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BUDGETING PROCESS AND BUDGET PERFORMANCE OF UGANDAN LOCAL  
GOVERNEMENT. CASE STUDY OF KISORO DISTRICT IN SOUTH-WESTERN  
UGANDA

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## **ABSTRACT**

The study sought to establish the relationship between Budgeting Process and Budget performance in LG in Uganda. Budget process was looked at from the perspective of level of Participation and level of Feedback and Control while budget Performance focused on Revenue Performance, Expenditure performance and Value for Money Performance. The researcher set out to establish how budget process affects budget performance.

The study adopted a cross-sectional research design using both qualitative and quantitative data. Data was collected using questionnaires, observations as well as a review of available documents and records like reports and magazines targeting heads of departments, finance and accounts staff and Management committee members as respondents from a population of all district employees. Data was analyzed using the Statistical Package for Social Scientists where conclusions were drawn from tables from the package.

The study found out that there was participation in the budgeting process and that feedback on budget implementation was also provided by the officers responsible. The study found out that feedback and control explain more budget performance than participation. However the study found out that the LG doesn't have enough cash resources and revenues are not collected in full before the end of the year. The findings also indicated that delayed release of grants from the central government adversely affects the functionality of the local government. It was also noted that among other things lack of commitment and training of staff towards budgeting was hampering progress of the district. It was revealed however that all revenues and expenditures are properly identified through an accounting system in place and that assets of the LG have generally increased. The study established that there was a significant relationship between budgeting process and budget performance.

The study recommends that the participation should be encouraged if budget performance is to be enhanced. The study also recommends that the LG put much emphasis on the level of feedback and control since findings indicate that it explains and influences more the budget performance. There should also be mechanisms to improve the revenues of the local government so that services can be provided to the citizens.

The study concluded that there was a significant relationship between budget process and budget performance in LGs in Uganda. The study recommended motivation of employees and performance of LG, political influences on performance, and conduct of a similar study in other local governments as areas for further study.