:
INTRODUCTION

1.0 Introduction

This study thus sought to investigate the extent to which budget performance in local governments is affected by the financial management system and other related factors. Local government budgets have never attained its expectation in terms of service delivery in key priority areas of wage, non-wage recurrent and development. From the financial year of 2016/2017-2020/2021 when Kitgum; among the local government district, were rolled to the integrated financial management system as one of the key financial system in the public sectors and had operated it for more than three financial years (Ministry of Local Government, 2016). However, a number of studies had been conducted on this problem to find out its major causes, but so far with no success.

Various factors had been cited as the causes of poor budget performance like over dependence on the central government transfers among others, but financial management system came out more prominently. (Munyambonera & Lwanga, 2015). Therefore, this research intended to investigate whether poor budget performance is affected by the financial management systems in local governments taking Kitgum district in Northern Uganda as a case study.

This chapter explained the relationship between the two variables under investigation which consist of various components. It also looks at the background to the study, theoretical, conceptual, contextual, problem statement, general and specific objectives, research questions, conceptual framework, significance, justification. This therefore looked at the causes of the problems which many studies have been done and investigated.

1.2 Background to the Study

Government has been engaged in Public Financial Management (PFM) reforms since the 1980s and has made significant progress. Most recently, PFM performance has improved in budget credibility, transparency, policy-based budgeting and budget execution controls. This is attributed to several reforms, prominent among which includes the ratification of the new PFM Act (2015), the Treasury Single Account (TSA), payroll reforms, introducing Program-Based Budgeting (PBB) and other important reforms such as deepening the rollout and use of the Integrated Financial Management System (IFMS). These interventions received

significant support through Government's Financial Management and Accountability Programme (FINMAP), which started in 2007.

Nonetheless, a number of challenges continued, especially in the areas of Public Investment Management, sustainable resource mobilization, PFM regulatory compliance, managing and reducing expenditure arrears, strengthening the Medium-Term Expenditure Framework (MTEF), integrating financial management and accountability systems, and audit scrutiny and follow up.

1.2.1 Historical background

In the last 30 years, governments all over the world made fundamental changes to the way they were run. Public service financial reforms had been at the heart of this process of modernization. Despite different administrative cultures, political circumstances and priorities at the level of convergence was striking. This merging reform reflects the prevalence of a shared governing philosophy that had underpinned many of the recent reforms such as the new public management (NPM).

Friedman, (2002), argues that new public Management has been a dominant force shaping market-based reform agenda in many countries of the world under different labels. Under John Major, they were called as citizen charter while in US the reforms were tagged as National Performance Review (Wandera, 2017) Other titles included; Public Sector Reforms by the Common Wealth Secretariat, the World Bank referred to them as Civil Service Reforms. All these labels and whatever rubric used all embraced the New Public Management ideology.

Wandera, (2017), argue that the period from 1980-2000 saw changes in patterns of ownership and in the forms of organizational structure and systems in most of the public service of the developed world and the developing ones. It is obvious that every citizen and stake holders in the public sector where public sector reforms took place in one way or the other and at different levels has been deeply implicated by changes in public social service delivery, wellbeing and economic development. The New Public Management (NPM), which gained popularity in the 1990s, advocates the redefinition of the size, scope and role of the state in society and its relationship with the market alongside reforms for improving competence of public bureaucracy (Forbes et al., 2006).

It is largely supportive of effective and efficiency public service delivery. Therefore, it has become a major element of governmental attempts to reshape and improve the performance of public institutions in terms of public service delivery for sustained economies. One of the broad public sector reforms were financial reforms.

Jan (1997) argued that the public sector financial reforms were a drive initiated during the 1980s in the advanced capitalist democracies as a response to the public sector expansion process that had been such a dominant feature of the Organization for Economic Co-operation and Development (OECD)countries after the Second World War. In the early 1980s there was realization that the public sector had a profound problem in relation to how well its various programs were operating, given the fact that the public sector had grown from below 25% to over 45% of GDP in a couple of decades as an OECD average.

In Africa, most of the public sector financial reform programs that have taken place during the last two decades were introduced as part of the Structural Adjustment Programs (SAPs) of the World Bank in the 1980s. The more recent reforms, however under the influence of the New Public Management (NPM), were driven by a combination of economic, social, political and technological factors, which were triggered by the search for efficiency and for ways to cut the cost of delivering public services. Additional factors, particularly for Africa, included lending conditionality and the increasing emphasis on good governance. More recently, the World Bank and other donors in Africa have been concerned with finding alternative ways of organizing and managing public services and redefining the role of the State to give more prominence to markets and competition, and to the private and voluntary sectors (Shand, 2010b). The alternative vision, based on issues of efficiency, representation, participation and accountability, has sought to create a market-friendly, liberalized, lean, decentralized, customer-oriented, managerial and democratic State.

Two of the most significant reforms championed by the World Bank, DFID and others were the introduction of a Medium-Term Economic Framework (MTEF) and an Integrated Financial Management Information System (IFMIS). “In the early 1990s, Uganda’s priority was to establish macroeconomic stability, following a lapse in fiscal discipline which resulted in high inflation”. As a result, the Government of Uganda introduced an MTEF largely on its own initiative. Once some progress had been made towards a balanced budget, the MTEF

was used to assist with the reallocation of Government resources towards poverty reducing expenditure, although the success on this measure is far from being clear (Langat, 2016).

In early 2001, the Government of Uganda initiated an ambitious project to implement a comprehensive integrated financial management information system (IFMIS). As the Accountant General stated in early 2004, "The IFMIS is one of the most ambitious interventions the Government of Uganda has embarked upon recently" (ESAAG, 2003:13). So far, the project appears to be reasonably on course with the pilot sites going live in February 2004, only a year behind the original schedule (World Bank, 2004b). The Ministry of Finance Planning and Economic Development introduced a Treasure Single Account system in October 2013 in accordance with Section 4 (1)3 of the Public Finance and Accountability Act (PFAA), 2003.

Public procurement Systems in Uganda, commenced in 1997, as a process and a key milestone, and the first key event was the National Public Procurement Forum held at the request of the Ministry of Finance, Planning and Economic Development (MOFPED) in Entebbe (Agaba & Shipman, 2003).

Agaba & Shipman (2003) explained that, where two sources of pressure on the Government to review the performance of the public procurement system and to generate a restructuring plan. One was the realization by the Government itself that the old system could not deal satisfactorily with the emerging demands on the system in terms of transaction numbers expanding value of procurement budgets, scale and technical complexity of procurement activities. These demands were being made against a backdrop of a lack of bureaucratic accountability and transparency and the absence of a culture of value for money procurement. Against this weak background, donors began to exert pressure on the Government to put in place the appropriate remedies.

In response, the Government created in May 1998 a twelve-man Task Force on Public Procurement system comprising the private sector represented by Procurement and Logistics Management Association (PALMA) and the donor community by the World Bank.

The district Administration also engaged in public procurement through the District Tender Boards. The local governments Financial and Accounting Regulations 1998, which derived

from the Local Government Act 1997, which regulated the move. Goods and services in districts are procured through these Tender Boards.

In January 2014, the government of Uganda introduced the Integrated Personnel and Payroll System. Under the new payment system, accounting officers were required to verify and approve the payroll and each salary payment. The Ministry of Public Service, which previously managed the payroll, is limited to providing policy guidance, administration and monitoring. In addition to decentralizing and management payroll systems, a number of other measures have been introduced to better manage the system (Munyambonera & Lwanga, 2015a). In 1992, Uganda adopted a decentralization policy that sought to establish a system of governance underpinned by strong local governments. Subsequent constitutional and legal reforms established districts and sub-counties as key pillars of local governments through which effective service delivery and local governance is to be attained. With the implementation of the decentralization policy, deliberate effort was undertaken to decentralize the decision-making powers on the planning and budgeting process. The process of fiscal decentralization began in Uganda in 1993/94, when the central government decentralized many functions and responsibilities, including the provision of basic health services and control of medical personnel from the central MOH to the district level. Fiscal decentralization occurred in a phased manner, with some districts being decentralized before others (Wandera, 2017).

In a bid to address the uninspiring financial performance, the government of Uganda introduced financial reforms which were aimed at improving financial management and improve service delivery. Despite the reforms, service delivery at the local government level is still poor (Munyambonera& Lwanga, 2015). The current study thus sought to assess the effect of the Financial management System on budget performance in Uganda's local governments using a case study of Kitgum District Local Government.

1.2.2 Contextual background

Uganda is considered by many as a country at the forefront of reforming public expenditure systems towards the goal of poverty reduction. Through the Poverty Eradication Action Plan (PEAP), Uganda has developed a comprehensive framework for reducing poverty in the country, with clearly articulated priorities for achieving this goal. Over the five years to 2002 there were major shifts in the size of budgeted expenditures and shift in their composition

towards priority PEAP programs. Initiatives such as the Medium-Term Expenditure Framework (MTEF) and the Poverty Action Fund (PAF) have helped in this reorientation.

Uganda runs a very open and consultative budget process, where the Government's near and medium-term strategy for implementing the PEAP is discussed. Budget discipline in Uganda has been relatively good compared to its peers; however, disbursements against budget can vary significantly between sectors and agencies within those sectors. Uganda has a highly decentralized system of government with local governments responsible for the implementation of many government services; however, this has not been followed up with full fiscal decentralization.

The huge majority grants from central government are channeled to local governments as 'conditional grants', earmarked by central government to specific areas of primary service delivery. Throughout the last decade the government has sought to address the need to improve the performance of the public sector through ambitious public service reform programmes. In the early 1990's substantial progress in downsizing the public service and increasing pay was made. Also, crucial efforts have been made to improve the efficiency and effectiveness of public sector institutions through initiatives such as Results-oriented Management (ROM) and Staff Performance Appraisal systems. The Public Financial Management Reform Strategy provides a guide to the future focus of PFM reforms in Uganda. Uganda has been implementing PFM reforms since the early 1990s with a number of accomplishments which include: maintaining strong and stable fiscal and macroeconomic policies and fundamentals; improved planning and budgeting; enhanced control and management of public funds; improved reporting at Ministries Department and Agencies (MDAs) and Local Governments (LGs); and revival of scrutiny and oversight of collection and utilization of public funds and resources. The PFM Strategy takes stock of these achievements and identifies and addresses the gaps that have hindered the maximization of the benefits of implementing PFM reforms. However, these reforms do not appear to be translating into marked improved Budget Performance (FINMAP, 2010)

Despite the successes and improvements that have been registered by Government of Uganda reform systems, studies such as the Public Expenditure and Financial Accountability (PEFA) report 2008, Financial Accountability and Management Programme (FINMAP) Mid-term Review 2010:07) indicate that the improvements do not appear to be translating into marked

improved Budget Performance. In particular it has been observed, especially through the FINMAP Mid-term Review, that resources are not getting to the end users on time and the users are not being empowered to effectively use the resources to improve service delivery.
In a bid to address the monotonous low budget performance, the government of Uganda introduced financial management System which were aimed at improving budget performance and improve service delivery. Despite the reforms, Budget performance at local government level is still poor (Ministry of Finance Planing and Economic Development 2015). MOFPED (2015) annual report . The current study thus sought to assess the effect of the financial management System on budget performance in Uganda's local governments using a case study of Kitgum District Local Government.

1.2.3 Conceptual background

An Integrated Financial Management Systems (IFMS) is a fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. In simple terms, it is an IT-based budgeting and accounting system that assists the Government of Uganda entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities (T. H. E. Republic, 2015).

The IFMS can streamline all fiscal and financial management processes throughout Government and provide GOU with a modern budgeting and accounting system with state of the art functionality on which to undertake its national and public sector accounting and financial management" (Wandera, 2017).

An Integrated Personnel and Payroll System (IPPS) is a system that is aimed at enhancing the management of the pay roll and personnel. Under the new payment system, accounting officers are required to verify and approve the payroll and each salary payment. The Ministry of Public Service, which previously managed the payroll, is limited to providing policy guidance, administration and monitoring. In addition to decentralizing the management payroll systems, a number of other measures have been introduced to better manage the wage bill and payroll (Munyambonera & Lwanga, 2015).

1.3 Statement of the Problem

It has been observed that, before the implementation of the financial management system, Government of Uganda through Ministry of finance Planning and economic development had allowed the different votes and Local governments to spent on the development projects up to 30th September of the new financial year to ensure the unpaid contracts are paid before the funds are taken back to the treasury (T. H. E. Republic et al., 2014)

In the financial year 2018/2019, the government ministries, departments, and local governments failed to spend Shs349.7 billion and Shs736 billion from 43 donor-funded projects implemented by the different ministries, departments, and agencies (MDAs) that was returned to the Consolidated Fund. Public Finance Management Act (PFMA) requires all unspent balances to be returned to the Consolidated Fund after close of every financial year of 30th June every year. The law under Section 17(2) of PFMA provides that, "a vote that does not expend money that was appropriated to the vote, shall take back the money to the Consolidated Fund. And the vote is required to explain in writing to the minister, the reason for failure to utilize the grants"(Auditor General, 2020).

Mugunga (2020) emphasized that under the existing legal framework, all spending agencies are supposed to meet their spending targets for both wages and capital investments before the end of the financial year, lest they lose all their unspent balances.

Given this uninspiring financial performance, it is thus not clear if the financial management System have had any significant effect on budget performance within the LGs. The current study therefore sought to assess the effect of financial management Systems on budget performance in the district.

Without this information, the district may continue underperforming which may result into poor service delivery and wastage of tax payers' money. The study went a long way in suggesting practical recommendations to improve financial management and budget performance in the district local government.

1.4 Purpose of the Study

The study examined the relationship between financial management System and budget performance in Kitgum district local government.

1.4.1 Objective of the Study

i. To examine the level of Integrated financial management systems in Kitgum District Local Government.
ii. To establish the effects of Integrated Personnel and Payroll System on budget performance in Kitgum District Local Government.
iii. To find out the relationship between Public Procurement and budget performance in Kitgum District Local Government

1.5 Research Questions

i. What is the level of relationship between integrated financial management systems and budget performance?
ii. What is the extent of relationship between integrated personnel and payroll system and budget performance?
iii. What is the relationship between Public Procurement and budget performance?

1.6 Scope of the Study

The scope of this study is discussed under the geographical, content and time scopes.

1.6.1 Geographical scope

The study was conducted at Kitgum District Local Government which is located in Northern Uganda at the border of southern Sudan from the side of its sub county called Orom. Kitgum District lies approximately 400 kilometers north of Kampala. The study focused on the district because it is one of the districts in Uganda that are affected by both financial management reform challenges and budget performance (Auditor General' Report, 2015).

1.6.2 Content scope

The study investigated financial management Systems and budget performance in Kitgum District Local Government.

1.6.3 Time scope

The study covered the district's operation between financial year 2017/2018 to 2021/2022 making a coverage of five years. The study was best suited for that period for the reason being that Kitgum was rolled to implement integrated financial management system as one of

the key Financial management System in the public sectors in December 2012, IPPS in the financial year 2014/2015 and public procurement reform in 2012. This period enabled my study to compare the performance of the district in its original manual ways of operation and the initial inception of the reforms up to the current position.

1.7 Conceptual Framework

According to the Figure 1, budget performance is the dependent variable of the study and it is explained by timeliness in reporting, controlled implementation, flexible operation and stake holder's satisfaction. Financial management reform is the independent variable of the study and it is explained by integrated financial management system, integrated personnel and payroll system and public Procurement system, while organizational goal setting and employees training is the intervening variable.

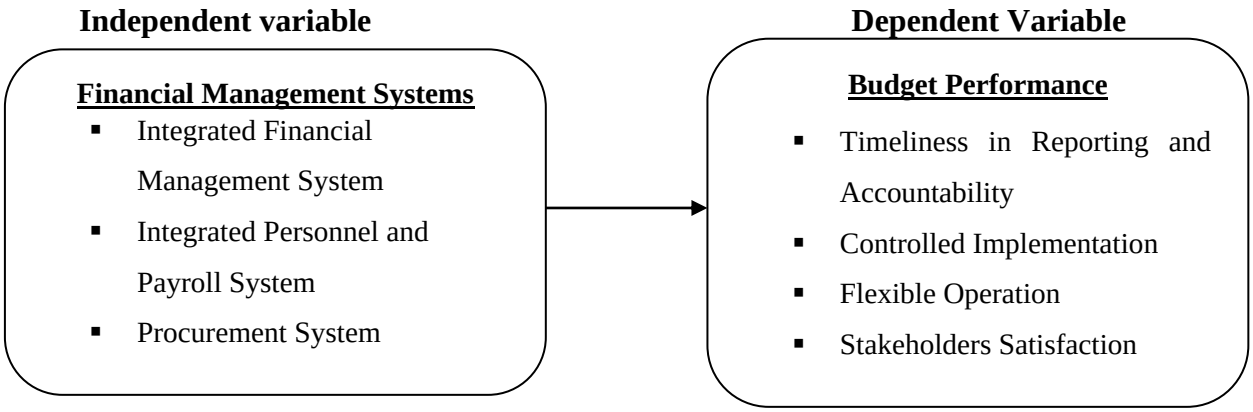


Figure 1: Conceptual Framework on Financial Management System and Budget Performance

Source: Adapted with modification from Wandera (2017)

1.8 Significance of the Study

The study will help central government to ensure proper, uniform and efficient budget management at all the votes that will highlight the impact of financial management System on budget performance.

The study will create an understanding to the residents of Kitgum District about the nature and quality of services they are supposed to get from the district, for example efficient, effective, and timely service delivery as planned in the budget. Nevertheless, it will be useful

to other researchers and academicians who will be under taking research on financial management System and budget performance; this is because the study will contribute to the existing secondary data for reference.

CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter provided theoretical and empirical information from publications on topics related to the research problem and summary of the literature review. It also examined what various scholars and authors had written about financial management System and budget performance in the public sectors.

The issue of budget performance in local government is quite global in nature and several studies have been carried out on it. This is especially so, as it relates with financial management system and district implementation strategies. This means there is a lot of literature on the problem. Therefore, this study examines some of the literature surrounding the problem. Public sector financial management system have been on the agenda of African governments and their development partners for decades and yet the financial management problems still persist (Larbi & Nations, 1999).

2.1 Theoretical Framework

This research utilized the Technology Acceptance Model (TAM) since it is an information systems theory that models how users accept and use a technology. The TAM has been continuously studied and expanded the two major upgrades being the TAM 2 (Venkatesh & Davis, 2000) A TAM has also been proposed in the context of payroll systems with an inclusion of the effects of trust and perceived risk on system use (Venkatesh & Bala 2008).

Original TAM model extended to explain perceived usefulness and usage intentions in terms of social influence and cognitive instrumental processes (job relevance, output quality, result demonstrability, perceived ease of use). Several researchers have replicated Davis' original study (Davis, 1989) to provide empirical evidence on the relationships that exist between usefulness, ease of use and system use. Venkatesh and Davis extended the original TAM model to explain perceived usefulness and usage intentions in terms of social influence (subjective norms, voluntariness, image) and cognitive instrumental processes (job relevance, output quality, result demonstrability, perceived ease of use). The extended model, referred to as TAM2, was tested in both voluntary and mandatory settings. The results strongly supported TAM2 (Venkatesh & Davis 2000:5).

TAM has been widely criticized, despite its frequent use, leading the original proposers to attempt to redefine it several times. Criticisms of TAM as a "theory" include its questionable heuristic value, limited explanatory and predictive power, worthlessness, and lack of any practical value.

Both attitude and subjective norm were found to be important determinants of peoples' intentions to adopt and use ICTs and thus adoption of any new ICT reform. Furthermore, the independent attempts by several researchers to expand TAM in order to adopt it to the constantly changing ICT and systems environments has led to a state of theoretical chaos and confusion (Benbasat& Barki 2007:7). This is a necessary basis to evaluate current and potential actions that Government may undertake to support financial management System implementation hence adoption of TAM theory has to be tested.

System transforms inputs into outputs. This transformation is essential for the survival of the system. There are three aspects involved in this transformation process: inputs, mediator, and outputs. Inputs are taken from the environment, transformed into outputs and given back to the environment. The various inputs may be in the form of information, money, materials, human resources, etc. Outputs may be in the form of goods and services. The total relationship may be called the input – output process and the system works as a mediator in the process (Bertalanffy, 1968). For this study, the financial management System will be the inputs and budget performance within the local governments will be the output.

2.2 Budget Performance

Performance budgeting in Poland was introduced at the central level in 2009, but has been in existence at the local government level since 1994 (Wirska, n.d.). It was introduced as a tool for new public management, and its goal is to increase the transparency of public spending, its rationality and the effectiveness of public finance management.

It is a type of expansion of traditional budget's expenditures component called the task component and is the part that brightens the purpose of public spending and the results achieved by those public expenditures. These expenses must be assigned to appropriate tasks (Poland, 2016). Before the anticipated expenses will be recognized in accordance with the current budgetary classification, municipal authorities (and the directors and managers of

budgetary entities) prepare in the form of budget tasks detailed materials and substantive financial plans to be implemented.

The goal of this preparation of the budget task component is a better comparison of expenditures to the effects of spending that it serves (Świrska, 2016). Ioryer, Boniface, (2017) looks at budgeting as an act of preparing or formulating a budget. In Nigerian context, budgeting could be described as the annual statement of income and expenditure of the Federal state, and local government. It can be considered as a process of taking deliberate measures aimed at moving the relevant economic system from its current state towards a specified desired state.

Usman, Hamza, Rabiu & Ph (2016) stated that, budget is a device intended to provide greater effectiveness in achieving organizational efficiency, the budget set for priorities as well as levels of spending, ways of financing and spending and a plan for managing the funds.

Management accountants looked at budgeting as a plan quantified in monetary terms, prepared and approved prior to a definite period of time, which usually show the planned income to be generated and/or expenditures to be incurred during the period and the capital to be employed to attain a given objectives (Audu et al., 2016).

Budgetary control is the budget or budgets to control activities of the organization. It is an accounting tools for planning and controlling functions of the management in an organization, once the appropriate set of budgets has been applied, they will be used as a means of allocating responsibilities, the use of statement and reports for controlling performance and cost of the management (Audu et al., 2016).

Performance budget involves estimates made for upcoming revenue and expenses. This is done by assessing each item on the income statement and providing a percentage of expected change from the previous year. Performance budgets are often based on a service rate or on a specific project. As the company grows, performance budgets may be drawn up on a ‘per project’ basis.

Other budgets are created to track job performance during a period. For example, the budget is used to track sales growth during a period and gauge how successfully new goals

are met. The cash budget tracks the amount of cash spent and taken in during a period and compares it with the goals for that time frame. At the end of each period, the current budget numbers and actual performance numbers are compared and adjustments are made if needed.

Budget that reflects the input of resources and the output of services for each unit of an organization. This type of budget is commonly used by government bodies to show the link between taxpayer funds and the outcome of services provided by federal, state or local governments. Further, performance budget does not focus on the individual activities which are necessary for developing strategies. Instead, the core focus is the achievement of the overall goal of the planning entity. This helps the managers to frame the strategy of the entity. Performance budgeting is based on the concept of zero-based budgeting. (Bank, 2003)

Personal, Archive, & Nguyen (2008) argued that, if performance budgeting is ever to realize its promise as a management tool, it will have to be integrated into the existing budget process in the prevailing organizational culture and show the same sensitivity to the political process that traditional budgeting does. Performance budgeting is maturing and evolving with implementation, similar to any other budget innovation. Unlike other budgeting innovations, however, performance budgeting has been outstandingly imprecise with respect to purpose and form. It emerged during a wave of management reforms proposed to enhance accountability. Governments should be accountable to citizens for their service outcomes, even then most confident adopters rejected the notion that performance outcomes should be determinant for budget outcomes.

Local government budget innovations are designed to improve financial accountability, which requires that municipal governments prudently manage their finances to ensure integrity in their financial and non-financial reporting, control, budgeting, and performance systems (Schaeffer, 2010). Financial accountability also necessitates reporting comprehensively on what local governments have achieved with their expenditures. Financial accountability of local governments is strengthened by integrating approaches that marry supply-side public sector accountability (i.e. publicly available audit findings) with demand-side social accountability instruments (Schaeffer, 2010).

2.2.1 Timeliness in reporting and accountability

Timeliness refers to the time expectation for accessibility and availability of information. Timeliness can be measured as the time between when information is expected and when it is readily available for use.

The timeliness of accounting information refers to the provision of information to users quickly enough for them to take action. Timeliness of accounting information is highly desirable since information that is presented timely is generally more relevant to users while conversely, delay in provision of information tends to render it less relevant to the decision making needs of the users. (Harrigan & Venables, 2004). The timeliness of information is an important data quality characteristic, because information that isn't timely can lead to people making the wrong decisions. In turn, that costs organizations time, money, and reputational damage.

According to the Accounting Manual 2007, the financial year of local government runs from 1st July to 30th June. Therefore, timely budgeting feature keeps the planners and the implementer's on-track and in control, with timely review of budget progress across all the projects at once. A budget notification can also be sent to make sure the implementer knows exactly where the projects are headed at all times.

Shand (2010) argued that, resources are the people, materials and equipment that you require to complete your project. Planning properly so that you have your resources where and when needed is an essential component of managing projects. Creating and implementing detailed project schedules, as well as making all involved parties aware of their roles, will also help to keep all resources on time and on task. Shand (2010) further stated that, budgets were traditionally delivered in May or June. Not since the 1995-96 budget was handed down on 10th October 1995, has preparation of the budget coincided with year-end financial reporting. In addition to concurrent timetables for both processes, the 2011-12 budgets were completed in a shorter timeframe than in recent years.

Agency personnel responsible for year-end financial reporting are often also responsible for preparing data for the budget. Most agencies managed the concurrent requirements of both processes by having staffs work additional hours. Treasury, which was significantly impacted, also seconded staff from other areas of the agency. The accountant general

recognized that the demands on treasury’s resources to prepare both the total state sector accounts and the budget were substantial and it is to the agency’s credit that both were delivered on time.

Accountability in a wider sense, accountability implies a willingness to be judged on performance. Accountability is the acceptance of responsibility for one's own actions and implies a willingness to be transparent. In the corporate world, a company's accountability extends to its shareholders, employees, and the wider community in which it operates.

There are various ways to be accountable in the workplace, including setting deadlines, delegating tasks, defining ownership, and rewarding success. Accountability may help invoke confidence from external investors, loyalty from employees, and better company returns. There is an increased focus on other elements of corporate accountability such as ethical conduct, environmental impact, a commitment to diversity, and fair treatment of employees.

Accountability is an essential concept in corporate finance. It is defined as an entity's actions to take responsibility for their actions. This can range from accounting for financial discrepancies, conduct toward employees, financial mismanagement, or losing shareholder confidence (Smoke, 2015). Nurjaman & Sule, (2018). Argued that the concept is particularly relevant to the accounting practices that a company adopts when it prepares the financial reports submitted to shareholders and the government. Without checks, balances, and consequences for wrongdoing, a company cannot retain the confidence of its customers, regulators, or the markets.

Corporate accountability has come to encompass a company's activities as they affect the community. A company's environmental impact, its investment decisions, and its treatment of its own employees all have come under public scrutiny.

Each industry has its own standards and rules for accountability that may evolve over time. For example, the rules for social media accountability are being written now. The concept of accountability runs throughout all industries, sectors, companies, and professions. Here is an overview of where accountability is most prevalent in the business sector.

At its most prosaic, accountability is about numbers. Every public company must publish a financial report quarterly and annually detailing its income and expenses. An independent auditor reviewing a company's financial statements is responsible for obtaining reasonable assurance that the financial statements are free from any material misstatements caused by error or fraud. This auditor is holding the company accountable for its reporting.

Accountability requires corporate accountants to be careful and knowledgeable, as they can be held legally liable for negligence. An accountant is responsible for the integrity and accuracy of the company's financial statements, even if an error or misstatement was made by others in the organization. This is why independent outside accountants audit the financial statements. Public companies are required to have an audit committee within the board of directors. Their job is to oversee the audit.

Accountability promotes operational excellence. When employees understand that their work is being looked at and evaluated, they are more likely to put forth stronger effort as it is understood that what they do matters. This is especially true when employees are rewarded for strong accountability with raises, promotions, and public recognition.

Accountability safeguards company resources. It is not limited to just doing your job; it is the practice of being honest and responsible for your actions in all situations. When employees are accountable, they are held to a standard that company resources are to be respected, and employees are less like to mistreat company assets as they understand there will be consequences for their actions.

Accountability yields more accurate results. Companies with a standard of accountability will have boundaries of acceptable deviation. For example, a company may allow for a certain dollar threshold of financial misstatement due to immateriality.

2.2.2 Controlled implementation

Budgetary control system is a system of controlling costs which includes the preparation of budget, coordinating the departments and establishing responsibilities, comparing actual achieved maximum profitability (Nweze, 2004). Nweze identified the objectives of budgetary control to include, to coordinate all the activities of business, to plan and control income and expenditure so that maximum profitability are achieved, to provide yardstick against which

actual results can be compared, to act as a guide for management decisions when unforeseeable conditions affect the budget and to ensure there is adequate labour force and it is fully utilized. Therefore, organization of budgetary control include: budget departments, the introduction of adequate accounting records, general instructions of operating the system, the preparation of an organizational chart, the establishment of a budget committee, the preparation of a budget manual, budget periods and level of activity.

Budgetary control is a system of procedures used to ensure that an organization's actual revenues and expenditures adhere closely to its financial plan. This helps to refer to how well managers utilize budgets to monitor and control costs and operations in a given accounting period. In other words, budgetary control is a process for managers to set financial and performance goals with budgets, compare the actual results, and adjust performance, as it is needed.

According to Isaac, et al, (2015) "Budgetary control is a system of controlling costs which includes the preparation of budgets, coordinating the departments and establishing responsibilities, comparing actual performance with the budgeted and acting upon results to achieve maximum profitability." Weldon characterizes budgetary control as planning in advance of the various functions of a business so that the business as a whole is controlled.

Ioryer et al., (2017) explained that, budgetary control is a system or procedures used to ensure that an organization's actual revenues and expenditures adhere closely to its financial plan. The system typically involves setting personal goals for managers that are based on the budget, along with a set of rewards that are triggered when the goals are attained. In addition, budget versus actual reports are routinely issued to anyone having responsibility for a line item in the financial statements. They are then expected to take action to correct any unfavorable variances.

Further, the results of the business are closely monitored by a budget committee, which provides feedback to managers whenever actual results threaten to fall below expectations. This control techniques measure actual result to be compared with budgets and any differences (variances) are made and it is the responsibility of key individuals who can either exercise control action or revise the original budgets. These enable managers to monitor organizational functions.

There are a number of advantages to budgeting and budgetary control that Compels management to think about the future, which is probably the most important feature of a budgetary planning and control system that forces management to look ahead, to set out detailed plans for achieving the targets for each department, operation and (ideally) each manager, to anticipate and give the organization purpose and direction, Promotes coordination and communication, Clearly defines areas of responsibility. It requires managers of budget centers to be made responsible for the achievement of budget targets for the operations under their personal control, and provides a basis for performance appraisal (variance analysis).

Isaac et al., (2015) expresses it as, "A system which uses budgets as a means of planning and controlling all aspects of producing and/or selling commodities and services." According to him, Budgetary control involves the use of budget and budgetary reports, throughout the period to co-ordinate, evaluate and control day-to-day operations in accordance with the goals specified by the budget.

2.2.3 Flexible operation

Lisboa, (2014) stated that, Flexibility is the ability to respond to change and capability of different physical arrangement that can be achieved by extensions or joining features. That is the situation or a point at which budget executors are able to adjust the already drawn budget. The point of flexibility in budgeting is very important in case of budget review performance, supplementary, virement and re-allocation of resources.

Flexibility is the extent through which a person or an event can cope up with circumstances and think about problems and task in uniqueness in a creative way. This trait is used when unexpected events occur, requiring a person to change their stance, outlook, or commitment.

2.2.4 Stakeholder satisfaction

Stakeholder's satisfaction is a measurement of stakeholder perceptions of a program, project or initiative. It is measured by asking stakeholders to rate their satisfaction on a numerical scale. Stakeholder satisfaction is a means of evaluating the performance of project leadership in areas such as change management, program management and project management. It is also a way to gauge benefits realization as a project may meet its budget and schedule but be

perceived as low value in terms of its impact on revenue, costs and operations. It is a critical success factor and a key performance indicator. It is perhaps the most important criteria for measuring project management success (Doyle & Head, 2016).

Manyalla, (2015) argued that, organization stakeholders are individual or grouped representatives of the organization who are affected by the products, either by providing input to the institutions decision making or having to conform to the products provided. Typical Vote stakeholders include senior management, program and project managers, software architects, and enterprise architects. Based on their role within the organizational functions, the organizational level at which they operate, and the aspect area they focus on. Stakeholders pursue specific objectives (Raadt et al., 2010).

These objectives are potentially conflicting (Raadt et al., 2010), and may not help to meet organizational objectives. However, regarding the attributes of the products and services of the organizational function, each stakeholder expects these to help achieve their goals. Nevertheless, stakeholder satisfaction, customer satisfaction is defined as the degree in which the customer perceives the expectations regarding a specific product or service to be met.

One way to measure stakeholder satisfaction is by establishing an evaluation index system which consists of various critical satisfaction factors. Schüller, Rašticová, & Konečný, (2013) agreed that client satisfaction/dissatisfaction is a subjective phenomenon, which may be based on the client's perceptions rather than on reality itself (e.g. delivery of the project within the time, cost and quality targets). Clients can feel dissatisfied if the project team fails to see things from their perspective.

2.3 Financial Management Systems

The concept of reform may be defined as systematic changes in the administrative systems, which are designed to lead to more efficient, effective and responsive administration. It has to do with the repositioning or re-profiling of an organization for effectiveness and efficiency(Management, 2003). Some of its core elements include changes to public bureaucracies; innovation; systemic and wide-ranging changes, and urgent coping with changes occurring in the administrative environment.

According to Wettenhall, (2013) reform may be viewed as a series of three things: A deliberate plan to change public bureaucracies, synonymous with innovation, which is the injection of new ideas and new people in a new combination of tasks and relationships into the policy and administrative process; and coping with the uncertainties and rapid changes taking place in the organizational environment. The public financial management functions include budgeting, financing, expenditure management, accountability, financial reporting and auditing (Larbi & Nations, 1999). These functions may involve aspects of applied economics, but they differ from the private sector since most of their sources are raised publicly and, more often, without the intention of maximizing profits. According to Keita, (2014), the boundary between the public and private sectors is neither clear nor permanent, especially for state corporations whose objective is also to maximize profits.

Munyambonera & Lwanga, (2015) argued that diligent financial management discipline is even more important in the public sector than the private sector. This financial leadership, according to him, helps to deliver outcomes that are good value for money, and sustainable. Therefore, as a major component of new public management, the functions of public financial management can be reviewed under budgeting, financing, expenditure management, accountability, financial reporting and auditing.

Countries worldwide are experiencing external and internal pressures to restructure their public sectors in order to solve financial management problems, to raise public confidence in government, and to adapt to social and economic trends (Ferreira & Farah, 2016).Various reforms have occurred which can be viewed as a major policy shift in the manner in which governmental units exercise their financial management functions.

Keita (2014) argued that, in some countries, this change has given rise to the transformation of the whole public sector financial management. According to this transformation has caused a permanent difference to strategy and culture, hence, enabling the necessary changes to systems and processes within the public sector financial management. The new public management paradigm is a reference to public sector reform by practitioners and academicians (Polidano, 1999).

Polidano (1999) argued that the new public management reforms area response to common pressures like deregulation offline management; conversion of civil service departments into

free-standing agencies or enterprises; performance-based accountability, particularly through contracts; and competitive mechanisms such as contracting out and internal markets.
This new public management (NPM) aims at nurturing a performance-oriented culture that seeks to refurbish the process through which state corporations operate in order to increase efficiency, effectiveness, and encompassing client oriented, mission-driven. These reforms are intended to better serve the needs of both the government and the citizenry with improved delivery of public services in order to reduce poverty, improve livelihoods, and sustain good governance.

Dorcas, (2014) contributed to the new public management (NPM) debate by stating that an increasing notable element of NPM movement is the accounting-based financial management techniques that are being drawn in the pursuit of reforms. In other words, the new public financial management(NPFM) reforms, which are advocated by the NPM movement, embrace the corporate financial management theories and techniques practiced by the private sector corporations. Nyamita (2015) observed that new public management reforms' adaptability is not preordained and varies across regions, states and communities.

Uganda has been implementing PFM reforms since the early 1990s, achieving the maintenance of robust and stable fiscal and macro-economic policies and fundamentals, more accurate planning and budgeting, enhanced control and management of public funds and higher standards of scrutiny and oversight of collection and utilization of public resources. Nonetheless, several challenges remain, particularly in the areas of budget credibility, enforcement of laws and regulations (compliance), combating corruption and insufficient domestic revenues to finance the budget according to national priorities.

2.3.1 Integrated Financial Management System (IFMS)

In the 1980s' the government recognized that availability of information was a prerequisite for economic and financial management improvement. The major problems faced were the; inaccurate, untimely and inappropriate budget and accounting information. These were characterized by; manual and partially automated systems, no systems for independent and decentralized local governments, weak capacity in implementation and inspection, inadequate systems for collection and tracking of revenue, backlogs of un-reconciled bank accounts, lack of a uniform chart of accounts that complied with government finance statistics, common

budget overruns, Ad-hoc and uncoordinated IT acquisitions; and non-compliance with International public sector accounting standards(IPSAS).

The government of Uganda through the economic and financial management project (EFMPII) initiated the implementation of the integrated financial management system in the FY 2003/04. Of which the case study district was rolled to IFMS in the FY 2012/2013. This was a tool designed to improve efficiency in the financial information processing and reporting systems.

Meanwhile, IFMS takes a fiscal and financial management information system for government that bundles all financial management functions into one suite of applications. It is an IT-web based budgeting and accounting system that assists government of Uganda (GoU) entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage report on their financial activities (T. H. E. Republic, 2015).

Since 2003, the IFMS has been extended across all 22 ministries and 25 central government agencies. The IFMS has also been implemented in many local governments with plans to extend it to more districts, Municipalities, and public Universities as part of the tier one IFMS implementation. Using a lower (second) tier solution which offers less complexity, the government intends to further extend the IFMS to all local governments. The second tier project implementation (based on MS Navision) has commenced (Semakula & Muwanga, 2012).

The IFMS can streamline all fiscal and financial management processes throughout government and provide GOU with a modern budgeting and accounting system with state of the art functionality on which to undertake its national and public sector accounting and financial management (Munyambonera & Lwanga, 2015b).

IFMS can be off-the-shelf software or a custom-made system, depending on the size and needs of the organization using the system. IFMS can improve an organization's financial management through the following capabilities: Enhanced management of cash, debt and liabilities, Ability to use historical information to provide better budget modeling processes, reduced cost for financial transactions and Increased decision-making efficiency for project execution management and accounts management (Report, 2014).

IFMS as an IT based system, is a process that summarize large amounts of Financial data in Charts, summaries and optimize informed decision making by management to increase accuracy and efficiency in operations (Watkins & Dorotinsky, n.d.).

Integrated financial management system is a computerized system that is being used to link all accounting data related to historical financial transactions as well as all cash transactions of payment and receiving, in one window and linked with budgeting estimations. This always helps the decision makers and the budgeters to estimate in good order with reference to the historical data stored in the same program. This also leads to better estimating as well as better control needed in budgeting to prevent both over and under estimation. In fact this was being used previously for governmental organizations. However, now it is being used for all business interested in better strategic planning (Langfield-smith, 1997).

Techno Brain's IFMS can be customized for all industries. Additionally, IFMS ensures compliance, transparency, fiscal accountability, and strong government financial controls. It provides organizations with a functionality that assists them to operate efficiently and improve productivity, while meeting complex regulatory, budgetary, and grant compliance requirements (Techno Brain).

Integrated financial management information system is an automated system that is used for public financial management. It interlinks planning, budgeting, expenditure management and control, accounting, audit and reporting. An IFMIS is a standardized monitoring and reporting system, which consolidates all the information needs of a government into one information database. It facilitates consistent recording and reporting of information, to enable a government to take macro decisions that affect the country as a whole (Akinyi, 2016).

Faso & Report, (2012) stated that, IFMIS systems are the automation solutions that enable governments to plan, execute, and monitor the budget. Modern FMIS platforms help governments comply with financial regulations and reporting standards, and support decentralized budget operations through centralized web-based information and communication technology (ICT) solutions. IFMIS platforms also facilitate the disclosure of public finance information to citizens to improve budget transparency, government accountability, and participation.

According to Akinyi (2016) an IFMIS is an information system that tracks financial events and summarizes financial information. It supports adequate management reporting, policy decisions, fiduciary responsibilities and the preparation of auditable financial statements. In its basic form, an IFMIS is little more than an accounting system configured to operate according to the needs and specifications of the environment in which it is installed (Implementation of Intergrated Financial Management System in Background :, n.d.) In general terms, it refers to the automating of financial operations (T. H. E. Republic, 2015).

2.3.2 Integrated Personnel and Payroll System (IPPS)

To improve payroll management and pension processing, the government introduced the integrated personnel and payroll management system under the public service reforms program in 2011. The IPPS is intended to meet the government requirements for strengthening accountability and control by improving the management of the public service workforce and enhancing payroll and pension controls; improving the quality of human resource information available to decision makers; improving efficiency and consistency in payroll, HR processing, reporting and standardize pay and benefits business processes; and reducing duplication, paper flow and manual adjustments (Semakula & Muwanga, 2012) .

The implementation of the IPPS has been performed in a phased manner and is still on-going. The first phase, or pilot, started in July 2010 and ended in June 2011. The case study district started implementing IPPS in the FY 2014.

IPPS is expected to enable the government of Uganda to carry out human resource planning, have better system controls and accountability, improve transaction processing through the real time processing of HR transactions, improve reporting capability in terms of the number and variety of human resource-related reports, adopt best human resource practices, and provide early alerts to action officers at various stages of the HR processes, among others (Munyambonera & Lwanga, 2015b).

With effect from financial year 2013/14, the decentralization of the payroll processing and salary payments is implemented in accordance with Section 4 (1) (c) of the public finance and accountability Act, 2003. The GoU adopted a decentralized processing and payment system. This was further accelerated by the introduction of the IPPS. Under this reform, individual Accounting officers are directly responsible for the control and accountability for

salary processing and payments, and ultimately wage expenditure of their respective votes. This involves budgeting, administering and payment of salaries (Public et al., 2017).

Munyambonera & Lwanga (2015) looked at integrated personnel and payroll System (IPPS) as a computerized Human resource management information system that is being implemented in ministries, departments, agencies and local governments (MDAs & LGs) to perform various human resource functions. Implementation of IPPS was part of the public service reform programs aimed at strengthening accountability and improved service delivery through automation of human resource functions and provision of reliable and timely information for decision making.

Payroll system looks at an employee at one point in time, mainly, what is that employee's salary or hourly wage per day. Payroll systems calculate net pay for a given pay period, statutory deductions, contribution for health services, other deduction non statutory, contributions to charities such as the United Way. It looks at employees over a range, from the time they are hired until they retire or leave the company for other reasons. Personnel systems keep records of employee performance reviews, pay raises, how their pay rate compares with other similar employees, and whether they are taking advantage of company savings and retirement programs (Charles, 2015).

Pay rolling is the process of listing the names of people employed by a company showing the amount of money to be paid to each of them (Agbaje & Igbekoyi, 2018) & (Hornby, 2001). It is obvious from the above statement that pay rolling is an exercise that is done in every establishment that has some employees, which in all intent, is paid by the employers. Therefore, it may not be out of place if pay rolling, with respect to local government system, is defined as the listing of all the people who are employed by the local government council, showing the actual amount to be paid to each worker at the end of every month. In other words, before any person is patrolled in the local government, he or she must be a bona fide worker of the council. Payroll software programs are becoming more popular every day in a growing number of businesses.

Information communication technology (ICT) has over the years been used by various institutions to develop new ways of carrying out their operations. The challenges of the return mechanized vouchers system have compelled several nations to move to the use of ICT

based payroll systems in their bid to find solutions to this problem (Agbaje & Igbekoyi, 2018). The new payment technique entails that money meant for the departments and agencies would now be sent to banks directly from the government account and other sources (Agbaje & Igbekoyi, 2018).

To collect salaries and other emoluments, staff would need to deal directly with banks. In the old system, civil servants had an account with specific banks and at the end of each month their respective accounts with their respective banks will be credited by their cashier (Arora, 2016).The electronic payment system focuses on electronic fund transfer, (EFT), electronic cash, electronic billing and automated tellers machine, credit and debit cards respectively. However, it must be noted that the decision to adopt manual or computerized accounting system is dependent on the nature of the organization and the complexity or otherwise of the transactions/items being accounted for (Arora, 2016).

Accounting for employees monthly emolument using computerized accounting system has attracted so much argument due to the peculiarities and issues associated with wage and salary administration. Some people argue that conventional accounting is considered better and more reliable than the use of computerized accounting system, while some other people think otherwise. The assessment of every wage/salary administration system is dependent on the effectiveness of the settlement and fund transfer approach. A computerized accounting system, result to its speed and accuracy feature, may help in faster computation and payment of employee's monthly emolument.

Using information technology (including computerized accounting system) has become the target of many public and private organizations, which encouraged competition and technological progress on the computerization of information systems with the latest technology of computers, where the system helps to plan, organize, control, and supervise (Rajput & Thakur, 2014). Therefore, there is need to keep pace with the evolution in e-governmental system, e-commerce, e-payments, which are all affiliated to computer system, most employers of labour, especially in relatively large organizations, now prefer to use an in-house computerized payroll system(Wandera, 2017).

All in all, the employer has to buy the payroll software and employ a staff to perform the payroll processing. Recently, electronic payment (e-payment) of salaries to staff has become

a common feature of most government institutions and corporate bodies vis-à-vis employee's wages and salaries administration. E-payment of salaries was introduced with the view to tackling such issues of ghost workers syndrome, delay in salary payment, errors caused by manual computation of staff emoluments and other payroll misconducts. E-payment has to do with the use of electronic means and platforms to make payments. Nevertheless, the adoption of computerized accounting system in wages and salaries administration has its attendant pros and cons (Charles, 2015).

2.3.3 Procurement system

The Public procurement Systems in Uganda can be traced as far back as a round Independence in 1962, but it was further occasioned by the Public Finance regulations under the Public Finance Act of 1964.This system was more centralized and to all the public procurement activities, the threshold value of 1000 US dollars which was being awarded to the Central Tender Board (Edgar, 2006) in the Ministry of Finance except the Military and Police who had their independent Tender boards.

In a recent public forum organized by the PPDA, a former finance minister of Uganda stated that public procurement in Uganda utilized about 80 per cent of national tax revenue that represented about 24 per cent of imports. The international trade center's experience in developing countries shows that the public was facing consequences of the huge size of Government procurement expanded, and the Centralized procurement system was characterized by several shortcomings which included heavy congestion of Tender requests, attendant bureaucratic delays, inefficiency, corruption, lack of accountability and transparency.

There were two sources of pressure on the Government to review the performance of the public procurement system and to generate a restructuring plan. One was the realization by the Government itself that the old system could not deal satisfactorily with the emerging demands on the system in terms of transaction numbers expanding value of procurement budgets, scale and technical complexity of procurement activities. These demands were being made against a backdrop of a lack of bureaucratic accountability and transparency and the absence of a culture of value for money procurement. Against this weak background, donors began to exert pressure on the Government to put in place the appropriate remedies.

As part of the efforts to adopt a long term and strategic view of their procurement needs and management, most countries have resorted to turning to their annual procurement plans as a possible problem-solver. However, procurement plans are hindered by corruption which diverts decision-making and the provision of services from those who need them to those who can afford them (Langseth, Kato, Kisubi & Pope, 1997).

In response, the Government created in May 1998 a twelve-man Task Force on Public procurement Systems comprising the private sector represented by Procurement and Logistics Management Association (PALMA) and the donor community by the World Bank and headed by Mr. Kalanguka-Kayondho.

Public procurement is central to the delivery of public services, results, and performance. It is used as a strategic tool to enhance government performance and the quality of services; it requires a complex approach for reforms. Public procurement systems should be measured not merely by formal compliance with procedures but also by the achievement of development and other policy objectives.

Public procurement reform objectives are usually described in terms of increased transparency, reduction of corruption, achieving value for money and professionalizing the procurement function as a whole. Public Procurement is the purchase of goods, services and works by public authorities or civil service organizations using public funds.(Agaba & Shipman, 2003)

(Ivarsson, 2014), stated that procurement is about public authorities in buying goods, works such as construction or services from private companies. Public procurement refers to the process by which governments and state-owned enterprises purchase goods and services from the private sector. Examples of public procurement include buying computers for a police station, providing water, gas and electricity to people, and building a hospital or a road.

Procurement is the act of obtaining goods or services. It generally refers to the final act of purchasing but it can also include the procurement process overall which can be critically important for companies leading up to their final purchasing decision.

Four core elements of procurement programs can have a direct positive bearing on public service delivery, results, and performance. Consolidation, completion, and harmonization of the legal framework to provide enhanced guidance on proper implementation of public procurement and to avoid the inefficiencies and diminished services and results that can stem from incomplete and outdated legal framework.

Well-structured and well-managed procurement systems featuring appropriate procurement structures within procuring entities, an effective policy and oversight function, skilled human resources in procurement units, and a balanced mix between centralized and decentralized elements.

Key regional challenges with public procurement include, lack of integration of national legal frameworks and the multiplicity and fragmentation of laws and systems, unclear content and institutional hierarchy, which results in poor and sometimes no enforcement of operational and procedural requirements, lack of professionalization of public procurement, which results in low capacity, high turnover, and implementation deficiencies, lack of transparency and accountability, which hinders audits, complicates handling complaints, and undermines assigning responsibility for operational errors and mistakes (Ivarsson, 2014)

A good public Procurement Procedure must include the following, identify goods or services needed, consider a list of suppliers, negotiate contract terms with selected supplier, and finalize the purchase order, receive invoice and process payment, delivery and Audit of the order. Ivarsson (2014) stated that, public procurement can increase the participation of the private sector, and it can build the capacities of all stakeholders. In doing all this, public procurement reform can promote national competitiveness and boost economic development. The Reforms is aimed at Transparency and Accountability to fight waste and corruption, Fairness, Equal opportunity for all in the bidding process, Integration of the public procurement system with public financial management framework, providing a more attractive investment climate by lowering, Maximising competition to satisfy customer needs and ensure value for money, streamlined procurement process through the gradual adoption of electronic commerce.

Public procurement method includes the following, open tendering which is the shorthand for competitive bidding. This allows organizations to bid on goods in an open competition or

open solicitation manner. Open tendering requirements calls for the organization to, advertise locally, have unbiased and coherent technical specifications, have objective evaluation measures, be open to all qualified bidders.

Arguably, the open tendering method of procurement encourages effective competition to obtain goods with an emphasis on the value for money. However, considering this is a procedures-based method, a lot of procurement experts feel that this method is not very suitable for large or complex acquisitions due to the intense focus on the output process instead of stringent obedience to standards.

2.4.2 Integrated financial management and budget performance

Integrated financial management in Uganda was planned to ultimately after nine to ten years, cover all the major Government business processes including: budgeting, accounting and reporting, purchasing, payments/payables and revenue management, commitment accounting, cash management, debt management, fixed assets, fleet management, and inventory/stock control. It is also planned that the system will interface with other systems such as the Integrated Personnel and Payroll System (IPPS), the Government's revenue systems and Bank of Uganda.

In the new development, government recognized that availability of information was a prerequisite for economic and financial management improvement. The major problems faced were the; inaccurate, untimely and inappropriate budget and accounting information. Meanwhile, IFMS takes a fiscal and financial management information system for government that bundles all financial management functions into one suite of applications. It is an IT-web based budgeting and accounting system that assists government of Uganda (GoU) entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage report on their financial activities (T. H. E. Republic, 2015).

Out of that development, Performance Budget that involves estimates made for upcoming revenue and expenses, integrated financial management system enabled governments to assess each item on the income statement by providing percentage of expected change from the previous year, and to create a track of job performance during a period.

Local government budget innovations are designed to improve financial accountability, which requires that municipal governments prudently manage their finances to ensure integrity in their financial and non-financial reporting, control, budgeting, and performance systems.

The IFMS is part of the broader ongoing Public Finance Management (PFM) reforms intended to improve budget preparation, accounting, reporting and auditing processes. PFM reforms are primarily designed and implemented by the Accountability Sector. The Vision of the Accountability Sector is "To ensure transparency and accountability in public service delivery" and the mission is "to promote efficiency and effectiveness in mobilization and utilization of public resources".

The GoU has been implementing PFM reforms since the early 1990s to establish and enforce internal control systems, enhance capacities and strengthen oversight institutions to ensure value for money in service delivery and accountable for use of public resources. Objectives of the Integrated financial management system was set up for four main objectives such as: to improve fiscal management in order to achieve more timely, and accurate information for both local and central government, to ensure transparency and accountability in the handling and use of public resources. To strengthen the Government financial management processes and provide better expenditure controls. To enhance operational effectiveness by improving quality of data and making it available for use and sharing. To standardize and automate Government financial management processes to reduce redundant and unnecessary tasks and activities, to maximize the cost effectiveness of the expenditure of public funds, and to improve revenue management.

2.4.3 Integrated personnel payroll system and budget performance

To improve payroll management and pension processing, the government introduced the integrated personnel and payroll management system under the public service reforms program in 2011. The IPPS is intended to meet the government requirements for strengthening accountability and control by improving the management of the public service workforce and enhancing payroll and pension controls; improving the quality of human resource information available to decision makers; improving efficiency and consistency in payroll, HR processing, reporting and standardize pay and benefits business processes; and reducing duplication, paper flow and manual adjustments (Semakula & Muwanga, 2012) .

This has improved on the management of wage budget. IPPS through decentralized management and processing of salary, pension and gratuity payments for public officers, pensioners and survivors, there was control of excess in domestic arrears on wage component to most Ministries, agencies and Local governments.

Permanent Secretary and Secretary to the Treasury, (2014) said: "The persistent salary shortfalls experienced in the budget arise mainly from the flawed system of allocation of the wage bill to the individual vote due to the failure by the accounting officers to provide adequate information for proper budgeting."

To improve payroll management and pension processing, the government introduced the integrated personnel and payroll management system under the public service reforms program to meet the following objectives; To automate human resource functions and processes for improved efficiency and effectiveness in public service delivery; to provide for a one stop center for reliable, consistent and accurate human resource information for decision making; to foster information sharing through integration with other Government ICT systems in order to eradicate duplication of data and improve accuracy.

To enhance capacity of Government to forecast human resource requirements for the Public Service in terms of numbers and skills requirements, to enhance efficiency and effectiveness in the management of establishment and monitoring of wage performance, to facilitate timely and accurate salary and pension processing for promotion of accountability and transparency of Government payroll.

Due to all the above function, IPPS has improved on the accountability, efficiency and effectiveness for the wage consumption for local government operations to ensure consumption of wage to properly utilize at the end of the year.

2.4.4 Public procurement system and budget performance

Effective public procurement systems are systems that are defined as offering a high level of transparency, accountability and value for money in the application of a procurement budget. They are critical to poverty reduction and aid effectiveness. Hence, all parties in the development process must have a vested interest in promoting this critical pillar of good governance: and to do so, in the context of an open macro-economic framework that

promotes open competition, the free functioning of markets and the allocation of resources based on comparative advantages.

The reforms in Uganda, commenced in 1997, as a process and a key milestone, or the first key event was the National Public Procurement Forum held at the directive of the Ministry of Finance, Planning and Economic Development (MOFPED) in Entebbe. The co-chairmen of the Forum were the Heads of the Central Tender Board (CTB) and the Government Central Purchasing Corporation (GCPC) and representatives of ministries, parastatals and district tender boards participated.

There were two sources of pressure on the Government to review the performance of the public procurement system and to generate a restructuring plan. One was the realization by the Government itself, that the old system could not deal satisfactorily with the emerging demands on the system in terms of transaction numbers, expanding value of procurement budgets, scale and technical complexity of procurement activities. These demands were being made against a backdrop of a lack of bureaucratic accountability and transparency and the absence of a culture of value for money procurement. Against this weak background, donors began to exert pressure on the Government to put in place the appropriate remedies.

Public procurement reform objectives are usually described in terms of increased transparency, reduction of corruption, achieving value for money and professionalizing the procurement function as a whole. Public Procurement is the purchase of goods, services and works by public authorities or civil service organizations using public funds. (Agaba & Shipman, 2003).

Ivarsson (2014) stated that public procurement is about public authorities in buying goods, works such as construction or services from private companies. Public procurement refers to the process by which governments and state-owned enterprises purchase goods and services from the private sector.

Public procurement has impact on budget performance in that there is achievement of value for money for every procurement made. However, it has been in existence at the local government level since 1994 (Wirska, n.d.) That budget performance review was introduced as a tool for new public management, and its goal is to increase the transparency of public

spending, its rationality and the effectiveness of public finance management. It is a type of expansion of traditional budget's expenditures component called the task component and is the part that brightens the purpose of public spending and the results achieved by those public expenditures through effective and efficient practice of public procurement.

Procurement planning and budget performance has an effective public procurement system that allowed suppliers to provide satisfactory quality, service and price within a timely delivery schedule. The basic model of public procurement is to acquire the right item at the right time, and at the right price, to support government objectives of service delivery. Although it is simple, it involves the questions of accountability, integrity and value effects far beyond the actual buyer/seller transactions at its center. The information so generated provides feedback to government, Contracts Committees and the local government management, which is then used as a basis to manage the public procurement function for better service delivery.

2.5 Summary and Gaps Identified in the Literature

The review of literature indicates that implementing financial management System have significant effects on governance because it improves accountability, efficiency and transparence in the management of public funds. However, much as literature points out the advantages of implementing financial management System, there is a scantiness of literature on the effect of financial management system on the quality of budget performance and service delivery in local government settings. This study will therefore fill the above-mentioned gaps by examining the effect of financial management System on the budget performance in Uganda's local government using a case study of Kitgum district Local Government.

CHAPTER THREE
METHODOLOGY

3.0 Introduction

This study was guided by a set of methodology just like other research investigation in the social science area. Methodology is the guideline which explains how the study is conceived, carried out, and concluded to benefit the knowledge body. It had various component including research design, population, sampling, data collection and their corresponding data collection instruments, data management and analysis procedure among others.

3.1 Research Design

The study used a cross sectional study design where the results of the data collected was carried out at a single point in time on a statistical unit using quantitative and qualitative approaches. The quantitative approach enabled quantification of the study findings on each variable while the qualitative approach enables gaining of in-depth information on the study variables (Amin, 2005).

3.2 Study Population

The target population of the study comprised of 150 people structured in their various categories as indicated in table below.

Table 1: Study Population

Sn	Department/Category	Population
1	Administration	30
2	Finance	15
3	Works & Engineering	8
4	Health	24
5	Education & Sport	30
6	Statutory Bodies	7
7	Community Development	10
8	Production and Marketing	4
9	Trade & Industry	3
10	Internal Audit	3
11	Planning department	4
12	National Resource Management	3
13	Procurement & Disposal	4
14	Contractors awarded for road constructions	3
15	Contractors awarded for Building constructions	3
	Total	**150**

Source: Kitgum District local Government (2019/2020)

3.3 Sample Size Determination

The respondents were sub divided into different strata comprising of the core system users and both the internal and external beneficiaries who formed the strata. From each stratum a simple random sample was selected, this implied that stratified random sampling design was applied. The population of 150 respondents was subjected to the Yamane (1973) formula to generate the sample size according to the formula:

$$n = \frac{N}{[1 + Ne^2]}$$

Where:

n= sample size, *N* = population size and *e* = sampling error assumed as 0.05

Based on this formula, the population of traditional staff of 150, was comprised of employees who are the system users and those who interact directly with the systems, internal beneficiaries are the employees of Kitgum district local government at top management level and Middle managers who directly feel the impact of the budget implementation. The internal employees comprised of the staff employed at the following departments which included; finance, administration, education, production and marketing, works and technical services, community-based services, health, planning, procurement, and council department. The categories of staff from the department included heads of departments at the district local government. The external beneficiaries included majorly the key service providers/contractors of development projects to the district. The development projects focused only on construction works of buildings and roads. All these categories were randomly selected to constitute the sample size.

3.4 Sample Size

The Sample size has been drawn from sampling procedures where by the following sizes were drawn from the category of respondents as tabulated in Table 2

Table 2: Composition of Respondents

Sn	**Department /Category**	**Sample Size**	**Sampling Method**
1.	Administration	27	Simple random
2.	Finance	14	Simple random
3.	Works & Engineering	7	Simple random
4.	Health	22	Simple random
5.	Education & Sport	27	Simple random
6.	Statutory Bodies	6	Simple random
7.	Community Development	9	Simple random
8.	Production and Marketing	2	Simple random
9.	Trade & Industry	2	Simple random
10.	Internal Audit	2	Simple random
11.	Planning department	3	Simple random
12.	National Resource Management	2	Simple random
13.	Procurement & Disposal	3	Simple random
14.	Contractors awarded for road constructions	2	Simple random
15.	Contractors awarded for Building constructions	2	Simple random
	Total	**131**	

Source: Primary Data

3.6 Data Collection Tools

Quantitative data was collected using structured questionnaires while qualitative data was collected using structured interview guides. After data collection, data was subjected to data analysis.

3.6.1 Questionnaire survey

The study used the questionnaire as a data collection tool to collect data. The use of a questionnaire in this study was important mainly because the purpose of the study was to examine the effect of financial management System on budget performance in Kitgum district. Such data can best be tapped on a closed ended questionnaire which allowed for easy correlation and regression of the respondents attitudinal disposition on the independent and dependent variables as suggested by (Wandera, 2017). Secondly the use of a questionnaire allowed busy respondents fill it at their convenient time. It also allowed respondents express their views and opinions without fear of being victimized.

3.6.2 Interview guide

The study employed interview as a data collection tool. Interviews in this study helped the researcher obtained more information on the topic under investigation. This method was also used because it offered the researcher an opportunity to adapt questions, clarify the questions by using the appropriate language, clear doubts and established rapport and probe for more information.

3.6.3 Document review method

The researcher reviewed documents in order to obtain recorded information that is related to the issue under investigation. This method was used because it enables the researcher to access data at his convenient time; obtained data that are thoughtful in that the informants have given attention in obtaining them and enabled the researcher obtain data in the language of the respondent.

3.7 Data Collection Instruments

The instruments used in this study included questionnaire, interview guides and document review checklist.

3.7.1 Questionnaire

The study employed a questionnaire as a tool of data collection. The questionnaire for staff had five sections. Section A dealt with the background information of the respondents, section B looked at budget performance in Kitgum District, Section C was focused on the implementation of the integrated financial management systems, Section D looked at Integrated Personnel and Payroll System, while Section E looked at public procurement System, and Section F was focused on Implementation Strategies.

3.7.2 Interview guide

An unstructured interview guide was used as a tool for collecting in depth information from the key informants. The guide had list of topical issues and questions which was explored in the course of conducting the interviews. The guide was drawn with the questions asking for the perception of the key informants regarding the influence of financial management System on budget performance in Kitgum district local government. The interview guide was used because it provided in-depth data which was not possible to obtain when using self-administered questionnaires.

3.8 Data Analysis and Presentation

Collected data was analyzed using statistical package for social science (SPSS) where both quantitative and qualitative data was analyzed using different statistical techniques such as, descriptive, and, inferential statistics.

Quantitative data was produced in a descriptive statistic that was presented inform of frequency counts, mean, mode and percentages. This information was presented in form of tables. Whereas qualitative data was analyzed using content analysis. Responses from key informants were grouped into repeated issues. The recurrent opinions, experiences and standard outcomes that transpired in relation to each guiding question were presented. This analysis was presented in form of tables, texts and narratives

Inferential statistics was used to measure from a sample of the population to present the larger population of the subject. This measurement was presented using a Correlation and regression analysis. Correlation analysis was used to establish the extent of relationship between the independent variables and the dependent variables which described the degree to which Budget performance is affected by the financial management System in Kitgum district local government. Whereas regression analysis on the other hand was used to determine the direction of influence of financial management System towards budget performance in the district. In this case a multiple linear regression model was applied to examine this relationship as illustrated below:

$$\mu_{y/x_1,x_{2,,}x_3} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

Where $\mu_{y/x_1,x_{2,,}x_3}$ =Budget performance response due to the independent variables (x_1, x_2, x_3)

β_0 =Intercept,$\beta_1, \beta_2, \beta_3$ are the regression coefficients associated to the independent variables and ε=Error term

3.8.1 Document review checklist

A document review checklist was used to collect more in-depth data on the topic under investigation. The checklist was used to provide in-depth qualitative information which may not be possible to collect with the closed ended questionnaire.

The researcher reviewed documents in order to obtain recorded information that is related to the issue under investigation.

3.9 Validity and Reliability of the Research Instruments

3.9.1 Data validity

Validity is the degree to which results obtained from analysis of the data actually represents the phenomenon under study. Validity was ensured by having objective questions included in the questionnaires presented in a 5-point Likert scale with a roll back alpha was developed and given to three expert judges to score the relevance of each question in providing answers to the study. Voice recording and photographs was also presented to the experts for their outcome.

After which a content validity index C.V.I was computed using the formula; number of items declared valid / number of items in the questionnaire. A CVI of above 0.7 was acceptable (Wandera, 2017).

Table 3: Content Validity Indices for administered Instruments

Research Instrument	Content Validity Index
1. Questionnaire	0.820
2. Interview Schedule	0.667

Source: Primary Data

Table 3 indicated that the computed content validity indices of the instruments were greater than 0.5. This implies that the instruments were generally valid.

3.9.2 Reliability

Reliability referred to a measure of the degree to which research instruments yield consistent results. A pre-test was done on 10 of the respondents who were not part of the final study. Data was coded and entered into the computer. Reliability Coefficients was generated using the statistical package for social scientists (SPSS) computer program to estimate the reliability of the questionnaire.

Cronbach's Alpha Reliability Coefficients was generated using the statistical package for social scientists (SPSS) computer program to estimate the reliability of the questionnaire. The Cronbach's alpha reliability coefficient of above 0.7 was acceptable (Sekaran, 2003: 221).

The categories that were involved in the pilot study was excluded from the main study to avoid possibility of bias in the study.

Table 4: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.847	.859	66

Source: Primary Data

The reliability of all the questionnaire items was 0.859 based on Cronbach's alpha based on standardized items, which implies that most of the items in the questionnaire were reliable measures of the variables of the study.

3.10 Ethical Considerations

Researcher obtained a letter of introduction from Gulu University and presented it to the authorities at Kitgum District. List of the top district leaders, middle managers from the office of the Chief Administrative Officer was obtained. After obtaining the list of respondents to the study, a self-administered questionnaire was used to collect information from the above-mentioned respondents. Meanwhile interviews were used to obtain data from the key despondences and contractors/service providers.

3.11 Data Types and Sources

The study used both primary and secondary data sources. Primary data was collected directly from the respondents among the selected staff. This was done through a self-administered close-ended structured questionnaire following the systematic and established procedures. Whereas secondary data was gathered from the document checklist from the recorded information available for use.

3.12 Limitations/Delimitation of the Study

There were several limitations or challenges that were encountered during the process of carrying out the research work and their possible remedies that among others included the following;

The respondents were reserved to give some confidential information with the fear that the intention of the researcher may be to investigate them. This was solved by making it clear to the respondents that the information required was just for academic purpose and it would be confidential not to be taken for any further interest this made it easy for them to release the information required.

The target populations were committed with busy schedules for their various assignments to attend to the research work. There were clear plans with the respondent on their free days and time of the meeting, and arranged for a telephone discussion to solve that problem.

Another limitation was that, data or information was not ready to be availed on time that delayed the research work within the planned time schedule. We went further to look for more information from the web site of the districts and from the website of the line ministry where the reports were submitted, then later only asked for the few information that were not posted on their web pages.

There was serious interference when the Anti-corruption team that went to the district for the issue of the PDM. The only way forward was to be patient and wait for the team to conclude their investigations then we proceeded after their program

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This Chapter gives background of respondents; description of the independent and dependent variable of Financial management System and budget performance in Kitgum District Local Government; and ends with the achievement of the respective objectives which were to examine the relationship between financial management system and budget performance, relationship between integrated personnel and payroll system and budget performance and relationship between public procurement and budget performance.

4.1 Description of Respondents' Background

In this Section, distribution of respondents by category (that is age, gender, academic qualification, and number of years spent in service of Kitgum District Local Government is reported.

Table 5: Distribution of respondents by Age group

SN	Age Group	Frequency	Percent	Cumulative Percent
1.	20-30	8	8.2	8.2
2.	31-40	29	29.6	37.8
3.	41-50	38	38.8	76.5
4.	Above 51	23	23.5	100.0
	Total	**98**	**100.0**	

Source: Primary Data, 2022

Table 5 shows that the highest number of respondents were in the age category of 41-50 years comprising 38.8%, followed by the 31- 40 years age bracket giving 29.6%. Few of the respondents were in the bracket of 20-30 years and above the51-year age category were 8.2% and 23.5% respectively. Cumulatively, over 76.5% of the respondents were below 51 years suggesting that majority of employees in Kitgum District Local Government are below the retirement age of 60 years. Probably, this is why many of the respondents rated themselves effective and efficient.

Table 6: Distribution of respondents by Sex

SN	Gender	Frequency	Percent	Cumulative Percent
1.	Male	52	53.1	53.1
2.	Female	46	46.9	**100.0**
	Total	**98**	**100.0**	

Source: Primary Data, 2022

Table 6 above shows the respondents gender, it indicates that male respondents dominated the sample with 53.1% of the respondents, suggesting larger numbers of employees at Kitgum District Local Government were males while females comprised of 46.9%.

Table 7: Distribution of respondents by Educational Level

SN	Level	Frequency	Percent	Cumulative Percent
1.	Certificate	1	1.0	1.0
2.	Ordinary Diploma	8	8.1	9.1
3.	Bachelor's Degree	48	48.9	58.0
4.	Postgraduate Diploma	29	29.6	87.6
5.	Master's Degree	12	12.2	100.0
6.	PhD	0	0.0	
	Total	**98**	**100.0**	

Source: Primary Data, 2022

Table 7, indicates that degree holders comprised the highest percentage with 38.8% of the total respondents, this was followed by postgraduate diploma holders who constituted 29.6% of the respondents, while there were no PhD holders. Ordinary diploma holders constituted 3.1% of the respondents and only 1,0% of the respondents were certificate holders Cumulatively, a high number of employees in the district possessed the minimal qualifications at Kitgum District Local Government.

Table 8: Distribution of respondents by Duration in Service

SN	Age Group	Frequency	Percent	Cumulative Percent
1.	Below 5 years	10	10.2	10.2
2.	6-10 years	26	26.5	36.7
3.	11-15 years	31	31.6	68.4
4.	Above 15 years	31	31.6	100.0
	Total	**98**	**100.0**	

Source: Primary Data, 2022

According to Table 8, many of the respondents (over 31.6%) had both served in district local government for up to 11-15 and above 15 years respectively while over 26.5% of the respondents had served in the district for up to 6-10 years and over 10.2% of the contacted respondents had served for below 5 years. Cumulatively, majority (about 68.4%) of the respondents had served in Kitgum District Local Government for up to 15 years.

4.2 Financial management System

This section looks at independent variable of the study and it is explained by integrated financial management system, integrated personnel and payroll system and public Procurement system.

4.2.1 Integrated Financial Management System

Government has recognized the initiation of IFMS as one of the crucial aspects of financial management in enhancing budget performance in local government. Therefore, table below looks at findings of integrated financial management system.

Table 9: Integrated Financial Management System

Integrated Financial Management System	Category	Frequency	Cumulative Frequency	Mean	Mode
3. IFMS has fastened processing of funds for activities	SD	0(0.0)	7(7.1)	4.00	4
	D	7(7.1)			
	NS	2(2.0)	2(2.0)		
	A	73(74.5)	89(90.8)		
	SA	16(16.3)			
4. IFMS made budgeting processes faster and timely	SD	0(0.0)	4(4.1)	3.82	4
	D	4(4.1)			
	NS	18(18.4)	18(18.4)		
	A	68(69.4)	76(77.6)		
	SA	8(8.2)			
5. Goods and services are procured on time through IFMS	SD	4(4.1)	13(13.3)	3.66	4
	D	9(9.2)			
	NS	9(9.2)	9(9.2)		
	A	70(71.4)	76(76.5)		
	SA	6(6.1)			
6. IFMS has made financial reporting easy and timely	SD	1(1.0)	3(3.0)	4.01	4
	D	2(2.0)			
	NS	16(16.3)	16(16.3)		
	A	61(62.2)	79(80.6)		
	SA	18(18.4)			
7. IFMS is the better mode for cash management	SD	2(2.0)	6(6.1)	3.83	4
	D	4(4.1)			
	NS	17(17.3)	17(17.3)		
	A	67(68.4)	76(76.6)		
	SA	8(8.2)			
8. IFMS has improved on revenue collection	SD	1(1.0)	5(5.1)	3.77	4
	D	4(4.1)			
	NS	25(25.5)	25(25.5)		
	A	60(61.2)	68(69.4)		
	SA	8(8.2)			
9. IFMS has improved on accuracy and efficiency in operation	SD	0(0.0)	6(6.1)	3.96	4
	D	6(6.1)			
	NS	10(10.2)	10(10.2)		
	A	66(67.3)	82(83.6)		
	SA	16(16.3)			
10. IFMS has made better control on budget estimates for a year	SD	1(1.0)	5(5.1)	3.95	4
	D	4(4.1)			
	NS	11(11.2)	11(11.2)		
	A	71(72.4)	83(83.6)		
	SA	11(11.2)			
11. IFMS has improved on fiscal accountabilities of the vote	SD	1(1.0)	7(7.1)	3.90	4
	D	6(6.1)			
	NS	13(13.3)	13(13.3)		
	A	65(66.3)	78(79.6)		
	SA	13(13.3)			
12. IFMS has improved on financial management in the district	SD	1(1.0)	7(7.1)	3.96	4
	D	6(6.1)			
	NS	8(8.2)	8(8.2)		
	A	70(71.4)	83(84.4)		
	SA	13(13.3)			
13. There is improved budget transparency through the use of IFMS	SD	0(0.0)	8(8.2)	3.79	4
	D	8(8.2)			
	NS	14(14.3)	14(14.3)		
	A	67(68.4)	76(77.6)		
	SA	9(9.2)			
14. IFMS has made stakeholder to closely monitor activity plans	SD	0(0.0)	7(7.1)	3.86	4
	D	7(7.1)			
	NS	13(13.3)	13(13.3)		
	A	65(66.3)	78(79.6)		
	SA	13(13.3)			
15. There is improvement on participatory budgeting by various stakeholders	SD	1(1.0)	5(5.1)	3.84	4
	D	4(4.1)			
	NS	14(14.3)	14(14.3)		
	A	70(71.4)	79(80.6)		
	SA	9(9.2)			
16. IFMS has made the district to consume all the released budget	SD	10(10.2)	39(39.6)	3.02	4
	D	29(29.6)			
	NS	10(10.2)	10(10.2)		
	A	47(48.0)	49(50.0)		
	SA	2(2.0)			
				3.81	**4**

Source: Primary Data, 2022

Table 9 shows the findings on integrated financial management system obtained from the field. It was reported that IFMS has fastened processing of funds for activities while this has been confirmed by a cumulative of 90.8% respondents, 2.0% respondents were not sure of the fastened processing of funds, but then again cumulative 7.1% respondents differed that IFMS has not fastened processing of funds for activities. From the finding obtained, IFMS has fastened processing of funds for local government activities in Kitgum district and this has been highly supported by the mean finding of 4.00 while mode was 4.

Interview with key informant;

> *The olden system had been so discouraging and time wasting as it delays and paralyzes most of the activities scheduled along the budget lines. However, the reform has fastened processing of funds for activities and this had been so appreciated to the workers and the beneficiaries at large.*

Additionally, respondents also reported that IFMS made budgeting processes faster and timely and cumulative77.6% respondents have seconded the notion, 18.4% respondents were not sure. While cumulative 4.1% respondents showed dissatisfaction that IFMS did not make budgeting processes faster and timely. As per the finding, IFMS has made budgeting processes faster and timely in Kitgum district local government; accordingly, this had been in conformity with the mean as 3.82 and 4 was mode.

Furthermore, report also asserted that majority of respondents revealed that goods and services are procured on time through IFMS as shown by cumulative 76.5% respondents, meanwhile 9.2% respondents were not sure. However, a cumulative 13.3% respondent revealed that goods and services are not procured on time through IFMS.From this, it can be concluded that goods and services are procured on time through IFMS and this has been made clear by mean result as 3.66 and mode was 4.

Interview with key informant;

> *With the introduction of this reforms delay in procurement of operational materials is at ease at the moment and delays has been minimized hence there has been efficiency and effectiveness in procurement of goods and services.*

Additionally, it was revealed by majority of respondents that IFMS has made financial reporting easy and timely and this was shown by a high cumulative 80.6% respondents, 16.3% respondents were not sure. But then again, a cumulative 3.0% respondents said IFMS has not made financial reporting easy and timely. From this result, IFMS has made financial reporting easy and timely in Kitgum District Local Government and this has been in highly agreement of 4.01 mean4 was mode.

Still from these findings, majority of respondents revealed that IFMS is the better mode for cash management as shown by a cumulative 76.6%, 17.3% respondents were not sure. Conversely, cumulative 6.1% respondents stated that IFMS is not a better mode for cash management. The finding concludes and confirmed that IFMS is the better mode for cash management within local government settings and this has been shown by 3.83 mean and mode was 4.

Interview with key informant;

> *Issues of corruption and fraudulent act among the workers has been minimized since all the revenue collections are paid through the system and corruption has been minimized.*

Accordingly, most respondents revealed that IFMS has improved on revenue collection, this has been confirmed by cumulative of 69.4% respondents, and 25.5% respondents were not sure. Meanwhile cumulative 5.1% respondents disapproved that IFMS has improved on revenue collection. According to the finding, IFMS has improved on revenue collection in Kitgum District Local Government and this has been in line with a high mean result as 3.77 and mode was 4.

Finding also showed that, majority of respondents revealed that IFMS has improved on accuracy and efficiency in operation as a cumulative 83.6% respondents reported, 10.2% respondents were not sure. However, a cumulative 6.1% respondent reported that IFMS has not improved on accuracy and efficiency in operation. As obtained from the field, finding approves that IFMS has improved on accuracy and efficiency in operation and this has been highly agreeable by 3.96 mean and mode of 4

Moreover, most respondents reported that IFMS has made better control on budget estimates for years and this has shown a cumulative 83.6% of the respondents, 11.2% respondents were not sure. But 5.1% respondents revealed that IFMS has not made any better control on budget estimate for years in operation. From the findings, it confirmed that IFMS has made better control on budget estimates for the years and this has been3.95 mean agreeable to the notion and mode of 4.

Interview with key informant;

> *Over estimation and under estimation has been control since resources are not over wasted. All budgets for the local government have been well aligned for easy following in all the required areas.*

It was also reported that majority of respondents revealed that IFMS has improved on fiscal accountabilities of the vote in Local Government and this has been revealed by a cumulative 79.6% respondents, 13.3% respondents were not sure. But then again, cumulative 7.1% respondents have said IFMS has not improved on fiscal accountabilities of the vote. Kitgum District Local Government's IFMS has improved on fiscal accountabilities of the vote. This has been confirmed by a highly rated mean of 3.90 and 4 was mode.

Furthermore, it was also reported that IFMS has improved on financial management in the district and this has been presented by a cumulative percent of 84.4 respondents, 8.2% respondents were not sure about the improvement of financial management. Cumulatively however, 7.1%respondents reported that IFMS has not improved on financial management in the district. Equally, means also supported and confirmed IFMS improvement on financial management in the district which was shown as 3.96 and from this result also mode was found to be 4.

Interview with key informant;

> *Financial management has greatly improved in Kitgum local government, unethical attributes like doctoring of expenses by the accounts department has been greatly controlled and there is efficiency in the accountability.*

Accordingly, report also showed that, there is improved budget transparency through the use of IFMS, cumulatively 77.6% respondent affirmed budget transparency improvement, and

14.3% respondents asserted that they were not sure. But then again, cumulatively, 8.2%respondentsdisregarded the statement saying, there is no improvement on budget transparency through the use of IFMS. The study suggested that, through IFMS there had been improvement on budget transparency as suggested by 3.79 mean and mode of 4.

It was revealed that IFMS has made stakeholders to closely monitor activity plans and the underlying statement as was agreed upon by cumulative 79.6% respondents, 13.3% respondents were not sure. In contrast, cumulatively 7.1% respondents made disagreement that IFMS has made stakeholder to closely monitor activity plans. The above agrees with the mean as a highly mean of 3.86 and 4 was mode.

Interview with key informant;

> *Monitoring of local government activities has been easy by the supervisors and other stalk holders. This has been easy because all the expenditures on IFMS are as per the activity plans.*

It was found that the improvement on participatory budgeting by various stakeholders had been very high due to the system in place and an example is that cumulatively over 80.6% respondents showed satisfaction with the statement, 14.3% respondents were not sure. Conversely, few respondents disregarded the improvement on participatory budgeting by various stake holders as an example is that cumulatively only 5.1% respondents disagreed. This has been asserted highly by 3.84 mean and the study found that mode was 4

It was further reported that IFMS has made the district to consume all the released budget for activities budgeted for, this has been shown by cumulative of 50.0% respondents agreed to, 10.2% respondents were not sure of all consumption of all released budget for activities. However, cumulatively 39.6% showed dissatisfaction of consumption of all released budget for activities. From this report, IFMS has made the district to consume all most all the released budget for activities, this has been shown by 3.02 mean and mode was found to be 4.

4.2.2 Integrated Personnel and Payroll System (IPPS)

The IPPS is intended to meet the government requirements for strengthening accountability and control by improving the management of public service workforce and enhances pension

and payroll controls. Therefore, table below looked at finding on IPPS in Kitgum District Local Government.

Table 10: Integrated Personnel and Payroll System (IPPS)

Budget Performance	Category	Frequency	Cumulative Frequency	Mean	Mode
17. Employees receive salaries on time	SD	3(3.1)	39(39.8)	3.22	4
	D	36(36.7)			
	NS	1(1.0)	1(1.0)		
	A	52(53.1)	58(59.2)		
	SA	6(6.1)			
18. Retired employees get their gratuity on time	SD	5(5.1)	54(55.1)	2.84	2
	D	49(50.0)			
	NS	6(6.1)	6(6.1)		
	A	33(33.7)	38(38.8)		
	SA	5(5.1)			
19. Retired employees get their pension on time	SD	1(1.0)	46(46.9)	2.97	2
	D	45(45.9)			
	NS	11(11.2)	11(11.2)		
	A	38(38.8)	41(41.9)		
	SA	3(3.1)			
20. Employees on promotion get immediate pay changes	SD	0(0.0)	44(44.9)	2.96	2
	D	44(44.9)			
	NS	17(17.3)	17(17.3)		
	A	34(34.7)	67(67.8)		
	SA	3(3.1)			
21. Newly recruited employees get salaries immediately	SD	1(1.0)	54(55.1)	2.80	2
	D	53(54.1)			
	NS	11(11.2)	11(11.2)		
	A	31(31.6)	33(33.6)		
	SA	2(2.0)			
22. Employees don't miss monthly salaries	SD	0(0.0)	53(54.1)	2.86	2
	D	53(54.1)			
	NS	8(8.2)	8(8.2)		
	A	35(35.7)	37(37.7)		
	SA	2(2.0)			
23. Employees don't have accumulated salary arrears	SD	0(0.0)	46(46.9)	3.09	2
	D	46(46.9)			
	NS	15(15.3)	15(15.3)		
	A	35(35.7)	37(37.7)		
	SA	2(2.0)			
24. IPPS eliminated ghost workers from earning salaries	SD	5(5.1)	22(22.4)	3.35	4
	D	17(17.3)			
	NS	20(20.4)	20(20.4)		
	A	51(52.0)	56(57.1)		
	SA	5(5.1)			
25. Employees get the right amount of their monthly pay	SD	0(0.0)	14(14.2)	3.55	4
	D	14(14.2)			
	NS	22(22.4)	22(22.4)		
	A	56(57.1)	62(63.2)		
	SA	6(6.1)			
26. Employees have access to review monthly preliminary payroll to confirm their monthly amount	SD	0(0.0)	12(12.2)	3.71	4
	D	12(12.2)			
	NS	10(10.2)	10(10.2)		
	A	70(71.4)	76(77.5)		
	SA	6(6.1)			
27. Employees get their pay slips every month	SD	1(1.0)	8(8.1)	3.90	4
	D	7(7.1)			
	NS	8(8.2)	8(8.2)		
	A	67(68.4)	82(83.7)		
	SA	15(15.3)			
28. The reform improved on salaries and wages payments without complains from staff	SD	0(0.0)	22(22.4)	3.54	4
	D	22(22.4)			
	NS	11(11.2)	11(11.2)		
	A	55(56.1)	65(66.3)		
	SA	10(10.2)			
Total				**3.23**	**3**

Source: Primary Data, 2022

Table 10 presents the integrated personnel and payroll system in Kitgum District Local Government from the finding it was reported that; employees receive salaries on time and this was evidenced by a cumulative figure of 59.2% of the respondents who were satisfied that employees' salaries are received on time, 1.0% respondents were not sure. Conversely,

cumulatively 39.8% disagreed that employees' salaries are not received on time. This has been made clearly that employees get their salaries on time by mean low of 3.22 and mode was found to be 4

Interview with key informant;

> *Salary receipt by employees have been improved with the initiation of this system but however delays are attributed amidst all the initiatives, this is being due to poor supervision and reluctant of the management.*

It was found that, the retired employees do not get their gratuity on time as this has been shown clearly from a cumulative of 55.1% respondents, 6.1% respondents were not sure if retired employees get their gratuity on time. However, cumulative of 38.3% respondents agreed that, retired employees get their gratuity on time. Retired employees in local government do not get their gratuity on time and this was in agreement with low mean presented as 2.84 and mode was 4.

Interview with key informant;

> *Issues of gratuity had so far been the major challenge ever since, many of the people who have retired up to now have never obtained their gratuity since all processes are complicated by the authority. She added that government needs much more scrutiny on this subject for the retired employees.*

It was also revealed that retired employees do not get their pension on time, this was as reported by a cumulative of 46.9% respondents, and 11.2% respondents were not sure about acquisition time for pension. While however, cumulatively 41.9% respondents have acknowledged and agreed that retired employees get their pension on time. This suggested that many respondents have witnessed and maybe experienced that most retired people do not get their pension on time as it has characterized by delays and complexities as in agreement with a low mean of 2.97 and mode was as well 2.

Interview with a retired worker;

> *He said; he has now borrowed loan and invested in farming and it's doing very well. He said he had good plans for doing business after retirement on reliance on his pension but up to now it is not yet ready; he said he has given up.*

The study also admitted that most employees on promotion do not get immediate pay changes, and example is that most of employees are not satisfied with the mode of immediate pay changes in local government as presented by a cumulative of 67.8% respondents, 17.3% not sure about the immediate pay changes on promotion aspects in local government. But then again, cumulative 44.9% respondents admitted that employees promoted get their immediate pay changes. Meaning from the finding, employees promoted do not get their pay changes on time as in consignment with low mean of 2.96 and mode of 2.

Finding also admitted that newly recruited employees do not get salaries immediately upon promotion or recruitment and this was in agreement with cumulative 55.1% respondents, 11.2% respondents were not sure on salary issues. But cumulatively, 33.6% respondents admitted that recruited employees get their salaries immediately. It can be concluded that issues of getting salaries immediately upon recruitment is complex as there is some delays as this has been seconded by low mean of 2.80 and mode of 2.

Interview with key informant;

> *Many employees for more than one year now are working upon promotion but are not getting the actual salary for that specific position. She gave an experience of her situation that, she was a parish chief and has gotten promotion to CDO but up to now she is still getting that amount of a parish chief.*

It was also found that employees always miss monthly salaries as asserted by cumulative of 54.1% respondents; only 8.2% were not sure about employees missing monthly salaries. However cumulatively, 37.7% respondents reported that employees do not miss their monthly salaries. As reported, there are several complain about salary delays from Kitgum district local government employees and this has been in agreement with mean obtained as low as 2.86 and mode was found to be 2.

It was also reported that employees have accumulated salary arrears within their work place as this have been with the indication of cumulative 46.9% respondents disagreeing to the notion, 15.3% respondents. However cumulatively, 37.7% respondents reported that employees have no accumulated arrears. These results agree with the mean as lowly shown 3.09 and mode of 2.

Report also revealed that IPPS has helped in eliminating ghost workers from earning salaries, as an example seen from the result by cumulative of 57.1% respondents admitting to that, 20.4% were not sure. Only cumulative of 22.4% respondents denied that IPPS has helped in eliminating ghost workers from earning salaries. This finding was in agreement by the mean as highly shown by 3.35 mean and mode was found to be 4.

Interview with key informant;

> *Local government was greatly known for existence of many ghost workers who are getting salaries. In most cases for former workers who had passed on but however, with this reform the system had eliminated most of ghost workers.*

It was also admitted that majority of respondents reported that employees get the right amount of their monthly pay, cumulatively 63.2% respondents asserted that, 22.4% were not sure about this effectiveness and efficiency. Only cumulative of 14.2% respondents denied that employees get the right amount of their monthly pay meaning employees in Kitgum district local government get their rightful pay. Respondents mean from this finding was highly rated as 3.55 mean and 4 was mode.

Interview with key informant;

> *As stipulated in the contract sign, all employees have the rights to monthly pay unless there have been some issues with the contract. However, use of integrated financial management systems, most employees are getting challenges in receiving their monthly pay if there is a slight variation in their personal information as others may spend up to 3 months without pay and this has been the most crucial issues in the local government.*

Majority of respondents admitted that employees have access to review monthly preliminary payroll to confirm their monthly amount and this has been affirmed by cumulative if 77.5% respondents, while 10.2% respondents were not sure. Meanwhile cumulatively, only 12.2% respondents disagreed that employees have access to review monthly preliminary payroll to confirm their monthly amount. This study has confirmed employees have access to review their monthly preliminary payroll to confirm their monthly amount as has been noted from mean finding as 3.71.

As reported from majority of respondents, it was revealed that employees get their pay slips every month, this was re-affirmed as hypothesized by cumulative of 83.7% respondents, and 8.2% respondents were not sure about monthly pay slip. Meanwhile cumulatively, only 8.1% respondents disagreed that employees get their pay slip every month. This finding was in conformity with the mean result as shown by 3.90 mean while mode was found to be 4.

Interview with key informant;

> *It is very true that with the modification of electronic payment, all employees always receives payment slip upon receiving their payment and there are always few cases due to electronic error which is found to be minimal.*

Lastly, finding on IPPS revealed that majority of respondents reported that the reform has improved on salaries and wages payments without complains from staff as acknowledged by cumulative of 66.3% respondents, 11.2% respondents were not sure. Yet cumulative of 22.4% respondents were discontented that reform has improved on salaries and wage payment. The agreement of mean finding was 3.54 mean and mode was 4.

4.2.3 Public procurement system

Public procurement is the center of service delivery of public services; results and performance are measured not merely by formal compliance. The table below expresses the situation in Kitgum district local government.

Table 11: Public Procurement System

Budget Performance	Category	Frequency	Cumulative Frequency	Mean	Mode
1. Financial procurement reform has minimized the level of corruption.	SD	2(2.0)	8(8.1)	3.77	4
	D	6(6.1)			
	NS	12(12.2)	12(12.2)		
	A	72(73.5)	78(79.6)		
	SA	6(6.1)			
2. Value for money has been achieved by use of procurement reform	SD	2(2.0)	14(14.2)	3.66	4
	D	12(12.2)			
	NS	8(8.2)	8(8.2)		
	A	71(72.4)	76(77.5)		
	SA	5(5.1)			
3. There is increased level of transparency during procurement processes	SD	0(0.0)	6(6.1)	3.80	4
	D	6(6.1)			
	NS	15(15.3)	15(15.3)		
	A	70(71.4)	77(78.5)		
	SA	7(7.1)			
4. Professionalism in procurement functions has been achieved	SD	0(0.0)	6(6.1)	3.80	4
	D	6(6.1)			
	NS	15(15.5)	15(15.5)		
	A	70(71.4)	77(78.5)		
	SA	7(7.1)			
5. Public procurement system has improved on service delivery greatly	SD	0(0.0)	3(3.1)	3.86	4
	D	3(3.1)			
	NS	20(20.4)	20(20.4)		
	A	63(64.3)	75(76.5)		
	SA	12(12.2)			
6. There is clear results on performances with procurement reform	SD	0(0.0)	2(2.0)	3.90	4
	D	2(2.0)			
	NS	15(15.3)	15(15.3)		
	A	72(73.5)	81(82.7)		
	SA	9(9.2)			
7. There is clear identification of goods and services to be supplied	SD	1(1.0)	7(7.1)	3.88	4
	D	6(6.1)			
	NS	11(11.2)	11(11.2)		
	A	66(67.3)	80(81.6)		
	SA	14(14.3)			
8. There is negotiation of contract terms with selected suppliers	SD	2(2.0)	8(8.1)	3.68	4
	D	6(6.1)			
	NS	19(19.4)	19(19.4)		
	A	65(66.3)	71(72.4)		
	SA	6(6.1)			
9. There is fair and equal opportunities given to all the bidders	SD	0(0.0)	11(11.2)	3.70	4
	D	11(11.2)			
	NS	18(18.4)	18(18.4)		
	A	58(59.2)	69(70.4)		
	SA	11(11.2)			
10. Public procurement has improved on accountabilities for procurable	SD	1(1.0)	9(9.2)	3.83	4
	D	8(8.2)			
	NS	10(10.2)	10(10.2)		
	A	67(68.4)	79(80.6)		
	SA	12(12.2)			
11. There is open tendering in public procurement reform	SD	2(2.0)	9(9.1)	3.80	4
	D	7(7.1)			
	NS	10(10.2)	10(10.2)		
	A	69(70.4)	79(80.6)		
	SA	10(10.2)			
12. Advertisement for the goods and services are done locally	SD	2(2.0)	18(18.3)	3.63	4
	D	16(16.3)			
	NS	6(6.1)	6(6.1)		
	A	66(67.3)	74(75.5)		
	SA	8(8.2)			
13. There is always unbiadenss in the technical specification on the goods and services	SD	0(0.0)	7(7.1)	3.83	4
	D	7(7.1)			
	NS	8(8.2)	8(8.2)		
	A	78(79.6)	83(84.7)		
	SA	5(5.1)			
14. There is maximum competition to satisfy customers' needs	SD	2(2.0)	9(9.1)	3.68	4
	D	7(7.1)			
	NS	14(14.3)	14(14.3)		
	A	72(73.5)	75(76.6)		
	SA	3(3.1)			
Total				**3.77**	**4**

Source: Primary Data, 2022

Table 11above presents finding on Public procurement System, where report revealed that majority of respondents said financial procurement reform has minimized the level of corruption and this has been admitted by a cumulative of 79.6% respondents, 12.2% respondents were not sure about corruption minimization. Only cumulative of 8.1% respondents showed dissatisfaction that procurement reform has minimized the level of corruption. This result was in conformity with mean finding as 3.77 and mode was found to be 4.

Interview with key informant;

> *It is true that Public procurement systems has helped in reducing corruption but however, in local government the vice is very hard to avoid unless the government strive to be bold against this. There are still many cases of corruption amidst this management System which has greatly affected budget performance.*

It was also revealed by majority of respondents that value for money has been achieved by use of procurement reform and this was made promising by cumulative of 77.5% respondents, 8.2% respondents were not sure. While only cumulative of 14.2% respondents reported that value for money has not been achieved by use of procurement reform. Value for money has been achieved by use of public procurement system as it has been asserted by mean finding of 3.66 and mode was 4.

Interview with beneficiary;

> *Value for money is not being fulfilled as per the operation of the local government. He gave an example of roads saying the works done are always sub standards. Budget allocated for these activities part of it is always swindled by the authorities and this defies the notion of value for money.*

Furthermore, it was found that majority of respondents reported that there is increased level of transparency during procurement processes as shown by cumulative of 78.5% respondents, 15.3% respondents were not sure. Only cumulative of 6.1% respondents said there is no increased level of transparency during procurement processes. Mean results was in agreement that there is increased level of transparency during procurement processes as shown by 3.80 and mode was 4.

Interview with key informant;

> *Financial management System has greatly helped in ensuring budget performance in local government and this has been possible with increasing level of transparency through effective service delivery.*

It was also reported that, professionalism in procurement functions has been achieved and this agreement was made by cumulative of 78.5% respondents, 15.5% respondents were not sure about the professionalism. Cumulatively, only 6.1% respondents said professionalism functions has not been achieved in the sector. As shown by 3.80 mean and 4 mode, professionalism in procurement functions has been achieved.

Interview with key informant;

> *It's true that there is professionalism in procurement right from the time of recruitment, there is valid recruitment for this position. However, there persist aspects of corruption and fraudulent activities among the workers hence affecting budget performance in Kitgum District Local Government.*

Most respondents reported that procurement reform has improved on service delivery greatly and it has been confirmed by cumulative of 76.5% respondents, 20.4% respondents were not sure. While cumulatively, only 3.1% respondents reported that procurement reform has not improved on service delivery greatly. As shown by 3.86 mean and 4 mode, it can be concluded that public procurement system has improved on service delivery greatly.

The finding also clearly showed that majority of respondents said, there is clear results on performances with procurement reform as shown by cumulative of 82.7% respondents, 15.3% respondents were not sure. Cumulatively, only 2.0% respondents reported that there is no clear result on performance with procurement reform. Result of mean was 3.90 and mode was 4, hence it can be agreed that there are clear results on performances with public procurement system.

Interview with key informant;

> *With electronically stabled financial management systems, all information are obtained in the data base making it's very clear to interpret and shows results on the budget performance.*

It was also found out that, the majority of respondents reported that there is clear identification of goods and services to be supplied through this system as admitted by cumulative of 81.6%, 11.2% respondents were not sure. While cumulative of only 7.1% respondents disagreed that there is clear identification of goods and services to be supplied through this system. Mean also acknowledged the clear identification of goods and services to be supplied as shown by 3.88 and mode of 4.

From the finding, research has also acknowledged that majority of respondents reported that there is negotiation of contract terms with selected suppliers and this has been confirmed by cumulative of 72.4% respondents, 19.4% were not sure. While cumulative of only 8.1% respondents disagreed that there is negotiation of contract terms with selected suppliers. The agreement also resulted from the mean finding, that there is negotiation of contract terms with selected suppliers as noted from mean of 3.68 and mode of 4.

Interview with key informant;

> *With these reforms, management are able to source all the potential contractors with all their qualification and performances and this gives the basis of clear contract term negotiation with the contractors.*

It was also found that there is fair and equal opportunities given to all the bidders and this was realized from cumulative assertion of 70.4% respondents, 18.4% respondents were not sure. However, cumulative of 11.2% respondents said there is no fair and equal opportunities given to the bidders. This was realized from the mean result of 3.70, and mode of 4, Meaning, there is fair and equal opportunities given to all bidders.

Report also asserted that public procurement has improved on accountabilities for procurable and an indication is that cumulatively 80.6% respondents agreed to, 10.2% respondents were not sure. However, only cumulative of 9.2% respondents said public procurement has not improved on accountability for procurable. As resulted from mean of 3.83 and mode of 4.It can be concluded that public procurement has improved on accountabilities for procurable.

It was also found out that, there is open tendering in public procurement system and an indication was shown by cumulative of 80.6% respondents agreeing to the statement, 10.2% respondents were not sure. While cumulative of 9.1% respondents neglected that there is no

open tendering of public procurement system. This was in agreement with mean of 3.80 mean and mode of 4.

Interview with key informant;

> *There is an open tendering of public procurement in local government but however, there is what is called "back door entrance" this has compromised quality, effectiveness and efficiency in procurement system in local government.*

As majority reported, advertisement for the goods and services are done locally and this was highly indicated by cumulative of 75.5% respondents, 6.1% respondents were not sure. Cumulatively, only 18.3% respondents said advertisement for the goods and services are not done locally. This was highly agreed upon by 3.63 mean and 4 mode.

It was also asserted that, majority of respondents reported that there is always bais in the technical specification on the goods and services, equally this has been a hint by cumulative of 84.7% respondents, 8.2% respondents were not sure. But then again, only cumulative of 7.1% respondents reported that there is no bias in the technical specification on the goods and services. This has been agreed upon by 3.83 mean and mode of 4.

Lastly it was revealed that there is maximum competition to satisfy customers' needs and this was indicated by cumulative of 76.6% respondents, 14.3% respondents were not sure. Meanwhile cumulative of only 9.1% respondents reported that there is no maximum competition to satisfy customer's needs. Mean of 3.68 and mode of 4 clearly showed maximum competition.

4.3 Budget Performance

Budget performance the dependent variable in the study was conceptualized using three components that is, timeliness in reporting, control of implementation, flexibility in operation of which were quantitative and one qualitative question asking about financial management and budget performance in Kitgum district local government.

Table 12: Budget Performance

Budget Performance	Category	Frequency	Cumulative Frequency	Mean	Mode
1. The reform improved on timely budget preparation	SD	0(0.0)	2(2.0)	3.99	4
	D	2(2.0)			
	NS	5(5.1)	5(5.1)		
	A	83(84.7)	91(92.9)		
	SA	8(8.2)			
2. The reform improved on timely release of funds	SD	0(0.0)	3(3.1)	3.93	4
	D	3(3.1)			
	NS	3(3.1)	3(3.1)		
	A	90(91.8)	92(93.8)		
	SA	2(2.0)			
3. The reform improved on timely performance reporting	SD	1(1.0)	3(3.0)	4.00	4
	D	2(2.0)			
	NS	6(6.1)	6(6.1)		
	A	76(77.6)	89(90.9)		
	SA	13(13.3)			
4. The reform improved on timely accountability	SD	1(1.0)	15(15.3)	3.58	4
	D	14(14.3)			
	NS	21(21.4)	21(21.4)		
	A	51(52.0)	62(63.2)		
	SA	11(11.2)			
5. The reform made development projects to be accomplished on time	SD	0(0)	24(24.5)	3.35	4
	D	24(24.5)			
	NS	20(20.4)	20(20.4)		
	A	50(51.0)	54(55.1)		
	SA	4(4.1)			
6. The reform made the district to collect all their revenues on time	SD	2(2.0)	19(19.3)	3.49	4
	D	17(17.3)			
	NS	15(15.3)	15(15.3)		
	A	59(60.2)	64(65.3)		
	SA	5(5.1)			
7. The reform made departmental heads to have control on the budgets allocated to them	SD	2(2.0)	7(7.1)	3.74	4
	D	5(5.1)			
	NS	16(16.3)	16(16.3)		
	A	68(69.4)	75(76.5)		
	SA	7(7.1)			
8. The reform controlled wasteful expenditures	SD	4(4.1)	15(15.3)	3.58	4
	D	11(11.2)			
	NS	18(18.4)	18(18.4)		
	A	54(55.1)	65(66.3)		
	SA	11(11.2)			
9. The reform-controlled mischarges on the budget lines	SD	0(0.0)	10(10.2)	3.74	4
	D	10(10.2)			
	NS	17(17.3)	17(17.3)		
	A	59(60.2)	71(72.4)		
	SA	12(12.2)			
10. The reform made strict adherence to the budgeting cycle	SD	1(1.0)	17(17.3)	3.67	4
	D	16(16.3)			
	NS	12(12.2)	12(12.2)		
	A	54(55.1)	69(70.3)		
	SA	15(15.3)			
11. There is always flexibility to adjust the approved budgets	SD	2(2.0)	16(16.3)	3.67	4
	D	14(14.3)			
	NS	7(7.1)	7(7.1)		
	A	67(68.4)	75(76.5)		
	SA	8(8.1)			
12. The reform made the district to utilized all the released funds	SD	6(6.1)	25(25.5)	3.42	4
	D	19(19.4)			
	NS	10(10.2)	10(10.2)		
	A	54(55.1)	63(64.3)		
	SA	9(9.2)			
13. The reform improved on service delivery to the community	SD	1(1.0)	11(11.2)	3.77	4
	D	10(10.2)			
	NS	14(14.3)	14(14.3)		
	A	59(60.2)	73(74.5)		
	SA	14(14.3)			
Total				**3.68**	**4**

Source: Primary Data, 2022

Table 12 above presents budget performance obtained from Kitgum local government, data secured from the field indicated that, from the cumulative percentage points that the majority of respondents admitted that financial budget performance has improved on budget performance through timely budget preparation and this has been confirmed by 92.9% respondents admitting to that, 5.1% respondents were not sure and certain about budget performance being improved by timely preparation. However, only 2.0% of respondents disregarded financial budget performance improving on budget performance through timely budget preparation. The idea of financial budget performance improving on budget performance through timely budget preparation has been observed from the mean (3.99) approving more respondents admitting to that and mode was 4.

Finding also revealed that, majority of respondents acknowledged that the reform improved on timely release of funds and this has been highly reflected by cumulative percent of 93.8% respondents, 3.1% respondents not sure. However, 3.1% respondents said the reform never improved on timely release of funds since delay in the release is always realized. The report also confirms that within the local government settings, there is timely and improved release of funds for its functioning and operations. This has been proven by the mean as 3.93 and mode was represented by 4.

> *In an interview administered to one key informant who reported that; laxity in following up the budget activities had been one of the major challenge local governments were facing before, which were characterized by forging of receipt, creating activities but however, with the initiation of these system budget performance has been improved.*

As noted from the finding, the reform improved on timely performance reporting within Kitgum district local government and this has been acknowledged by a greater percent of 90.9% of the respondents, 6.1% respondents were not sure of timely performance reporting. Conversely 3.0% respondents revealed that reform never improved on timely performance of reporting in local government. This has been noted by mean of 4.00 as presented in the table. Therefore, in Kitgum district local government, reform has highly improved on timely performance reporting and it was observed by the mode of 4.

Interview with key informant;

> *Initially, reporting system had been so discouraging slowing budget performance within local government but however, this system came in with strict adherence to timely reporting and this has greatly improved on reporting time as scheduled.*

The reforms have highly improved on timely accountability as all activities within the local government are accounted for accordingly and this has been approved by 63.2% respondents, 21.4% respondents were not sure. However, 15.3% respondents disregarded the reform in improving accountability for the activities perform since most of the accountabilities are forged. Accordingly, mean from the finding have aligned with the notion of reform improving on timely accountabilities as represented by 3.58 and mode was accounted as 4.

Report also showed from the finding that, the reforms made development projects to be accomplished on time as admitted by a cumulative percent of 55.1% respondents, 20.4% respondents were not sure. However, cumulatively 24.5% respondents revealed that the reform did not make any development projects to be accomplished on time. This has been seconded by a relative mean of 3.35, meaning within local government the reform has made development projects to be accomplished on time and subsequently this has been represented by a mode of 4.

Interview with key informant;

> *We have been experiencing and have heard continuous compliant from the community about unaccomplished project activities from the local government and this had been due to weaknesses in financial management system but however, the reforms had placed in effective budget performance.*

Cumulatively, 64.3% respondents admitted that, the reform made the district to collect all their revenues on time, 15.3% respondents were not sure if the reform has enabled collection of revenues on time. However, cumulative of 19.3% respondents disagreed that the reform enabled the district to collect all their revenues on time This has been agreed with 3.49 of mean, meaning as much as some respondents disregarded the statement, the generalization shows that the reform has made the district to collect all their revenues on time and represented by a mode 4.

Interview with external beneficiary;

> *It is very true and clear that the local government district due to the reforms initiated but however, the system is unbalanced for the local communities since issues about revenue collection is done first but other activities so beneficial to the locals is really unappreciative by the locals.*

The reform made departmental heads to have control on the budgets allocated to them and this was in agreement with a cumulative of 76.5% respondents, 16.3% respondents were not sure of the control of budget allocation to departments. Though, a cumulative of 7.1% respondents said the reform has no control over departmental budget allocated within the local government. This has been supported by 3.74 mean that departmental heads have control on the budgets allocated and mode was recovered as 4.

Furthermore, report also revealed that the reforms controlled wasteful expenditures cumulatively 66.3% respondents were in conformity to the assertion, 18.4% respondents were not sure that the reform has inserted control over wasteful expenditure. However, a cumulative of 15.3% respondents disregarded the reform in the context of controlling wasteful of the resources, claiming increasing wasteful of resources. Much as a sum of respondents disapproves reforms in control over wasteful resources, mean from the finding was in conformity of the reforms enhancing control over wasteful resources as shown by 3.58 and mode was 4.

Interview with key informant;

> *Wastage of the resources budgeted for had been really minimized. Much as wastage cannot be fully avoided, there is great improvement acknowledged by the locals and the authorities with Kitgum District Local Government.*

The reform-controlled mischarges on the budget lines cumulatively 72.4% respondents admitted to that, 17.3% respondents were not sure on control of mischarges on the budget line. However, 10.2% respondents revealed that, the reform never controlled any mischarges on the budget line within the local government. This was highly supported by mean of 3.74, meaning the reform has brought control on mischarges on the budget line and mode was 4.

Moreover, report also revealed that the reform made strict adherence to the budgeting cycle and this has been confirmed by a cumulative percent of 70.3 respondents, 12.2% respondents were not sure. But, a cumulative of 17.3% respondents disagreed that the reform made strict adherence to the budgeting cycle. This has been in agreement with the mean 3.67 that the reform made strict adherence to the budgeting cycle and mode was 4.

Interview with key informant;

> *Financial management System came in with guidelines and criteria to be followed and all workers are well highlighted about the system hence strict adherence to the budgeting cycle by all the stake holders.*

Accordingly, finding on budget performance in local government, it was revealed that there is always flexibility to adjust the approved budgets due to the reform and this was shown by a cumulative percent of 76.5 respondents while 7.1% respondents were not sure. Conversely, cumulatively 16.3% respondents reported that there is no flexibility to adjust to the approved budget. Due to the reform, Kitgum district local government always have flexibility to adjust to the approved budgets and this has been supported by mean results as 3.67 and mode was 4
Additionally, it was also revealed that the reforms made the district to utilized all the released funds and this has been shown and approved by a cumulative of 64.3% percent, 10.2% respondents were not sure. But then again, a cumulative of 25.5% said the reforms did not make the district to utilize all the released funds. The finding admits that due to the reform, the district always utilizes all the released funds and this has been concluded by the mean finding as 3.42 mean and mode was 4.

Lastly finding on budget performance, it was reported that the reform improved on service delivery to the community and this was shown by a cumulative of 74.5% respondents, 14.3% respondents were not sure of the notion. While, a cumulative of 11.2% respondents revealed that the reform never improved on service delivery to the community. From the finding, it is concluded that the reform has improved on service delivery to the community and this has been agreed upon by mean finding as 3.77 and mode was 4.

1.5 Relationship between Financial Management System and Budget performance

This section will measure the strength of the relationship between two variables and compute their association. It calculates the level of change in one variable due to the change in the other.

Table 14: Spearman's Correlation

			Financial management reforms	Budget Performance
Spearman's rho	Financial management Reforms	Correlation Coefficient	1.000	.87
		Sig. (2-tailed)	.	.392
		N	98	98
	Budget Performance	Correlation Coefficient	.87	1.000
		Sig. (2-tailed)	.392	.
		N	98	98

Results in the table 14 indicate that there was a significant and highly positive relationship between the Financial management System and budget performance in Kitgum District Local Government ($r = 0.87$, Sig. < 0.01). This relationship implies that the extent to which financial management System in local government growth depends significantly on the level of their budget performance as influenced by integrated financial management system, integrated personnel and payroll system and public procurement.

Generally, the results in table 14 suggest that the level of budget performance achieved by local government is significantly and positively related to financial management System.

4.5.1 Correlation Matrix

Table 15: Variable Correlations

Variable Items	1	2	3	4	5	6	7	8	9	10
1.Timeliness in Reporting	1									
2.Control of Implementation	214*									
3. Flexibile Operation	.169*	.192								
4.Stakeholders Satisfaction	.292**	.398**	.165**							
5. Budget Performance	.845*	.409**	.738**	.213*						
6. IFMS	.533*	-.373*	.382**	.463*	.287					
7. IPPS	.165**	.737**	.659	.333**	.186*	.682				
8. Procurement Reform	.331**	.400**	.497**	.375**	.255*	.069*	.114**			
9. FMR	.004**	.259**	.294*	.219*	-.126**	-.038**	.009	.203**		
10.Implementation Strategies	.065*	.184**	.127**	.117**	-.068*	.178	-.002*	.038**	.212*	1

Notes: *Correlation is significant at 0.05 levels (2-tailed); **Correlation is significant at 0.01 levels (2-tailed).

From the output of the correlation matrix above, Timeliness in reporting is positively related to IFMS to the extent of $(r = .533, p < 0.05)$ indicting a moderate positive relationship. However, control of implementation indicates a weak negative relationship with IFMS to the extent of $(r = -.373, p < 0.05)$. Flexibility in operation indicates relatively positive relationship with IFMS to the extent of $(r = -.382, p < 0.01)$. meanwhile stakeholders satisfaction indicates significantly positively related to IFMS to the extent of $(r = .463, p < 0.05)$ indicating a moderate positive relationship.

From the above correlation matrix, Timeliness in reporting is relatively positive related to IPPS to the extent of $(r = .165, p < 0.01)$ indicting a moderate positive relationship. However, control of implementation indicates a strong relationship with IPPS to the extent of $(r = .737, p < 0.01)$. Flexibility in operation indicates relatively positive relationship with IPPS to the extent of $(r = -.659, p < 0.05)$. Meanwhile stakeholders satisfaction indicates fairly positive relationship to IPPS to the extent of $(r = .333, p < 0.05)$ indicating a moderately positive relationship.

From the above output, Timeliness in reporting is relatively positive related to public procurement to the extent of $(r = .331, p < 0.01)$ indicating a moderately positive relationship. However, control of implementation indicates a strong relationship with public

procurement to the extent of $(r = .400, p < 0.01)$. Flexibility in operation indicates positive relationship with public procurement to the extent of $(r = .497, p < 0.01)$. Meanwhile stakeholders satisfaction indicates fairly positive relationship to public procurement to the extent of $(r = .375, p < 0.01)$ indicating a moderately positive relationship.

Implementation strategies have a weak negative relationship with budget performance to the extent of $(r = -.068, p < 0.05)$ .However, implementation strategies have a weak positive relationship with Financial management System to the extent of $(r = .212. < 0.05)$.

Financial management System have a weak negative relationship with integrated financial management systems to the extent of $(r = -.038, p < 0.01)$. Financial management System have a very weak positive relationship with IPPS to the extent of $(r = .009, < 0.01)$.

1.6 Regression Analysis

Regression analysis helps to examine the relationship between independent and dependent variable. It helps to examine how financial management system has an impact on the budget performance in Kitgum District Local Government.

Table 16: Regression Model Summary

Model	R	R Square	**Adjusted R Square**	Std. Error of the Estimate
1	.990[a]	.980	**.979**	.570

a. Predictors: (Constant), IFMS, IPPS, PPS and Implementation Strategies

The results indicate that, Integrated Financial Management System, Integrated Personnel and Payroll system, Public Procurement System and Implementation Strategies explain 97.9% of the variations in budget performance

4.6.1 Multiple Regression

The multiple regression analysis was used to determine how the independent variables (integrated financial management system, integrated personnel and payroll system, public procurement reform and implementation strategies) predict the dependent variable (budget performance) and which ones among them are the most significant predictor.

Table 17: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	**Beta**	t	Sig.
1	(Constant)	13.214	1.206		10.958	.008
	IFMS	.153	.048	**.147**	3.161	.002
	IPPS	-.081	.068	**-.063**	-1.193	.089
	PPS	.081	.046	**.130**	3.540	.001
	IS	.296	.055	**.292**	5.365	.000

a. Dependent Variable: Budget Performance

From the output, the multiple linear regression model is given by

Y=13.214 - 0.153IFMS - 0.08IPPS + 0.081PPS + 0.296 IS + $\boldsymbol{\varepsilon}$

Where **Y** = Budget Performance (dependent variable)

IFMS: Integrated Financial Management System

IPPS; Integrated Personnel and Payroll System

PPS: Public Procurement System

IS: Implementation Strategies

$\boldsymbol{\varepsilon}$ error

From the output of the regression model above a unit increase in IFMS will significantly lead to an increase in budget performance by 0.153 units($p = 0.002, t = 3.161$), while a unit change in PPS will significantly lead to a change in budget performance by 0.081($p = 0.001, t = 3.54$)at the same time a unit change in IS significantly leads to a change in budget performance by 0.296 units ($p = 0.000, t = 5.365$)whereas a unit increase in IPPS leads to a slight decrease in budget performance by 0.081 units($p = 0.089, = -1.193$) although this effect is not significant holding other factors constant.

CHAPTER FIVE
DISCUSSION OF THE FINDINGS

5.0 Introduction

This chapter looks at the discussions of the findings on each of the independent and dependent variable of Financial management System and budget performance in Kitgum District Local Government; it discusses the end results of the findings on the achievement of the respective objectives which were to examine the relationship between Financial management System and budget performance, relationship between integrated personnel and payroll system and budget performance and relationship between public procurement and budget performance.

5.1 Summary of the findings

This section presents the summary of the key findings of the study, discussions of the study findings. The chapter was sectioned based on the objectives of the study which were (i) To examine the relationship between integrated financial management systems and budget performance. (ii) To establish the relationship between integrated personnel and payroll system and budget performance (iii) To assess the relationship between Public Procurement and budget performance. (iv) To investigate the direction of relationship between budget performance and integrated financial management systems, integrated personnel payroll system and public procurement.

5.1.1 Budget performance

As concluded by the general mean findings on budget performance was 3.68 which is highly rated, it showed good budget performance in Kitgum District Local Government. As an example, majority of respondents were in agreement that there is timely budget preparation, improvement on timely release of funds and this has been highly reflected by cumulative percent. In Kitgum District Local Government, the reform has highly improved on timely performance reporting, there is highly improvement on timely accountabilities as all activities within the local government are properly accounted for, accordingly, the reform made development projects to be accomplished on time, the reform made the district to collect all their revenues on time, the reform made departmental heads to have control on the budgets allocated to them, the reform controlled wasteful expenditures, the reform controlled mischarges on the budget lines, the reform made strict adherence to the budgeting cycle, there is always flexibility to adjust the approved budgets due to the reform, the reform made the

district to utilized a good percent of the released funds, the reform improved on service delivery to the community hence effectiveness and efficiency in Kitgum District Local Government.

Equally, this had been in conformity of what Usman, Hamza, Rabiu, & Ph, (2016) stated in the literature that, budget is a device intended to provide greater effectiveness in achieving organizational efficiency, the budget set for priorities as well as levels of spending, ways of financing and spending and a plan for managing the funds. Management accountants looked at budgeting as a plan quantified in monetary terms, prepared and approved prior to a definite period of time, which usually show the planned income to be generated and/or expenditures to be incurred during the period and the capital to be employed to attain a given objectives (Audu et al., 2016).

5.1.2 Integrated Financial Management System

It was found that integrated financial management system has helped Kitgum District Local Government in budget performance as confirmed and concluded by highly resulted mean of(3.8) and confirmed by respondents as; IFMS has fastened processing of funds for activities, IFMS made budgeting processes faster and timely, goods and services are procured on time through IFMS, IFMS has made financial reporting easy and timely, IFMS is the better mode for cash management, IFMS has improved on revenue collection, IFMS has improved on accuracy and efficiency in operation, IFMS has made better control on budget estimates for a year, IFMS has improved on fiscal accountabilities of the vote in Local Government, IFMS has improved on financial management in the district, there is improved budget transparency through the use of IFMS, IFMS has made stakeholders to closely monitor activity plans, the improvement on participatory budgeting by various stakeholders had been very high due to the system in place, IFMS has made the district to consume all the released budget for activities budgeted for.

This has been concluded in the literature by (T. H. E. Republic, 2015) that, IFMS takes a fiscal and financial management information system for government that bundles all financial management functions into one suite of applications. It is an IT-web based budgeting and accounting system that assists government of Uganda (GoU) entities to initiate, spend and monitor their budgets, initiate and process their payments, and manages report on their financial activities. The IFMS can streamline all fiscal and financial management processes

throughout government and provide GOU with a modern budgeting and accounting system with state of the art functionality on which to undertake its national and public sector accounting and financial management" (Munyambonera & Lwanga, 2015).

5.1.3 Integrated Personnel and Payroll System (IPPS)

The findings showed weak performance of integrated personnel and payroll system as confirmed by mean result (3.23) and most respondents were unsatisfied with its performance admitting that; employees do not receive salaries on time and an example is that, the retired employees do not get their gratuity on time, retired employees do not get their pension on time, most employees on promotion do not get immediate pay changes, newly recruited employees do not get salaries immediately upon promotion or recruitment, employees always miss monthly salaries, employees have accumulated salary arrears within their work place, the reform have not improved on salaries and wages payments as there are complaints from staff .

This is in line with (Charles, 2015) who stated in the literature that this system has its pros and cons; "Recently, electronic payment (e-payment) of salaries to staff has become a common feature of most government institutions and corporate body's vis-à-vis employee's wages and salaries administration. E-payment of salaries was introduced with the view to tackling such issues as ghost workers syndrome, delay in salary payment, errors caused by manual computation of staff emoluments and other payroll misconducts. E-payment has to do with the use of electronic means and platforms to make payments. Nevertheless, the adoption of computerized accounting system in wages and salaries administration has its associated pros and cons".

5.1.4 Public Procurement System

The study findings indicates that public procurement system in Kitgum local government is working well and this was seen from mean result (3.77). respondents were too satisfied with public procurement system revealing that; public procurement system has minimized the level of corruption, value for money has been achieved by use of public procurement system, there is increased level of transparency during procurement processes, professionalism in procurement functions has been achieved, public procurement system has improved on service delivery greatly, there is clear results on performances with public procurement system, there is clear identification of goods and services to be supplied through this system, there is negotiation of contract terms with selected suppliers, there is fair and equal

opportunities given to all the bidders, public procurement has improved on accountabilities for procurable, there is open tendering in public procurement system, advertisement for the goods and services are done locally, there is always unbiasedness in the technical specification on the goods and services, there is maximum competition to satisfy customers' needs

This is in line with the literature by Agaba & Shipman, (2003) who argued that; Public procurement is central to the delivery of public services, results, and performance. It is used as a strategic tool to enhance government performance and the quality of services. It requires a complex approach for reforms. Public procurement systems should be measured not merely by formal compliance with procedures but also by the achievement of development and other policy objectives. Public procurement reform objectives are usually described in terms of increased transparency, reduction of corruption, achieving value for money and professionalizing the procurement function as a whole. Public Procurement is the purchase of goods, services and works by public authorities or civil service organizations using public funds.

5.1.5 Relationship between financial management Systems and budget performance

The study indicated significant positive relationship between the financial management System and budget performance in Kitgum District local government ($r = 0.87, Sig. < 0.01$). This relationship implies that the extent to which Financial management System in local government grows depends significantly on the level of their budget performance as influenced by integrated financial management system, integrated personnel and payroll system and public procurement. The "Adjusted R- Square" results indicate that the independent variables can predict 97.9% of the variation in quality of budget performance in Kitgum district local Government.

CHAPTER SIX
CONCLUSION, RECOMMENDATIONSAND AREAS OF FURTHERSTUDY

6.0 Conclusion

This section presents the conclusions arrived at and recommendations made based on the study findings and it ended by suggesting areas that further research could be geared toward in order to better understand the control that the Financial management System made in order to manage budget performances in local governments.

6.1 Relationship between Integrated financial management systems and budget performance

The study concluded that, there was a significant positive relationship between integrated financial management systems and budget performance. Much as many local governments take back money to the treasury, Kitgum district local government managed to always consume 90%of her budget every financial year. The unspent balances were due to delayed releases of funds from the ministry, and failure to enforce plans and strategies into action to reach the desired goals on time. However, the district is looking forward to utilizing its budget to 100% release.

6.1.2 Relationship between integrated personnel and payroll system and budget performance

The study concluded that there was a positive relationship between Integrated personnel and Payroll System and budget performance, though there has been unsatisfactory from most of the employees that besides the reform on how to manage employees information and improve the management of the public service workforce and enhancing payroll and pension controls; employees still get their salaries late sometimes, there is still accumulation of salary arrears, pensions and gratuity are not processed on time among others. Hence the reform has not improved on salaries and wages payments as there are still complaints from staff.

6.1.3 Relationship between Public Procurement and budget performance

The study revealed that that public procurement system in Kitgum local government is working well. Respondents were too satisfied with public procurement system revealing that; public procurement system minimized the level of corruption, value for money has been achieved by use of public procurement system, there is increased level of transparency during

procurement processes, professionalism in procurement functions has been achieved, public procurement system has improved on service delivery greatly, there is clear results on performances with public procurement system, clear identification of goods and services to be supplied through this system, fair and equal opportunities given to all the bidders, and improvement on accountabilities for procurable.

6.2 Recommendations

To ensure improved service delivery of essential public services and ultimate achievement of budget performance in local governments, Kitgum District Local Government has to ensure there is effective and efficient performance standards set. The implementation strategies to be set and adhered to, to ensure that the deadlines are set for employees, the performance are based on the annual work plans, performance are achieved within the required timeliness, working tools and resources are provided for implementing the assigned duties, close monitoring and supervision of employees at work, frequent refresher trainings for the employees at work to always be ready to adopt to any changes that may come due to system upgrade, monthly meetings to be held for stakeholders, immediate response to complaints by the stakeholders, and quarterly, half yearly and annual performance review to be performed to give rooms for corrections and further improvements.

Samples in subsequent research should be grouped based on external government auditor opinion, so as to enrich the empirical evidence of public-sector accounting knowledge, the government should ensure that in the process of budget formulation, a legal framework is followed in order to formulate resourceful budgets, more emphasis should be put on budget implementation as the findings of the study revealed that it greatly improves the performance of local governments, the district should ensure proper budget monitoring as this improves the performance.

6.3 Areas for further Research

The researcher recommended the following areas for future research to expand and critically digest the concept of budget performance in local government and how they can improve to ensure local government maximize the benefits of the financial management System. The areas of further study include:

i. More research can be done on “Budget formulation and preparation in local governments in Uganda”

ii. This same study on “Budget Monitoring and Service delivery in Uganda” could also be expanded to more local governments’ in-order to better understand what works and what doesn’t work where in a bid to come up with a working model to improve Budget performance in local governments in Uganda.

iii. Apart from Financial management System, local governments also possess other reforms like “Programme Based Budgeting System” another study could be geared towards understanding how it influence the management of Service delivery to ensure the subject of budget performance is enriched and understood better by local governments.

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APPENDICES

Appendix A: Questionnaire

Dear respondent, I am a student at Gulu University Main campus undertaking a study on the financial management System and budget performance in local governments in Uganda taking a case of Kitgum district local government. The reforms include, (Integrated financial Management System, Integrated Personnel and Payroll System and Public Procurement System). The study is in partial fulfillment of the requirements for the award of a Master degree in Business Administration (Finance and Accounting).

You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purpose and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Yours faithfully,

Section A: Background Information

Tick or circle appropriately

1. Age (a) 20-30 (b) 31-40 (c) 41-50 (d) above 51

2. Sex (a) Male (b) Female

3. Highest level of education

(a) Certificate (b) Ordinary Diploma (c) Bachelor's Degree (d) Post graduate diploma (e) Master's Degree (f) PhD

4. How long have you been in the organization?

1. Below five years

2.6-10 years

3.11-15 years

4. Above 15 years

In the subsequent sections use the scale provided to tick or circle a number that describes your opinion.

1. Strongly disagree (SD)
2. Disagree (D)
3. Not sure (NS)
4. Agree (A)
5. Strongly agree (SA)

Section B: Budget Performance

		SD	D	NS	A	SA
1	The reform improved on timely budget preparation	1	2	3	4	5
2	The reform improved on timely release of funds	1	2	3	4	5
3	The reform improved on timely performance reporting	1	2	3	4	5
4	The reform improved on timely accountability	1	2	3	4	5
5	The reform made development projects to be accomplished on time	1	2	3	4	5
6	The reform made the district to collect all their revenues on time	1	2	3	4	5
7	The reform made departmental heads to have control on the budgets allocated to them	1	2	3	4	5
8	The reform controlled wasteful expenditures	1	2	3	4	5
9	The reform controlled mischarges on the budget lines	1	2	3	4	5
10	The reform made strict adherence to the budgeting cycle	1	2	3	4	5
11	There is always flexibility to adjust the approved budgets	1	2	3	4	5
12	The reform made the district to utilized all the released funds	1	2	3	4	5
13	The reform improved on service delivery to the community	1	2	3	4	5

Section C: Integrated Financial Management Systems

		SD	D	NS	A	SA
1	IFMS has fastened processing of funds for activities	1	2	3	4	5
2	IFMS made budgeting processes faster and timely	1	2	3	4	5
3	Goods and services are procured on time through IFMS	1	2	3	4	5
4	IFMS has made financial reporting easy and timely	1	2	3	4	5
5	IFMS is the better mode for cash management	1	2	3	4	5
6	IFMS has improved on revenue collection	1	2	3	4	5
7	IFMS has improved on accuracy and efficiency in Operation	1	2	3	4	5
8	IFMS has made better control on Budget estimates for a year	1	2	3	4	5
9	IFMS has improved on fiscal accountabilities of the vote	1	2	3	4	5
10	IFMS has improved on financial management in the district	1	2	3	4	5
11	There is improved budget transparency through the use of IFMS	1	2	3	4	5
12	IFMS has made stakeholder to closely monitor activity plans	1	2	3	4	5
13	There is improvement on participatory budgeting by various stakeholders	1	2	3	4	5
14	IFMS has made the district to consume all the released budget	1	2	3	4	5

Section D: Integrated personnel and payroll system (IPPS)

		SD	D	NS	A	SA
1	Employees receive salaries on time	1	2	3	4	5
2	Retired employees get their gratuity on time	1	2	3	4	5
3	Retired employees get their pension on time	1	2	3	4	5
4	Employees on promotion get immediate pay changes	1	2	3	4	5
5	Newly recruited employees get salaries immediately	1	2	3	4	5
6	Employees don't miss monthly salaries	1	2	3	4	5
7	Employees don't have accumulated salary arrears	1	2	3	4	5
8	IPPS eliminated ghost workers from earning salaries	1	2	3	4	5
9	Employees get the right amount of their monthly pay	1	2	3	4	5
10	Employees have access to review monthly preliminary payroll to confirm their monthly amount	1	2	3	4	5
12	Employees get their pay slips every month	1	2	3	4	5
13	The reform improved on salaries and wage payments without complains from staff	1	2	3	4	5

Section E: Public Procurement System

		SD	D	NS	A	SA
1	Procurement system has minimized the level corruption	1	2	3	4	5
2	Value for money has been achieved by use of procurement system	1	2	3	4	5
3	There is increased level of transparency during procurement processes	1	2	3	4	5
4	Professionalism in procurement functions has been achieved	1	2	3	4	5
5	Procurement system has improved on service delivery greatly	1	2	3	4	5
6	There is clear results on performances with procurement system	1	2	3	4	5
7	There is clear Identification of goods and services to be supplied	1	2	3	4	5
8	There is negotiation of contract terms with selected suppliers	1	2	3	4	5
9	There is fair and equal opportunities given to all the bidders	1	2	3	4	5
10	Public procurement has improved on accountabilities for procurables	1	2	3	4	5
11	There is open tendering in public procurement system	1	2	3	4	5
12	Advertisement for the goods and services are done locally	1	2	3	4	5
13	There is always unbiasness in the technical specification of the goods and services	1	2	3	4	5
14	There is maximum competition to satisfy customers' needs	1	2	3	4	5

Thank You for Your Time

Appendix B: Interview Guide for Key Informants

Dear respondent, I am a student at Gulu University Main Campus undertaking a study on Financial management System and budget performance in local governments in Uganda taking a case study of Kitgum District Local Government. The study is in partial fulfillment of the requirements for the award of Master Degree in Business Administration (Finance and Accounting). You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purposes and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Questions:

IFMS

1. How effective is IFMS implemented in the district?
2. What are the challenges of implementing IFMS in the district?
3. How does IFMS affect budget performance in Kitgum district?
4. What is the attitude of stakeholders on IFMS?
5. What best practices can the district employ to improve on the system operation

IPPS

1. How effective is the use of IPPS in handling employee's data?
2. What are the challenges of implementing IPPS in the district?
3. How does IPPS affect budget performance in Kitgum district?
4. What best practices can the district employ to improve on the operation IPPS?

Public Procurement System

1. How effective is procurement processes handled in the district?
2. How has Public Procurement system improved on service delivery in the district?
3. What are the challenges that affects procurement processes in the district?
4. Which best practices can the authorities of the district employ to improve on the procurement processes?

Thank You for Your Time

Appendix C: Interview Guide for External Beneficiaries

1. Do you think public procurement system has minimized the level of corruption?
2. Has Value for money been achieved by use of public procurement system?
3. Has Public Procurement increased the level of transparency during procurement processes
4. Do you see any Professionalism in procurement functions by the Staff in procurement?
5. Do you think Public procurement system has improved on service delivery to the community ?
6. Do they provide clear Identification of goods and services needed to be supplied?
7. Do they potray fair and equal opportunities to all the bidders?
8. Is there open tendering in public procurement system?
9. Do they advertise for the goods and services locally to the local bidders?
10. Do you get your payments immediately after work completion or service rendered?
11. Are there still bureaucracy when following your documents for payments?
12. Are LPOs given on time?
13. Are good receive notes issued immediately?
14. Are withholding taxes deducted from your payments?
15. Has IFMS improved on the way your payments are made?
16. What challenges do you fine when following up your payments?
17. What do you think should be improved to address those challenges?

Thank You for Your Time