

## RELATIONSHIP BETWEEN FINANCIAL PLANNING AND SERVICE DELIVERY IN KALAKI DISTRICT LOCAL GOVERNMENT; A CROSS-SECTIONAL SURVEY

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### Abstract

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### Background

This study aims to determine the relationship between financial planning and service delivery in Kalaki District local government.

### Methodology

The study adopted a cross-sectional study research design, where quantitative was adopted. Data was collected using questionnaires, an interview guide, and a documentary checklist and analyzed using linear regression.

### Results

The results revealed that the budget is approved transparently as pointed out by 90.2 % of the respondents. The findings further indicated that 85.3% of the respondents agree that Decisions are made at all levels of Management in Kalaki district; relatedly, 85.2 % of the respondents agree that the Budget always guides all financial activities in LLGs. The study similarly indicated that 78.4 % of the respondents agree that Decision-making in LLG is largely consultative; 76.5% of the respondents agree that Budgets are usually presented to the council by the 15<sup>th</sup> of June yearly, and finally, 26.5 % of the respondents agree that budget in Kalaki District Local Government is wastage of time and resources. The findings point towards the conclusion that financial planning has a contribution towards service delivery in the district.

### Conclusion

This study found out that planning was done with few community priorities taken into consideration, some activities are planned by the central government and taken to the community without consultation with the communities. This reduces ownership therefore difficulty in the maintenance of those projects.

It should be noted that only activities planned and approved by the council are implemented hence services should be provided as planned and approved however there is a need for participatory planning and a bottom-up approach for ownership of projects and sustainability if planning should affect service delivery.

### Recommendation

Council at district and sub-counties should ensure that the budget is approved transparently and as the community has priorities.

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### Background of the study

Decision-making is concerned with certainty, conditions of risk, or conditions of uncertainty, managers while deciding conditions of certainty need to have sufficient or complete information and know exactly the outcomes of their decision (Kulaba, 2019). The most managerial decision involves a degree of uncertainty. They must decide what goals or opportunities will be pursued, what resources are available, and who will perform designated tasks (Otwoma, 2022). Decision-making consists of several steps. Identifying and defining the problem, developing various alternatives, evaluating alternatives, selecting an alternative, implementing the alternative, and

evaluating the actual decision and the decision-making process. However, managers can vary their approach to decision-making depending on the particular situation (Ammons & Roenigk, 2021).

Budgeting includes the management function of fiscal planning, accounting and revenue, and expense controls (Kariuki & Wabala, 2021). Budgeting requires specific planning and; a thorough understanding of objectives and future programmes the budget then becomes a guide, which however may always be in a state of change (Eton et al., 2018). Revision of estimates is through virements, reallocation, and supplementing estimates (The Local Government Financial and Accounting Regulations, 2007). Budgets reflect the planned program, public

policy, and planned priorities the purposes are to balance revenue and expenditure, accountability control and instrument of government policy, and good management and planning (Kibwage, 2021). Just as Local Government has power to collect revenue the Local Government Act cap. 243 (2006) to formulate approve and execute their budgets and development plans. Local Governments are, however, required to accord national priority program areas, (water, roads, Agriculture extensions, Education, health, and environmental protection). Budgeting includes costing programs and projects, facilitating the requisition of funds, and enabling the control of implantation of various programs so that there is no encroachment on other programs' funds MOFPED Government outlays analysis, annual report (Government of Uganda 2007). The budgeting control system provides regular accountability for the implementation of policies and plans. Budget Act (2001) bars Local Governments from accessing Funds from the Ministry of Finance and Economic Development (MOFPED) without approved budgets.

According to the Budget Act (2001), the budgeting process and cycle of Local Governments are consultative, participatory, and bottom-up in nature. It commences with consultation between Local Governments and central Government followed by a budget conference that captures all the wishes of stakeholders and sets local Government priorities for the Financial Year. The appropriate legislative body reviews the plan and adopts/approves a program and the administration starts implementation of the budget and reports findings to the legislative body The external review body audits and evaluates the executed program and reports findings to the legislative body (Bisogno et al., 2018). This study aims to

determine the relationship between financial planning and service delivery in Kalaki District local government.

**Methodology**

**Research Design**

A cross-sectional survey design was used in this study. This is a type of observational study that involves the analysis of data collected from a population or a representative subset, at one specific point in time. It enabled collection of data from a large number of respondents and it is essential in getting data from a sample of a population.

**Study Population**

The study population comprised the technical staff of Kalaki district local government, members of the public accounts committee, the Resident District Commissioner, and politicians, as shown in Table 1 below. According to the Chief Administrative Officer, the district has 85 technical staff, 29 councilors, 1 LCV chairperson, 1 Resident District Commissioner, and Chairperson public accounts committee, Sub-County Chairpersons, Members of PDC and Development Partners. Hence the study population was 140.

**Sample Size and Selection**

Respondents were sampled according to the categories specified in the below table to get a fair representation of the study. The sample size comprised of 140 respondents. The sample size was derived using Krejcie and Morgan's (1970) table to determine the sample population. The breakdown is presented in Table 1

**Table 1: Category of Respondents**

No	Category of Respondents	Population Size	Sample size	Sampling techniques
1	District Councilors	16	10	Convenient sampling
2	Technical staff	70	68	Simple random sampling
3	Sub-County Chairpersons	10	10	Convenient sampling
4	Member of Parish Development Committee PDC	39	10	Simple random sampling
5	RDC	01	01	Purposive sampling
6	CAO	01	01	Purposive sampling
7	C/M LCV	01	01	Purposive sampling
8	C/M Public Accounts Committee	01	01	Purposive sampling
	<b>Total</b>	<b>140</b>	<b>102</b>	

**Sampling methods and procedure**

Purposive, convenient, and simple random sampling techniques were used. Purposive sampling was applied in selecting the CAO, C/M LCV, C/M public accounts committee, and RDC. Convenient sampling was used to select councilors to participate in the study since they have no permanent offices and are rare to find. Simple random sampling was applied to select the technical staff to

participate in the study. The method was used to avoid bias in the study findings.

**Data sources**

The researcher collected data for the study using both primary and secondary sources of data. Primary data was collected using a self-administered questionnaire and documentary review method.

### Data Collection Instruments

The data collection instruments are tools that the researcher uses to collect data from the respondents. Combinations of instruments were used as appropriate to make use of their different strengths because none of the techniques can exclusively collect sufficient data. Questionnaires and documentary review checklists were used as data collection tools.

### Questionnaire

A questionnaire is a carefully designed instrument for collecting data by the specifications of the research questions and hypotheses. It consists of questions to which the subject responds in writing (Amin 2005). Questionnaires were administered to each of the selected respondents with closed-ended questions on a Likert scale to ensure accuracy and homogenous answers and were picked after two weeks from the date of issue.

### Documentary review Checklist

A documentary review checklist was produced to review Local Government reports for instance the Internal and External Audit reports, LGPAC reports, monitoring reports, Auditor General reports, budget, work plans, and District and Sub-County Development plans and Council minutes related to Finance.

### Quality control

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

### Validity

Validity refers to the ability of the instrument to measure what it is expected to measure. The study used face and content validity to ensure the validity of the instruments. To ensure greater chances of data validity, the questionnaires were reviewed with the research supervisor for expert input. A content validity index (CVI) will be determined by dividing the relevant questions by the total questions ( $CVI = n/N$ ). The researcher continued with the questionnaire if the CVI was greater than 0.7. This is because it is considered a good measure of validity.

### Reliability

This refers to the consistency of the instrument. An instrument is reliable if it produces the same results whenever it is repeatedly used to measure a trial or concept from the same respondents even by other researchers. A test-retest method was used to test the reliability of the questionnaire. The researcher conducted pretests of the interview questions on a few respondents before administering them to the entire sample size. The obtained answers were compared to the responses of the second test (retest) to ensure accuracy and ensure reliability.

### The procedure of data collection

- i) The researcher was able to seek permission from the school of research and graduate studies and obtain an introductory letter to go within the field.
- ii) The researcher sought the consent of the respondents to participate in the study and feel free to provide relevant information for the study. Further, the researcher informed the respondents about the purpose of the research project and the expected outcome of the study.
- iii) The researcher also assured the respondents that the information provided was to be treated with maximum confidentiality and would be used for academic purposes only.
- iv) Further, the researcher credited and extended gratitude to all previous researchers whose literature has contributed to this study and did not allow taking their work as his.
- v) The researcher used a simple random sampling technique to avoid bias in the research findings.

### Data Analysis

Before data was analyzed, it was carefully classified, edited, and coded based on clarity, completeness, accuracy, and consistency to ensure reliability. This was done using Microsoft Excel. Data was then exported to SPSS version 23 for analysis. The researcher used Pearson's coefficient to examine the relationship between the study variables. Multiple regression models were used for the analysis of the relationship between financial management and service delivery in local governments. The researcher used multiple regression models because the dependent variable is numeric while the independent is categorical.

### Measurement of variables

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

### Results

#### Response Rate

The researcher targeted 140 study populations and realized an active response of 102 and the response rate is presented in Table 2.

**Table 2: Target sampled and response rate**

No	Category of Respondents	Target sample	Actual	The response rate in %
1	District Councilors	16	10	62.5
2	Technical staff	70	68	97.1
3	Sub-County Chairpersons	10	10	100
4	Member of Parish Development Committee	29	10	100
5	RDC	01	01	100
6	CAO	01	01	100
7	C/M LCV	01	01	100
8	C/M Public Accounts Committee	01	01	100
	<b>Total</b>	<b>140</b>	<b>102</b>	<b>91.8</b>

The researcher targeted 140 study population, however, due to various reasons the number of respondents who participated in this study were as follows: district councilors 20 out of 21, all the top management at the district participated in the study gave a response rate of 100%, civil servants (DTPC) 20 out of 25, one member LGPAC members participated in the study, out of the 98 questionnaires given out, 79 were returned filled which gave a response rate of 80.6% and the overall response rate was 86.2% According to Amin the response rate of

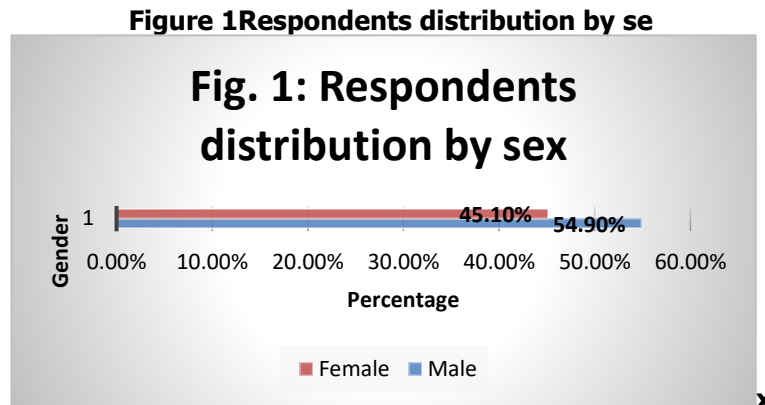
70% is sufficient for research. Key informants were interviewed and documents were reviewed.

### Background Characteristics

The researcher collected data on the background characteristics of respondents. This was intended to authenticate the source of research data below is a summary of data on the respondent's characteristics.

**Table 3: Respondents' data**

Biodata	Frequency	Percentage
<b>Sex</b>		
Male	56	54.9%
Female	46	45.1%
<b>Marital status</b>		
Married	79	77.5%
Single	18	17.6%
Separated	3	2.9%
Widowed	2	2%
<b>Age group</b>		
20-30 years	14	13.7%
31-40 years	31	30.3%
41-50 years	66	64.7%
Above 51 years	5	4.9%
<b>Education</b>		
Primary	1	1%
Secondary	30	29.4%
Tertiary	24	23.5%
University	46	45.1%
Others	1	1%
<b>Employment</b>		
Civil servant	68	66.7%
Counselors/ local leaders	26	25.5%
Community leader	2	1.9%
Development partner	6	5.9%
<b>Period of service</b>		
Less than 2 years	4	5.8%
2-5 years	18	26.5%
6-10 years	26	38.2%
Over 10 years	20	29.5%

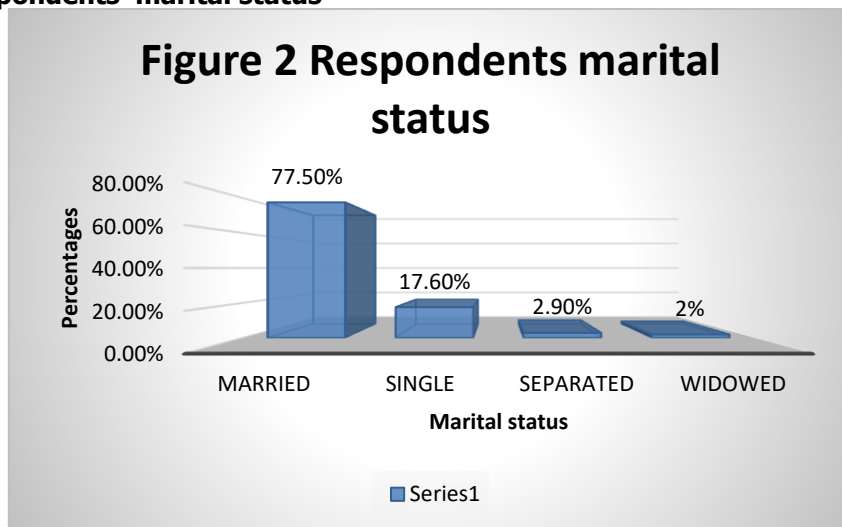


**Fig. 1 Respondent Distribution by Sex**

Table 3 and Figure 1 show the distribution of respondents by sex. The result revealed that 54.9% of the respondents were males and 45.1% were females. More Males participated in the study because there are more male employees than their female counterparts in the social

services institutions in Uganda because of their better levels of education compared to females. Males were also considered to contest for most council positions as directly elected councilors while females fear to compete for directly elected offices but only participate as women representatives this implies that service delivery may not address gender issues.

**Figure 2 Respondents' marital status**

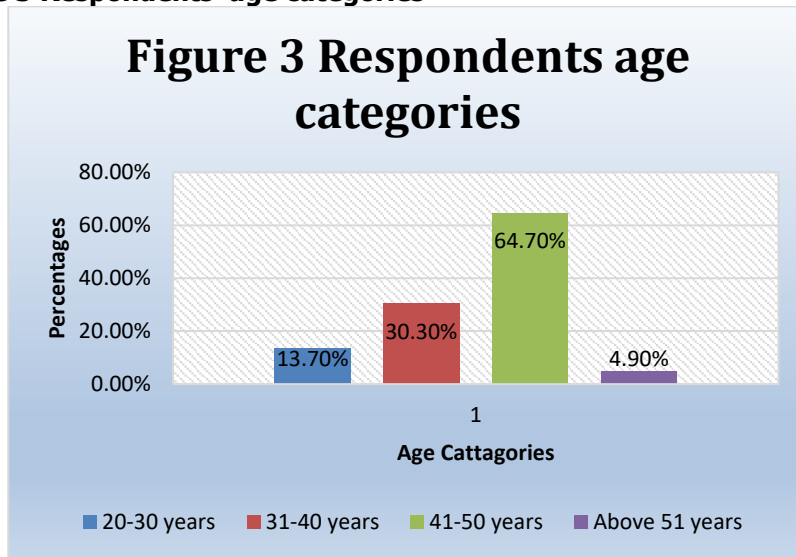


**Fig.2 Respondents Distribution by Marital**

Table 3 and Figure 2 show the distribution of the respondents by marital status. The majority of the respondents 77.5% were married 17.6% were single 2.9% were separated and

2 % widowed. The study needed to capture the marital status of respondents as it directly relates to their commitment to service delivery. Married couples were engaged in service delivery to get paid for raising their families. This may affect service delivery.

**Figure 3 Respondents' age categories**



**Fig.3 Respondents distribution by Age group**

Table 3 and Figure 3 above show the distribution of the respondents by age. 12.7 % aged between 20-30 years, 30.3 % aged between 31-40 years, and 64.7 % aged

between 41-50 years. This constitutes the active part of the population and so provides services to the community, and 4.9 % are aged above 51 years.

**Figure 4 Distribution of respondents by field of employment**

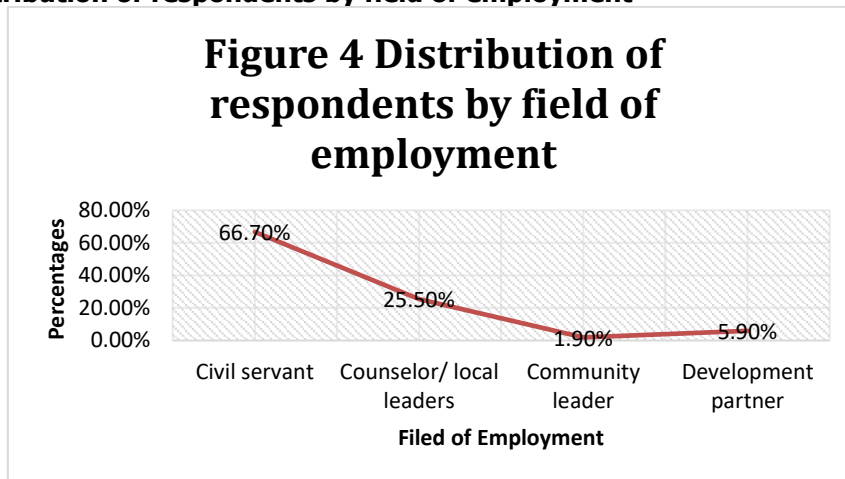
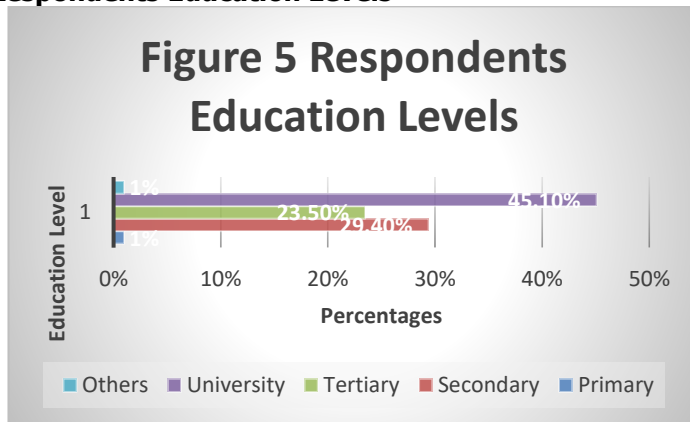


Table 3 and Figure 4 show the distribution of the respondents by field of employment. The study further revealed that of the respondents, 66.7 % were in the position of implementing local government activities

(civil servants), 25.5% (Councilors) were Policymakers, 1.9 % were community leaders, and 5.9 % were development partners.

**Figure 5 Respondents Education Levels**



**Fig 5 Respondent distribution by level of Education**

Table 3 and Figure 5 show the distribution of the respondents by level of education. The level of Education of the respondents was found to be good, 45.1% of the respondents had completed University, 29.4 % had

completed Secondary Education levels, 23.5 completed Tertiary institution 1% completed primary level education, and 1% others. Therefore the literacy rate among the target population was good and thus understood the operation of local government and financial Management to a reasonable extent.

**Figure 6 Respondents' distribution by period of service**

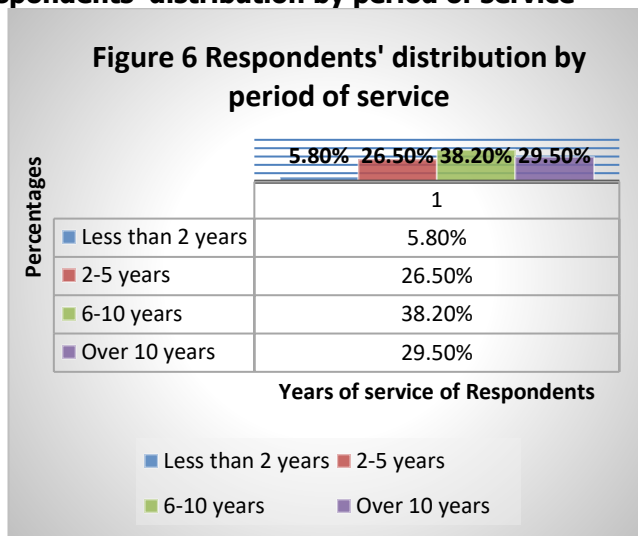


Fig. 6 and Table 3 show the distributions of the respondent's period of service, 5.8 % had less than 2 years, and 26.5 % had worked with the local Government for at least 2-5 years. 38.2 % over 6-10 years and 29.5 % over 10 years. Thus, since the majority of the respondents had work experience of 5 years and above. They were experienced and knowledgeable to provide information relating to the objectives of the study from which the findings, generalizations, conclusions, and recommendations were made.

**Financial planning and service delivery in LG systems**

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

**Table 4 Financial Planning and Service Delivery in LG Systems**

Variable	Strongly agree	Agree	No comment	Disagree	Strongly disagree
Decisions are made at all levels of management in the Kalaki district local council.	25 (24.5%)	62(60.8%)	1(1%)	10 (9.8%)	4 (3.9%)
Decision-making contributes to service delivery in KDLG.	42 (41.2%)	53 (51.9%)	1 (1%)	4 (3.9%)	2 (2.0%)
Decision-making in KDLG is largely consultative in nature	20 (19.6%)	60 (58.8%)	10 (9.8%)	10 (9.8%)	2 (2.0%)
In Kalaki district Council budgets are approved in a transparent manner	29 (28.4%)	63 (61.8%)	1 (1 %)	8 (7.8%)	1 (1%)
Budgeting is relevant to service delivery in KDLG	46 (45.1%)	47 (46.1%)	0 (00%)	7 (6.8%)	2 (2%)
Budgets always guide all financial activities in KDLG.	34 (33.3%)	53 (51.9%)	6 (5.9%)	8 (7.9%)	1 (1%)
Budgets are usually presented to the Council by the 15 <sup>th</sup> of June yearly	17 (16.7%)	61 (59.8%)	4 (3.9%)	17 (16.7%)	3 (2.9%)
The budget in Kalaki District Local Government is a waste of time and resources	10 (9.8%)	17 (16.7%)	5 (4.9%)	50 (49.0%)	20 (19.6%)

Source: *Primary Data 2023*

Findings presented in Table 4. show that the majority of the respondents 93.1 % agree that the decision contributes towards service delivery in Kalaki District Local Government; in addition, 91.2% of the respondents pointed out that budgeting is relevant to service delivery in Kalaki District Local Government. The results further revealed that budgets are approved transparently as pointed out by 90.2 % of the respondents. The findings further indicated that 85.3% of the respondents agree that Decisions are made at all levels of Management in the Kalaki district; relatedly, 85.2 % of the respondents agree that the Budget always guides all financial activities in LLGs. The study similarly indicated that 78.4 % of the respondents agree that Decision-making in LLG is largely consultative in nature; 76.5% of the respondents agree that Budgets are usually presented to the council by the 15<sup>th</sup> of June yearly, and finally, 26.5 % of the respondents agree that budget in Kalaki District Local Government is wastage of time and resources. The findings point towards the conclusion that financial planning has a contribution towards service delivery in the district.

In some instances, community priorities are implemented after planning and budgeting due to political interest however; most of them are decided at higher levels of

authority and not all community priorities are taken into consideration. (The parish development committee (PDCs) Apapai Sub-County). The sub-county chairperson (Ocelakur Sub-County) noted that not all activities and/or projects budgeted for are implemented transparently this is because many stakeholders have different interests in the different activities budgeted for and above all work plans are not shared with other stakeholders. In addition to this, misappropriation of funds is greatly affecting LG project/activity implementation in Kalaki district; however, planning and budgeting are done before any government-funded project starts; *the LGPAC member*. Monitoring of the Project/activities progress in the district or sub-counties is done but not regularly; this justifies the many issues of shoddy/substandard work by contractors in Kalaki District Local Government for profit maximization and high levels of corruption (Resident District Commissioner)

In the documentary review, the researcher observed and recorded the following; - Kalaki district local government had approved the budget and development plan signed by the district chairperson and the chief administrative officer and sub-counties also had the approved budget and development plan. The budget is consistent with the



development plan since only what has been planned is budgeted for implementation. It should be noted that the development plan used to be three (3) years but has been revised to (5) years however KDLG and the sub-counties usually comply with the guideline because of assessment from the ministry of local government to receive local government development grant and failure to comply leads to penalty and reduction in funding while compliance lead to bonus & increased in funding.

### Discussion

Considering that financial planning in this district is very important, in any case, planning is the primary function that sets the stage for subsequent implementation of activities since it enlists the details of what is to be implemented, from where, at what time, and by whom. Financial planning in KDLG in this study was critically analyzed it was found that KDLG put in place well-laid-out plans before procuring works, goods, and services. Planning is essential for organization survival and the finding that financial planning significantly influences service delivery in Kalaki district local government is in line with (Haruki 2021) who submitted that planning is important for service provision and appropriate legislative body should review plans and adopts/approves a program and administration starts implementation of the budget and reports findings to the legislative body, he noted that External review body audits and evaluates the executed program and reports findings to the legislative body. In the same issue, Eton (2018) also supported the finding that planning influences service delivery since it helps in combining resources to achieve the overall objectives of an organization. The planning is bottom-up and participatory (consultative) approach (Harmonized Participatory and Planning Guide HPPG) and is in line with the District vision and the National Development Plan (NDP). It should be noted that planning focuses on the activity of a specific unit and involves what needs to be done, by whom, when, and at what cost and it's important for the organization's survival, the planning process and cycle should be consultative, participatory and bottom-up in nature if service provision has to improve in KDLG.

However, it was found that most planning is done by the central government since over 70% of budgetary funding is from the central government in terms of conditional grants. The finding that budgeting significantly influences service delivery is supported that without budgeting, an organization cannot achieve its objectives and that budget reflects the planned program, public policy, and planned priorities the purposes are to balance revenue and expenditure, accountability control, and instrument of government policy, good management, and planning. Previous researchers also noted that the budgeting control system provides regular accountability for the implementation of policies and plans. In LGs, it commences with consultation between Local Governments and central Government followed by a

budget conference that captures all the wishes of stakeholders and sets local Government priorities for the Financial Year. Kalaki district uses IFMS (Integrated Financial Management Systems) and it's not possible to spend when there is no budgetary allocation for the activities however supplementary estimates can be made in case there is a fund for additional activities.

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

### Limitations of the study

Limited Access to Information. Due to the lockdown, collecting information from certain stakeholders and offices has been limited hence a limitation to the study, the researcher had to facilitate individual-level meetings with the study sample to obtain the information required. There is also limited literature about credit modeling especially using Kaplan Meir hence a limitation to the study, this prompted the researcher to engage in online libraries and private and Public libraries for information.

### Conclusion

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

### Recommendation

Council at district and sub-counties should ensure that the budget is approved transparently and as the community has priorities.

### Acknowledgment

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take this opportunity to deliver my sincere appreciation to my university supervisor Mr. Kanya Murushid for his commitment, academic guidance, dedication, and supervision throughout my dissertation writing.

### List of Abbreviations

ANOVA	Analysis of Variance
MOFPED	Ministry of Finance and Economic Development
LGA	Local Government Act
LGFAR	Local Government Financial and Accounting Regulation
CAO	Chief Administration Officer
CBOs	Community-Based Organizations
RDC	Resident District Commissioner
SPSS	Statistical Package for Social Scientists
KDLG	Kalaki District Local Government

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The study was not funded.

### Conflict of interest

The author had no conflict of interest.

### Author Biography

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