

**Financial Accountability And Service Delivery On Organisation Performance In Uganda: The Case Of  
Kasanda District Local Government.**

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**Abstract**

This study was set to establish the relationship between financial accountability and service delivery in Kasanda district. It was guided by three objectives: To examine the effect of financial planning on service delivery in Kasanda district; to assess the effect of financial reporting on service delivery in Kasanda district; and to establish the effect of budgetary control on service delivery in Kasanda district. The study adopted a cross-sectional survey to find out the opinions, attitudes, preferences and practices related to financial accountability and service delivery. The participants were drawn from technical officers, elected representatives (councillors), and civil society who constituted a target population of 150 study units. Using simple random and purposive sampling techniques, a sample size of 108 individuals was selected. Data were collected through questionnaires and interviews, and analysed using correlation and regression statistical techniques with the aid of SPSS. Budgetary control and financial reporting significantly affect service delivery while financial planning is not significant. The study concluded that financial accountability has a significant relationship with service delivery. This study extends the relevancy of the agency theory in explaining the relationship between financial accountability and service delivery. In recommendation, local governments should promote citizen participation, especially in budgeting activities to improve service delivery. There should be a study of other factors, other than financial accountability, that affect service delivery in Local Governments in Uganda.

**Keywords: Financial Accountability, Service Delivery and Organisation Performance**

**Background of the study**

Financial accountability the obligation of public officials to report on the use of public resources and be answerable for failing to meet stated performance goals is universally recognized as a critical driver of efficient governance (Akankwasa et al., 2022). The World Bank (2023) emphasizes that robust public financial management (PFM) systems, which ensure transparency and minimize resource leakage, are directly correlated with improved development outcomes, including better health, education, and infrastructure (Kazaara & Kazaara, 2023). Globally, initiatives like the Open Government Partnership and the implementation of International Public Sector Accounting Standards (IPSAS) are testaments to the push for greater fiscal transparency. When public funds are managed accountably, resources are effectively channeled towards critical services, thereby enhancing the performance and legitimacy of public organizations (Alex et al., 2024). Conversely, weak financial accountability leads to corruption, misallocation of funds, and poor service delivery, which erodes public trust and undermines the social contract between citizens and the state (OECD, 2022). In an era of constrained public finances and increasing citizen demand for quality services, the imperative for governments to demonstrate tangible results through accountable financial practices has never been greater (Alex & Moses, 2024).

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Across Africa, the challenge of translating public financial resources into effective service delivery remains pervasive. Despite significant economic growth in many regions, the continent continues to grapple with a "service delivery deficit," where schools lack teachers, clinics lack medicines, and roads remain impassable despite budgetary allocations (Paul et al., 2023). The African Union's Agenda 2063 identifies good governance, including transparent and accountable management of public finances, as a foundational pillar for achieving inclusive and sustainable development (T. Christopher et al., 2022). However, systemic challenges persist. The 2023 Ibrahim Index of African Governance highlights that while there has been progress in economic opportunity, improvements in public service delivery have been slow and uneven. A key issue is the "accountability gap," where weak oversight institutions, limited citizen engagement, and pervasive corruption allow for the diversion of public funds. For instance, a report by the UN Economic Commission for Africa (UNECA, 2022) estimated that Africa loses over \$50 billion annually to illicit financial flows, funds that could otherwise be invested in vital social services. This environment means that many local government organizations across the continent, which are at the frontline of service provision, perform below their potential, failing to meet the basic needs of their populations due to a breakdown in the chain of financial accountability (Musaibah et al., 2023).

Uganda's decentralization policy, initiated in the 1990s, was designed to bring governance and service delivery closer to the people by transferring powers and resources to Local Governments (LGs) (David et al., 2023). This framework mandates LGs to be primary agents in planning, budgeting, and delivering services in sectors like primary education, healthcare, water, and roads. The legal architecture, including the Public Finance Management Act (PFMA), 2015, establishes clear requirements for financial accountability, such as timely submission of audited accounts and adherence to budgeting guidelines (Akankwasa et al., 2022). Despite this robust framework, the performance of many local governments in Uganda has been hampered by significant accountability failures. The Office of the Auditor General (OAG), in its report for the Financial Year 2022/2023, consistently cited issues such as irregular expenditures, non-compliance with procurement laws, unaccounted-for funds, and poor revenue collection in numerous districts. These financial management weaknesses have a direct and detrimental impact on service delivery (Irumba et al., 2024). For example, the 2023 Uganda Service Delivery Indicators survey revealed that teacher and health worker absenteeism remains high, and the availability of essential drugs in health centers is often below 50%, partly due to funding delays and mismanagement at the local level (Lydia et al., 2023). This indicates a systemic failure where the flow of funds does not reliably translate into the intended services, thereby crippling the performance of local government organizations and perpetuating poverty cycles.

Kasanda District, formerly part of the larger Mubende District, is a relatively new local government entity in the Central Region of Uganda. As a nascent district, it faces the dual challenge of establishing its administrative structures while simultaneously delivering essential services to a rapidly growing population (Jaggars & Bailey, 2010). The district is responsible for key services, including managing Universal Primary Education (UPE) and Universal Secondary Education (USE) funds, operating health center IIs and IIIs, and maintaining local road

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infrastructure. However, preliminary reports and anecdotal evidence suggest that Kasanda District, like many others, is struggling with the imperatives of financial accountability and effective service delivery (F. Christopher et al., 2022). Internal district reports often highlight challenges such as low local revenue collection, delays in the absorption of central government transfers, and allegations of mismanagement of public resources. These financial accountability issues manifest in poor service delivery outcomes: schools are overcrowded and lack instructional materials, health centers frequently report stock-outs of essential medicines, and rural road networks are in a state of disrepair, especially during rainy seasons (T. Christopher, 2022). This disconnect between financial inputs and service outputs suggests that the organizational performance of Kasanda District Local Government is sub-optimal. However, there is a critical lack of empirical evidence specifically linking the practices of financial accountability to service delivery outcomes and overall organizational performance within Kasanda District. Therefore, this study seeks to fill this gap by investigating this critical relationship, with the aim of providing evidence-based recommendations to strengthen financial governance, enhance service delivery, and ultimately improve the performance of Kasanda District Local Government for the benefit of its citizens.

#### **Statement of the problem**

Financial accountability plays very significant role in ensuring that high level of service delivery is realized in local governments (World Bank, 2015). In Uganda, the government enacted the Public Finance Management Act (2015) to strengthen local government accountability in the utilization of public resources for better service delivery. This Act has mandated Kasanda Municipal local government offices of the Town Clerk, Internal Audit, Head of Finance, Public Accounts Committee and the Mayor to exercise full responsibility of accountability in the utilization of public resources for better service delivery in Kasanda district (Julius et al., 2024).

Despite this policy of financial accountability, Kasanda district continues to register a surge of debilitating problems of corruption and unaccounted for funds meant for service delivery (OAG-Report, 2017). As a result of this poor financial accountability, the Municipal Council has failed to complete a number of government projects meant for service delivery. More so, the district has failed to meet national service delivery standards (MoLG, 2015) like pupil-classroom ratio, construction of health facility for population within 5kilometre radius and water supply target of 70%. This therefore has created a gap between financial accountability and how services are delivered in the Municipal Council which called for the need for further investigation (Racheal et al., 2023). This study, therefore, sought to investigate the effect of financial accountability on service delivery in Kasanda district and suggested proposals on how financial accountability was improved to ensure better service delivery.

#### **Specific Objectives**

1. To examine the effect of financial planning on service delivery in Kasanda Municipal Council;
2. To assess the effect of financial reporting on service delivery in Kasanda Municipal Council;
3. To establish the effect of budgetary control on service delivery in Kasanda district.

#### **Methodology**

The study adopted a cross-sectional survey to find out the opinion, attitudes, preferences and practices of a cross-section of the population about the subject under investigation (Amin, 2005). The triangulation approach was used

because both methods supplement each other in that qualitative method provided the in-depth explanations while quantitative method provided the hard data needed to meet required objectives and test hypotheses (Rasheed et al., 2022) . Further still, both methods were used to avoid such bias in that each method was used to check the other during the study under investigation. For example, the subjectivity associated with qualitative research was minimized by the objectivity of quantitative research. The findings derived from one approach was validated by the other. Primary sources of data included: civil servants, councilors, community members and Civil Society Organization (CSO) members. Elements of correlation were measured(Olanrewaju et al., 2021). The research was conducted in a normal organizational setting at the municipal headquarters, divisions and community, facilities like schools, health units and water points.

The study population was drawn from Kasanda district and Civil Society Organizations (CSOs) where three different types of people were enlisted. The technical officers were people who understood and deal with implementation of government programs on daily basis; and from whom financial accountability sought, by virtue of the delegated authority and public resources they held. The elected representatives (councilors) will be people’s representatives at the community. This group was carried out the direct mandate from the people through vote and assumed the final burden of giving satisfactory explanation to the public (people) on the performance of Local Governments (Abiodun Nafiu, 2012).

The civil society was not part of the government machinery, but provided an important and rather independent interface with local government institutions. They spearheaded demand for financial accountability and its enforcement in the Municipal Council. Importantly, they formed part of the community’s voice and often rose up against poor administration and bargain for improved services. The respondents were selected purposively since the researcher has the desire to include specific sections of the study population who had potential in-depth information and understand the basic themes of the study. In total, 150 respondents were reached using questionnaires and interview guides which includes: councilors, civil servants, CSO officials and focus group discussion questions for the community and boards members. Owing to the difficulty in accessing all the public institutions in the municipality, the researcher chooses all the divisions for the study.

Out of the 150 target population, the sample of 108 individuals were selected. The researcher sampled 14 Councilors, 34 Technical officers, 11 Boards and commission members, 34 community (beneficiary) members, 07 private sector and 08CSO representatives (Kasanda Municipal Office Registry, 2020). The sample size was arrived at by the use of table for determining sample size for research activities by Krejcie and Morgan (1970). The respondents were selected by purposive and convenience sample techniques because of their in-depth information and understanding of the basic themes of the study.

**Table 1: Sample Size and Selection**

Category	Target population	Sample size	Sampling technique
Municipal councillors	21	14	Purposive

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Technical officers	43	34	Purposive
CSOs Officials	12	08	Convenient
Boards and Committee members	20	11	Purposive
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Beneficiary members	42	34	Simple random
Private sector	12	07	Convenient
Total	150	108	

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*Source: Kasanda Municipal Office Registry, 2023 and determined based on Krejcie and Morgan Table 1970 Sample Size Table*

Due to the large size of the accessible population and other unavoidable constraints, the researcher used random sampling, convenient and purposive selection to determine the sample sizes. Six categories were involved in the targeted population of this study. The sample size for the councilors were 14 subjects. These respondents were purposively selected due to the fact that they have in-depth information about local government financial accountability and service delivery. Simple random sampling technique were used to select each member of the population independently of the others. The technique was used because of its high generalizability of findings. All members of the target population were given numbers that were written on small pieces of paper. The pieces of paper were then be folded, put in a bag, carefully shuffled, and then draw one at a time until the required number of participants (14) were obtained. This sampling technique was used because it gives each member of the target population an equal opportunity of being picked at any selection point. The information collected from the councilors included: the effect of financial planning, financial reporting and budgetary control on service delivery in Kasanda district and how government policies/regulations were influence it.

The technical officers were charged with the implementation of the government programs in the municipal council. There were 34 in number purposively selected due to the fact that they hold positions of responsibility in Kasanda district administrative structure. Simple random sampling technique was used to select respondents. This technique was used because of its high generalizability of findings. All members of the target population (43) were systematically assigned numbers that were written at equal intervals on the circumference of a wheel. The wheel was then spun and allowed to stop by itself. The member whose number the pointer pointed to when the wheel

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stopped was picked. This process was repeated until the required number of participants (34) is realized. The *roulette wheel method* was chosen to select the sample size of the respondents in this category in order to avoid bias. The data collected from them was about information on the effect of financial accountability on service delivery in Kasanda district and how government policies/regulations influenced it.

Data and information for this study was gathered from both primary and secondary sources. Primary data means original data that has been collected specially for the purpose in mind. It means someone collected the data from the original source first-hand (Dunckel, 2001). According to Dunckel, people who gather primary data might have knowledge of the study and may be motivated to make the study a success. These people are acting as a witness so primary data is only considered as reliable as the people who gather it. Primary data or information was gathered from councillors, technical staff, private sector, boards and commission members and CSOs in Kasanda district because they had authentic information as they were involved directly in financial accountability and service delivery.

Secondary data refers to data that is collected by someone other than the user, (Bishop, 2007). Secondary data or information was obtained through an extensive literature review on financial planning, reporting and budgeting and their effect on service delivery gathered from reports, books, publications or other research work. The researcher used these in order:

To analyse what other people have written about financial accountability in relation to service delivery; Not to repeat what other researchers have put forward to avoid monotony.

Under this method, closed ended questionnaires were administered by the researcher on councilors, CSOs members, boards and commissions members and technical officers to collect primary data on the effect of financial planning, financial planning and budgetary control on service delivery and how government policies/regulations influence it. The researcher used this method because the respondents know how to read and write. In addition, a no bias nature from the researcher was avoided and finally will cover a wide area of the sample selected (Sekaran, 2003).

An interview is a face-to-face purposeful conversation between an interviewer and interviewee (respondent) (Kothari, 2004). The researcher preferred to collect data using interview because it assisted in collecting data through face-to-face interviews. The researcher used interview guide as one of the major data collection methods. During the fieldwork, members of the private sector and beneficiary members were interviewed on financial planning, financial reporting and budgetary control and service delivery. This method was used because the researcher wanted to get complete and detailed understanding of the issues from the respondents through probing and clarifications (Odiya, 2009).

In this study, the researcher reviewed the following documents; government publications, reports, legal and regulatory instruments, published books on accountability and public sector management, published articles in journals, and newspapers. This method used because it contains credible evidence to justify the researcher's findings (Amin, 2005).

The researcher used three instruments to achieve the objectives of this study. These instruments included: questionnaire form, interview guide, and documentary review checklist as discussed below. The researcher collected data from the respondents by the use of questionnaire forms on the effect of financial planning, reporting and budgetary control on service delivery. The researcher selected this instrument because of its confidential nature, saving time and above all information being collected from a large sample. The researcher developed the questionnaire on a Likert scale with a five-response continuum: Strongly agree, Agree, Undecided, Disagree and strongly disagree. The questionnaire forms were administered to CSO members, boards and committee members and technical officers to enable the researcher to describe respondents' attitudes to the statements. The responses were weighed from scale 1 to 5. According to Amin (2005), Likert scales are very flexible to be constructed for attitude scales.

The researcher used interview guide because it was flexible to measure certain characteristics which are not possible by developing scales (Mugenda and Mugenda, 2003). The selected subjects were interviewed and these include categories of: members of the private sector and beneficiary members because they understand the operation of Kasanda Municipal administration as being stakeholders. The data collected from these respondents were on the effect of financial planning, reporting and budgetary control on service delivery.

In this study, the researcher reviewed: Municipal Development Plan (MDP), staff meeting minutes, departmental performance reports, government publications and legal documents. This instrument was chosen because relevant documents were reviewed to obtain data which could not easily be obtained through the other instruments (Denscombe, 2000).

Validity is the degree to which a test measures what it is supposed to measure (Amin, 2005). The researcher ensured validity of the instruments for efficiency and effectiveness of the tools to arrive at the dependable findings, conclusions and recommendations demanded by the study objectives and topic.

The researcher used face and content validity. Research instruments were drafted and sent to the supervisors for comments on sentence construction and wording, relevance of questions and the ease with which questions were answered to ensure face validity. The instruments were pretested on major technical staff especially, the Town Clerk, Mayor and Senior Internal Auditor for content validity. The responses from three officers were subjected to Content Validity Test.

$$CVI = \frac{\text{Number of relevant items}}{\text{Total number of items}} \times 100$$

$$CVI = \frac{31}{36} \times 100 = 86.1$$

As the CVI value will be 70% and above, the instrument was valid, (Amin, 2005). However, the instrument was corrected to remove unworthy items, improve on some and qualify others. There were 31 items that were considered relevant in the entire questionnaire including the items on background characteristics.

According to Mugenda and Mugenda (2003), reliability of an instrument is tested to measure the degree to which a research instrument yields consistent data after repeated times. To ensure reliability the researcher pretested the questionnaire instrument once on 10 people of the study population. This intended to determine the internal consistency of the instrument. The scores obtained from the pretest were correlated using Cronbach's Coefficient Alpha since multiple response items were involved.

**Table 2: Reliability Statistics**

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<b>Variable list</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Financial planning	.730	6
Financial reporting	.785	6
Budget control	.738	6
Service delivery	.777	6
<b>Overall</b>	<b>0.758</b>	<b>24</b>

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**Source: Field data, 2023**

When the overall reliability of the instrument show Cronbach's Alpha value greater than 0.6, the instruments were reliable. According to Hattie et al... (1997), Cronach's Alpha value greater than 0.60 is acceptable. Therefore, the researcher proceeded to collect data using the instruments.

After approval of the proposal the researcher got an introductory letter from faculty of education and humanities of metropolitan international University and present it to Kasanda municipal administrators to seek permission to conduct research in the various departments. Upon acceptance by the municipal authorities, data collection commenced. The researcher identified two staff in the management department and trained them in techniques of administering questionnaires and conducting interviews. The trained research was needed to meet the large number of respondents, and collect data of high quality with efficiency and effectiveness. Preliminary visits to the field

enabled the researcher to identify contact people, participants and seek their consent, and draw programmes for data collection.

The questionnaires were administered by the researcher and research assistants to the respondents personally. All the items of the questionnaire were checked for completion before collecting them. They were given general instructions before to complete the questionnaires individually. The completed questionnaires were collected after two weeks upon confirmation that all the questions were answered.

The respondents were personally interviewed by the researcher to avoid errors in the course of the interview exercise. After the required explanations were given by the researcher, the respondents were requested to complete the interview instruments for collection there and then. In most cases the interview took 45 minutes for each respondent. The researcher built rapport with the interviewee, and asked the interviewee how best the interview was handled before the interview exercise. The proceedings of the interviews were voice recorded, but the researcher sought the consent and acceptance of the interviewees first.

The raw primary data collected from the primary sources by use of questionnaires were cleaned and the responses (variables) grouped according to their categories. The data was encoded and entered in SPSS 20 version for analysis (Nelson et al., 2022) . The dependent variables (responses) were entered against the independent variables for analysis. The results were summarized using descriptive statistics and presented using percentages for comparisons.

Spearman Rank Correlation was used to test if variations in the opinions of the respondents were significant. For the cases where the  $P \leq 0.05$  then the variations in the views of the respondents were said to be statistically significant and an explanation was given for such variations while for the cases where  $P \geq 0.05$ , the differences in the opinions of the respondents were said to be statistically insignificant and conclusion was based on the view of the respondents with the highest percentage (Nelson et al., 2023).

In qualitative data analysis, the researcher transcribed interviews. The field notes was typed and re-read by the researcher. A general sense of the information on the effect of financial accountability on service delivery was obtained by the researcher and reflected on its overall meaning. The researcher used direct quotations to present the findings. The researcher made an interpretation of meaning of the data which involved lessons learnt.

Measurement of data is very important in studies that are quantitative in nature. In this study, three levels of measurements were used: nominal, ordinal and interval scales (Mugenda and Mugenda, 2003). In nominal scale the researcher grouped the subjects into categories especially the background variables to indicate the frequencies in each category. Meanwhile, in ordinal scale the researcher used Likert scale to measure the extent to which a respondent agreed or disagreed with a statement of an attitude on financial accountability and service delivery in Kasanda district. The interval scale was also used to compute the mean and the standard

**Results**

**Table 3: Descriptive statistics of financial accountability**

Variable List	Mean	Std.
<b>Financial Planning</b>		
1. Financial planning is always used to ensure availability of funds	3.711	1.099
Financial planning in this municipality has improved quality of infrastructures constructed	3.381	1.342
In this organization, economy in the use of funds has been achieved due to effective financial planning	3.247	1.146
4. Financial planning is vital for ensuring efficiency of resources in Kasanda district	3.237	1.345
5. Financial planning helps municipal administrators to set financial targets	3.134	1.264
In this organization has improved its health service provision to the public due to effectiveness in financial planning	2.990	1.246
<b>Average</b>	<b>3.284</b>	<b>1.240</b>
<b>Financial Reporting</b>		
In this municipality always make clear financial statements to facilitate reporting	3.856	0.957
2. In this municipal council, there is a system of financial reporting	3.753	1.155
Financial reports have acted as prove to the use of resources allocated to economic activities in this municipality	3.598	1.115
Financial reporting is a key for future budget allocations in this municipality	3.598	0.943
In KASANDA DISTRICT, the treasury has always adhered to quality financial reporting for timeliness and quality of services delivered	3.402	1.027
6. Financial reporting has helped to improve quality service delivery	3.330	1.179

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<b>Average</b>	<b>3.589</b>	<b>1.063</b>
<b>Budgetary control</b>		
1. The budget is derived incrementally from previous budgets	3.763	1.107
in this municipality, the budget is driven through bottom-up participation leading to better allocations and service delivery effectiveness	3.701	1.226
in this municipal council, budgetary control has been used to achieve economy in the use of resources	3.402	1.196
Budgetary controls has been better tool to ensure efficiency in the use of funds in this municipality	3.381	1.326
Access to budget systems and tools is appropriately restricted which has improved on quality services delivered	3.371	1.158
6. Budget committee is effective against risk and are not overloaded	3.299	1.110
<b>Average</b>	<b>3.486</b>	<b>1.187</b>

Source: Field data, 2023

Statistics on financial planning indicates high concentration of opinions on the claim that financial planning ensures availability of funds (mean = 3.711; Std. = 1.099). The statistics provides evidence that the local government ensures that funds are available to implement programs intended for service delivery. Though most of the mean scores indicated moderate concentration of opinions, evidence from standard deviation shows that their opinions were inconsistent on the issues raised on financial planning. Participants' interpretation of financial planning differed from one person to another; some looked at the number of reports made on the radios, while others looked at the structures such as street lights erected periodically.

Most of the participants indicated high viewpoints on a number of claims. However, most participants pointed to the claim that the municipality makes clear financial statements that facilitate reporting (mean = 3.856; Std. = .957). The researcher further observed consistent opinions were also observed on the claim that financial reporting is key for future budget allocations (Std. =.943). This suggests that the municipality's financial statements facilitate proper budget allocations. This implies that the participants have confidence and are satisfied with the amount of communication received in teams of reports.

In view of budgetary allocations, most of the participants pointed to the claim that the budget is derived incrementally from previous budgets (mean = 3.763), and the budget is driven through bottom-up (mean = 3.701). However, standard deviations, which were above 1.00 indicate that participants had rather inconsistent views on

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the claims raised. This suggests that budgets in Kisoro municipality are derived from previous budgets. The participants would rather wish for program based budgeting rather than incremental budgeting.

**Table 4: Descriptive statistics of service delivery**

Variable List	Mean	Std.
here is proper coordination, communication among the municipal staff for better service delivery	3.753	1.173
2. Municipal facilities meet the needs of the public	3.680	1.212
here is always proper disposal of waste products from the municipal divisions	3.598	1.255
this municipality service delivery has been indicated by quality of schools, roads and water sources	3.330	1.352
5. There is readily available utilities supplied timely to people in KASANDA DISTRICT	3.227	1.168
here is always enough staff to attend to the people at the municipal offices	3.227	1.195
<b>Average</b>	<b>3.469</b>	<b>1.226</b>

Source: Field data, 2023

The statistics indicate highest concentration of viewpoints around the presence of proper coordination, communication for better service delivery (mean = 3.753; Std. = 1.173). Least levels of moderate opinions were observed on the claim that there are enough staff to attend to the people at the municipal offices (mean = 3.227; Std. = 1.195). However, most of the standard deviations were above 1.00, which suggests that divergence in opinion on the claims raised on service delivery. The statistics imply the presence of proper coordination and communication among municipal staff. Most coordination and communication is done through radio talk shows on the several radio stations located in the municipal council and widely listened to by the community.

**Table 5: Correlations**

N = 97	Financial Planning	Financial Reporting	Budgetary Control	Financial Accountability	Service Delivery

Financial Planning	Pearson Correlation					
	Sig. (2-tailed)	1				
Financial Reporting	Pearson Correlation	.325(**)				
	Sig. (2-tailed)	.001				
Budgetary Control	Pearson Correlation	.310(**)	.542(**)			1
	Sig. (2-tailed)	.002	.000			
Financial accountability	Pearson Correlation	.720(**)	.795(**)	.799(**)		1
	Sig. (2-tailed)	.000	.000	.000		
Service Delivery	Pearson Correlation	.231(*)	.526(**)	.656(**)	.606(**)	1
	Sig. (2-tailed)	.023	.000	.000	.000	

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

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

The relationship between financial accountability and service delivery ( $r = .606$ ;  $p$ -value  $< .05$ ) is strong and significant. By implication, efforts to change financial accountability practices are associated with a strong change in the level of service delivery in the Municipality. For example, road fund received in the three consecutive years 2016/2017, 2017/2018 and 2018/2019 for was used to tarmac three access roads in the centre of the municipal council. Business along these roads was boosted. The positive correlation suggests that financial accountability and service delivery change in the same direction. Additionally, the significant statistics suggest that financial accountability and service delivery in the municipality are linearly related. The results suggest that local governments are capable of providing better and improved services if public officers and politicians ensure actions towards financial accountability. The findings in Kisoro municipality suggest that the political leadership is strong and emphatic on value for money by holding responsible officers accountable.

The researcher observed strong relationships between financial reporting and service delivery ( $r = .526$ ;  $p$ -value  $< .05$ ;  $N = 97$ ), budget control and service delivery ( $r = .656$ ;  $p$ -value  $< .05$ ;  $N = 97$ ). On the other hand, there was a

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weak relationship between financial planning and service delivery ( $r = .231$ ;  $p\text{-value} < .05$ ;  $N = 97$ ). The statistics suggest that variations financial accountability practices (financial reporting and budget control) are associated with strong variations in service delivery. On the other hand, variations in financial planning are associated with weak variations in service delivery. The effects of financial reporting and budgetary control impact more on service delivery than financial planning. The researcher observed a strong association between financial reporting and budget and control ( $r = .542$ ;  $p\text{value} < .05$ ). However, the associations between financial reporting and financial planning ( $r = .310$ ;  $p\text{-value} < .05$ ), and financial planning and budget and control ( $r = .325$ ;  $p\text{-value}$ ) were weak. In other words, different combinations of financial accountability practices are likely to have different effects on service delivery. The three dimensions of financial accountability are rated differently by the participants as to their effect on service delivery. Financial reporting and budgetary control are rated highly while financial planning is not.

### **Conclusion**

The study was conducted to establish the relationship between financial accountability and service delivery in Kasanda district. The conclusion is based on response rate of 89.8% (97 out of 108) who took part in the study. The study was conducted among technical officers, elected representatives (councillors), and the civil society is not part of the government machinery, but provides an important and rather independent interface with local government institutions.

There is a significant relationship between financial accountability and service delivery in Kasanda district. Local governments that ensure proper financial accountability mechanisms perform well in terms of service delivery. Obviously, such organizations have strong organs such as District Public Accounts Committee, Office of Auditor General, Office of Internal Auditor, Internal audit function, Inspectorate of Government, Council and sectoral committees that hold the local government accountable. And while financial accountability predicts a significant level of service delivery, this study observes that other factors can predict service delivery in local governments. These include the amount of funding available to a local government. Local governments with enough funds provide better services to the people. Stable political climate in local governments also predicts service delivery. Local governments where politicians co-operate well amongst themselves and with the technocrats provide better services to the citizens.

There is a significant relationship between budgetary control and service delivery in Kasanda district. One contributor to this level of significance is the fact that the budget is derived incrementally from previous budgets. Incremental budget is easy since the local government will have a basis of subsequent budgets. Already, information on previous budgets is available and the budget committee does not have to start from zero. Comparison of performance over years is easily done and so are levels of service delivery.

Secondly, the budget is driven through bottom-up participation. The communities, who are the beneficiaries of the services are involved in decision making and are the ones who give ideas on what is to be done for them. Resource allocation is done fairly based on identified priorities of the citizens.

However, this study reveals that the budget committee is too loaded to effectively manage budgetary risks. This leads to hurried budgeting. Some priorities and essential services can be omitted in the annual budget. This will negatively affect service delivery.

There is a significant effect of financial reporting on service delivery in Kasanda district, which derives from clear financial statements, and the reporting system itself. The presence of a reporting system in the municipality does not only allow accountability but also resource allocation and economic activities such as installation and maintenance of street lights in the business centre, tarmacking roads in the business centre and managing garbage. Much as the study gives evidence of timely financial reporting and adherence to quality reporting, the quality of service delivery is averagely reported. Financial reporting is based on financial statements which are just on paper and on which audit opinion is expressed. Service delivery goes further beyond paper work which is not fully reported. These include levels of hygiene and sanitation, latrine coverage, health care services, customer care practices and maintenance of drainage system.

Despite the significant contributions of budgetary control and financial reporting on service delivery in Kasanda district, financial planning is not significant in modelling service delivery. Plans will not translate into service delivery if they are not properly implemented. Policy makers may make promising decisions and the technocrats, due to conflict of interest, corruption and individual inefficiencies fail to implement the planned activities that are beneficial to the citizens. Gaps in health service provision, meeting financial targets, efficiency of resource allocation confirm the claim. And while the study does not succinctly provide evidence of gaps in use of funds, it is moderately implied.

This study opens new dimension to extend knowledge and research in financial accountability ability. Financial reporting and budgetary control is a better combination of financial accountability mechanisms than financial planning and financial reporting or financial planning and budgetary control in promoting service delivery. The significant effect of financial accountability on service delivery, as observed in this study is a contribution to the application and relevance of the agency theory in understanding public sector performance.

### **Recommendations**

This study has established that financial planning does not have a significant effect on service delivery. Kasanda district should reevaluate her financial planning approaches to ensure they contribute to service delivery. This can be done by re-aligning the Municipal Council planning cycle to ensure that there are adequate checks and balances that will help implementation of all activities as planned.

The study indicated a pessimistic position on the role of financial reporting in improving the quality of service delivery. Responsible ministries, that is, Ministry of Finance, Planning and Economic Development and Ministry of Local Government should ensure local government reporting is performed professionally and lawfully. There should be regular technical inspection and guidance by the Ministries to support the local government to ensure meaningful reports. The local government departments should be manned by professionally qualified officers.

The study found that a bottom-top participation approach to budgeting improves service delivery in local governments. Local governments should promote citizen participation; especially in budgeting activities to

improve service delivery. The bottom-top participation is done by consulting the masses at village level to identify their needs and priorities which are brainstormed on during budget conference at Division and Municipal Council levels. This approach helps the beneficiaries of the services to participate in decision making regarding issues that affect them. Further, the communities feel they are part of the decisions and they own them as theirs, which in turn encourages them to co-operate during implementation. For example, during road opening, the public may not raise compensation issues if they requested for such roads in their locality.

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