



Makerere University

College of Business and Management Sciences

**DELAYED BUDGET APPROVAL AND ITS EFFECT ON SERVICE PROVISION IN
LOCAL GOVERNMENTS IN UGANDA; A CASE STUDY OF
JINJA DISTRICT**

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ABSTRACT

This study assessed the effect of delayed budget approval on service provision in local governments in Uganda. Specifically, the study sought to establish; causes of late budget approval and how it affects service delivery in Jinja District Local Government. The study objectives were to find out the causes of late budget approval in and how late budget approval affects service delivery. The study used surveys, interviews and documentary reviews as data collection methods. The sample size of the study was 40 and the sampling techniques included; purposive and simple random sampling. Research findings revealed causes of late budget approval in Jinja district local government, the Kruskal-Wallis Test analysis ranked and compared them as; politicians pushing for their projects to be given priority (80%), priorities are not done as demanded by people (70%), politicians reject a budget which does not address their concerns (70%), the budget committee is knowledgeable about the budget circular (65%) and Councilors are trained on the importance of budgeting (65%) among others. Also the chi-square statistics of 7.816, df of 3 and its asymp at significance level of .050 shows that the test results are statistically significant. Study findings further revealed that the budget approval sets in motion the entire procurement process. It was also established from the correlation analysis, that there is a positive relationship between the budget approval and service provision and evidence was obtained correlation coefficients of .783 with a significance value of .000 ($p < 0.05$). The study concluded that LG budget approval remains key on the entire procurement process. The study recommends that senior management discusses with LG councilors to get a better understanding of the budget approval requirements and adverse effects on future LG performance. Also CAO should always be mindful of LG councilors' emoluments as motivating factor to performance. Tough measures have to be taken in a way that all budget proposals to be submitted to the MoFPED before 15th June each fiscal year.