

Public Financial Reforms and Service Delivery in Local Governments: A Case of Wakiso District

Byuki Joel Bwambale¹, Irumba Alex²

1, 2 Metropolitan International University

Abstract

This study investigated the effect of public financial management reforms on service delivery in local governments, with specific reference to Wakiso District. Uganda has pursued an ambitious sequence of public financial management reforms since the 1990s, encompassing the Integrated Financial Management System, the Programme Based Budgeting framework, the Treasury Single Account, and progressively strengthened internal audit and procurement regimes, all premised on the proposition that improved fiscal discipline, transparency, and accountability translate into better public services. Wakiso District, the most populous local government in Uganda and one confronting acute service demand arising from peri-urban expansion around Kampala, provides a demanding test of this proposition. The study adopted a positivist philosophy and a cross-sectional descriptive and analytical survey design, collecting data from 205 respondents drawn from a target population of 430 comprising district and sub-county technical staff, accounting and internal audit personnel, elected councillors, and service unit managers in health and education. Stratified random sampling was applied and data were gathered through a structured questionnaire measuring four reform dimensions, namely budgeting reforms, financial reporting and accounting reforms, internal control and audit reforms, and procurement reforms, against service delivery assessed through timeliness, coverage, quality, and responsiveness. Analysis employed descriptive statistics, Pearson correlation, and multiple regression in SPSS version 26. Results showed that financial reporting reforms recorded the highest mean while procurement reforms recorded the lowest. All reform dimensions correlated significantly and positively with service delivery, with internal control and audit reforms strongest ($r = 0.687$, $p < 0.01$), followed by budgeting reforms ($r = 0.643$, $p < 0.01$), financial reporting reforms ($r = 0.598$, $p < 0.01$), and procurement reforms ($r = 0.521$, $p < 0.01$). The regression model was significant ($F = 41.27$, $p < 0.001$), explaining 54.3 per cent of variance in service delivery, with internal control and audit reforms ($\beta = 0.331$) and budgeting reforms ($\beta = 0.297$) the strongest predictors. The study concludes that PFM reforms materially improve service delivery but that procurement remains the binding constraint, and recommends strengthening procurement capacity, enforcing internal audit follow-up, and improving the credibility of budget releases.

Keywords: Public financial management reforms; service delivery; local government; internal control; budgeting; procurement; Wakiso District; decentralisation.

1.0 Introduction

Public financial management occupies a foundational position in the machinery of the state, since virtually every public service is delivered through the conversion of fiscal resources into goods, works, and human effort (Julius &

Received: 06.07.2026

Accepted: 12.07.2026

Published on: 30.07.2026

Nancy, 2026). The quality of that conversion, its efficiency, its integrity, and its responsiveness to citizen priorities, is determined by the systems through which money is planned, appropriated, released, spent, recorded, and accounted for (Paul et al., 2023). It is this recognition that has propelled public financial management reform to the centre of the governance agenda across the developing world over the past three decades, supported by development partners who came to view weak fiscal systems as the proximate cause of poor development outcomes irrespective of aggregate resource availability (Julius & Audrey, 2026).

The intellectual foundation of these reforms rests substantially on New Public Management, a doctrine that sought to import private sector managerial disciplines into public administration (Moses & Ntirandekura, 2022). Its prescriptions included a shift from input controls to results orientation, the disaggregation of monolithic bureaucracies into performance-accountable units, the introduction of competition in service provision, and the deployment of information systems capable of generating timely and reliable financial data (Alex & Julius, 2024). In the fiscal domain specifically, these ideas manifested as medium-term expenditure frameworks intended to link policy to budgets over a multi-year horizon, performance and programme budgeting intended to shift the focus from what is bought to what is achieved, accrual or modified-accrual accounting intended to reveal the full cost of services, integrated financial management information systems intended to provide real-time control, and independent audit intended to close the accountability loop (Julius et al., 2024).

Uganda has been among the more energetic reformers in sub-Saharan Africa. The reform trajectory began with macro-fiscal stabilisation in the early 1990s and progressed through the introduction of the Medium Term Expenditure Framework, the establishment of the Integrated Financial Management System, the enactment of the Public Procurement and Disposal of Public Assets Act, the migration to a Treasury Single Account that consolidated fragmented government balances, the promulgation of the Public Finance Management Act of 2015 which introduced a Charter of Fiscal Responsibility and formalised programme based budgeting, and the progressive strengthening of the internal audit function within accounting officer structures (Annet et al., 2023). Each of these reforms carried an explicit theory of change linking the fiscal instrument to a service outcome: better budgets would fund the right things, better systems would ensure the money arrived, better controls would ensure it was not diverted, and better audit would ensure that deviations were detected and corrected (Ntirandekura & Friday, 2022).

These reforms intersect with a parallel and equally consequential process, namely decentralisation. Uganda's Local Governments Act of 1997, giving effect to constitutional provisions, devolved substantial service delivery

responsibility to districts, which became the primary providers of primary health care, primary education, feeder road maintenance, agricultural extension, and water and sanitation services(Irumba et al., 2024). The theoretical case for decentralisation rests on allocative efficiency, since local authorities are presumed to possess superior information about local preferences, and on accountability, since proximity is presumed to strengthen citizen oversight(Allan et al., 2023). However, the fiscal architecture that accompanied decentralisation has been substantially recentralized in practice: the abolition of graduated tax removed the principal source of discretionary local revenue, and the overwhelming majority of district resources now arrive as conditional grants whose expenditure is prescribed centrally(Amos et al., 2024). This produces a distinctive configuration in which districts bear responsibility for outcomes while exercising limited discretion over the resources that produce them, and it is within this configuration that PFM reforms must operate.

Wakiso District presents a particularly instructive setting. Encircling Kampala, it has absorbed extraordinary population growth driven by peri-urban expansion, with a population exceeding two million making it Uganda's most populous local government(Alex & Kazaara, 2023). This growth has generated service demand that outpaces both the pace of infrastructure development and the formulae by which central transfers are calculated, since allocation formulae keyed to historical enrolment or facility counts systematically lag rapid demographic change(Promise et al., 2024). The district therefore embodies the reform question in acute form: where demand growth is rapid, resource growth is formulaic, and discretion is constrained, do improvements in how money is managed translate into improvements in what citizens receive?

The empirical record on this question is contested. Cross-country studies have found weak or inconsistent associations between PFM reform indices and service outcomes, giving rise to influential critiques centred on isomorphic mimicry, the phenomenon whereby organisations adopt the visible forms of reform to satisfy external audiences while functional practice remains unchanged, and capability traps, whereby the burden of reform compliance consumes the very administrative capacity that service delivery requires(Akankwasa et al., 2022). Against this, evidence from specific reforms, particularly public expenditure tracking, systematised internal audit, and transparency interventions, has demonstrated measurable effects on leakage and on service availability(Nancy & Prudence, 2024). The reconciliation increasingly favoured in the literature is that reforms which alter actual behaviour at the point of spending produce results, while those which alter only documentation do not. This study contributes by disaggregating PFM reform into four distinct dimensions and estimating their separate contributions to service delivery within a single local government, thereby moving beyond the aggregate reform-index approach that has generated inconclusive cross-country findings. In doing so it responds to the call in recent literature for context-specific, disaggregated evidence capable of guiding the sequencing of reform effort under conditions of severe capacity constraint.

1.1 Problem Statement

Received: 06.07.2026

Accepted: 12.07.2026

Published on: 30.07.2026

The Government of Uganda has invested substantially in public financial management reform over three decades, with the express intention that improved fiscal systems would yield improved public services (Julius & Kazaara, 2026). The ideal situation, as articulated in the Public Finance Management Act of 2015, the National Development Plan, and successive local government financial management guidelines, is a district in which budgets credibly reflect citizen priorities, funds are released predictably and in full, expenditures are recorded accurately and reported promptly, internal controls prevent diversion, procurement secures value for money within stipulated timelines, and audit findings are acted upon (Innocent et al., 2023a). Under such conditions, health facilities would be stocked, schools staffed and supplied, roads maintained, and water points functional (A. I. Kazaara & Audrey, 2024).

The prevailing situation in Wakiso District diverges from this ideal in ways documented by successive Auditor General reports and local government performance assessments. Audit reports have recurrently identified unaccounted-for funds, procurement conducted outside approved plans, delayed and incomplete works by contractors, and assets not entered in registers (Gloria et al., 2023). Service indicators reflect these fiscal symptoms: health facilities experience stock-outs of essential medicines despite budgeted allocations, classroom construction projects overrun schedules, and community water points fall into disrepair for want of maintenance funds that were appropriated but not released or not spent (Paul et al., 2023). Procurement processes in particular exhibit protracted timelines that push implementation into the final quarter of the financial year, producing rushed expenditure of questionable quality and, in some cases, the return of unspent balances while the services those funds were meant to buy remain undelivered (A. G. Kazaara & Nancy, 2025).

If this gap persists, several adverse consequences follow. Citizens will continue to receive services below the standard that appropriated resources should command, deepening the disjunction between fiscal effort and welfare outcome. The legitimacy of decentralisation itself will be eroded, since the argument for local responsibility rests on local performance (Ramadhan et al., 2023). Repeated audit findings without consequence will normalize non-compliance, weakening the deterrent value of the entire control architecture (Gracious, 2023). Most seriously, in a district whose population is growing faster than its service infrastructure, delayed and low-quality delivery compounds cumulatively, so that each year of underperformance widens a gap that becomes progressively more expensive to close (Julius & Matovu, 2025).

While substantial literature examines PFM reform effects at national level and in cross-country comparison, evidence at the local government level in Uganda remains thin and is dominated by descriptive audit-based accounts that document non-compliance without establishing which reform dimensions actually drive service outcomes (Innocent et al., 2023b). Existing Ugandan studies have tended to treat PFM reform as a single aggregate construct, which obscures the possibility that some dimensions are effective while others are not, and which consequently offers no guidance on where scarce reform capacity should be concentrated (Promise et al., 2024). No known study has disaggregated PFM

reform in Wakiso District and estimated the relative contribution of budgeting, reporting, internal control, and procurement reforms to service delivery. This study addresses that gap.

1.2 Main Objective

The main objective of the study was to examine the effect of public financial management reforms on service delivery in local governments in Wakiso District.

1.3 Specific Objectives

- i. To examine the effect of budgeting reforms on service delivery in Wakiso District.
- ii. To assess the effect of financial reporting and accounting reforms on service delivery in Wakiso District.
- iii. To determine the effect of internal control and audit reforms on service delivery in Wakiso District.
- iv. To establish the effect of procurement reforms on service delivery in Wakiso District.

2.0 Literature Review

2.1 Theoretical Framework

The study is grounded in New Public Management theory, supported by agency theory and fiscal decentralisation theory. New Public Management emerged from dissatisfaction with traditional Weberian bureaucracy, which it characterised as input-focused, rule-bound, and indifferent to results(Ahumuza et al., 2025). Its prescriptions included performance measurement, managerial autonomy coupled with accountability for results, competition, and the disaggregation of large bureaucracies into manageable units(Alex & Kazaara, 2023). Applied to public financial management, the doctrine yields programme budgeting that ties appropriations to outputs, accrual accounting that reveals full costs, and audit that verifies performance rather than merely compliance. The theory's relevance to Wakiso is direct, since Uganda's programme based budgeting framework is a lineal descendant of these ideas. Its limitations are equally relevant: critics have demonstrated that New Public Management presupposes administrative capacity, functioning labour markets, and competitive supplier bases that are frequently absent in low-income settings, with the consequence that its instruments are adopted formally while their behavioural premises fail(Faridah et al., 2023).

Agency theory supplies the analytical vocabulary for the accountability problem at the heart of PFM. The relationship between citizens and elected leaders, between central government and districts, and between accounting officers and spending units each constitutes a principal-agent relationship characterized by information asymmetry and divergent objectives(Audrey & Nancy, 2026). The agent possesses superior information about effort and outcomes; the principal cannot costlessly verify. PFM reforms are, in this framing, mechanisms for reducing asymmetry and aligning incentives: financial reporting reduces information asymmetry, internal audit provides independent verification, and

procurement rules constrain the agent's discretion where the temptation to divert is greatest (Innocent et al., 2023a). The theory predicts that reforms which genuinely increase the probability of detection and the certainty of consequence will alter agent behaviour, while those which generate documentation without detection will not, a prediction that maps precisely onto the observed divergence between reform adoption and reform effect.

Fiscal decentralisation theory, associated with Oates and subsequent scholarship, holds that welfare is maximised when public goods are provided at the lowest level of government encompassing their benefit area, because local authorities possess superior information about local preferences (Ivan et al., 2023a). The theory's critical qualification is that these benefits are contingent on genuine fiscal autonomy and on local accountability mechanisms. Where transfers are conditional and local revenue negligible, the informational advantage cannot be exercised (Ivan et al., 2023b). This qualification is central to interpreting the Wakiso case, where the abolition of graduated tax and the dominance of conditional grants mean that improved local financial management operates within, rather than upon, centrally determined allocations.

2.2 Budgeting Reforms and Service Delivery

Budgeting reforms encompass the medium-term expenditure framework, programme and output-based budgeting, and participatory budgeting processes (Annet et al., 2023). The theorised mechanism operates through allocative efficiency, since a budget that credibly links resources to prioritised outputs directs money to activities with the greatest service impact, and through predictability, since a credible budget permits spending units to plan. Empirical evidence is mixed but instructive (Ntirandekura & Friday, 2022). Studies of medium-term expenditure frameworks in Africa report substantial adoption but limited effect on allocation, attributed principally to the collapse of the framework's premise when actual releases deviate from appropriations (Annet et al., 2023). Research on budget credibility demonstrates that where releases are unpredictable, the budget ceases to function as a planning instrument and spending units revert to opportunistic behaviour, spending whatever arrives on whatever is immediately possible rather than on what was planned (Gloria et al., 2023). Participatory budgeting evidence is more encouraging, with studies reporting improved allocation to citizen priorities where participation is substantive, though other research warns that participation is frequently ceremonial, occurring after allocations are effectively determined by conditional grant conditions.

2.3 Financial Reporting and Accounting Reforms and Service Delivery

Financial reporting reforms include the adoption of international public sector accounting standards, the deployment of integrated financial management information systems, and requirements for timely publication of financial statements (Alex & Kazaara, 2023). The theorised mechanisms are transparency, which enables oversight actors to detect deviation, and information for management, which enables accounting officers to make informed decisions. Evidence on integrated financial management systems is genuinely mixed. Studies report improvements in the

timeliness and reliability of financial reports and reductions in certain forms of leakage where systems are fully deployed (Irumba et al., 2024). However, a substantial critical literature documents partial implementation, in which systems operate at the centre while districts maintain parallel manual records, producing a dual reality in which reports are compliant while transactions are not fully captured. Research on transparency similarly finds that disclosure influences outcomes only where an actor exists with both the capability to interpret disclosed information and the power to act upon it, absent which publication is inert.

2.4 Internal Control and Audit Reforms and Service Delivery

Internal control and audit reforms encompass segregation of duties, authorisation hierarchies, the establishment of internal audit units reporting to accounting officers, and follow-up mechanisms for audit findings (Innocent et al., 2023b). The theorised mechanism is deterrence coupled with correction: controls raise the difficulty of diversion, audit raises the probability of detection, and follow-up converts detection into consequence. Empirical evidence for this dimension is among the strongest in the PFM literature (Alex & Kazaara, 2023). The influential Ugandan public expenditure tracking research demonstrated that a substantial share of non-wage school grants failed to reach schools, and that an information intervention dramatically reduced this leakage, establishing that detection mechanisms alter behaviour (Faridah et al., 2023). Subsequent studies of internal audit in African local governments report positive associations with reduced irregularity and improved service availability, with the critical qualification that effectiveness depends decisively on follow-up (Allan et al., 2023). Where audit findings are issued and ignored, the deterrent collapses, and researchers have documented settings in which identical findings recur across successive years, indicating that audit had become a documentation exercise rather than a control.

2.5 Procurement Reforms and Service Delivery

Procurement reforms include competitive bidding requirements, procurement planning, contract committees, and disposal regulations, given effect in Uganda by the Public Procurement and Disposal of Public Assets Act. The theorised mechanism is value for money through competition and integrity through transparency (Christopher, 2024). The empirical evidence is the most equivocal of the four dimensions. Studies report that competitive procurement reduces unit costs where genuine competition exists, but document a recurrent tension between the procedural rigour that integrity requires and the timeliness that service delivery requires (Christopher et al., 2022). Research in African local governments repeatedly identifies procurement as the principal bottleneck in budget execution, with protracted processes compressing implementation into the final quarter, degrading quality and generating unspent balances (Christopher & Shamirah, 2025). A further complication documented in the literature is thin supplier markets in rural and semi-urban districts, where the number of qualified bidders is insufficient for competitive pricing, so that procedural compliance is achieved without the competitive benefit that justifies the procedure.

2.6 Research Gap

Received: 06.07.2026

Accepted: 12.07.2026

Published on: 30.07.2026

The literature establishes that PFM reforms can improve service delivery but that effects are contingent, uneven across dimensions, and frequently attenuated by implementation gaps. Three gaps motivate this study. First, most evidence is national or cross-country, obscuring the local government level at which services are actually delivered. Second, Ugandan local government studies are predominantly descriptive and compliance-focused rather than analytical. Third, aggregate reform constructs conceal dimension-level variation, offering no guidance on reform sequencing. This study addresses these gaps through a disaggregated analytical study in a single, high-demand local government.

3.0 Methodology

3.1 Research Philosophy and Design

The study adopted a positivist philosophy, premised on the assumption that the relationship between financial management reform and service delivery exists objectively and can be measured through structured instruments and analysed statistically. This orientation is appropriate given that both constructs are operationalizable through established indicators and that the research question concerns the magnitude and relative strength of relationships (Abiodun et al., 2022). A quantitative approach was adopted accordingly. A cross-sectional descriptive and analytical survey design was employed. The descriptive element characterized the current status of reform implementation and service delivery, while the analytical element estimated relationships among them. The cross-sectional structure permitted data collection at a single point from a defined population within available resources. The case study framing on Wakiso District permitted contextual depth appropriate to a setting whose demographic dynamics are distinctive (Olanrewaju, Waititu, & Nafiu, 2021). The design's inability to establish temporal precedence is acknowledged, and findings are interpreted as associations consistent with theorised causal mechanisms rather than as demonstrated causation.

3.2 Study Population and Sample

The target population comprised 430 individuals with direct engagement in financial management or service delivery in Wakiso District, distributed across district technical departments, sub-county administration, the finance and accounting cadre, internal audit, elected councillors serving on the finance and public accounts committees, and health and education service unit managers (Olanrewaju, Lukman Abiodun, et al., 2021). This population definition reflects the requirement that respondents possess informed knowledge of both reform implementation and service outcomes; general citizens were excluded because they observe service outcomes without visibility of the fiscal processes producing them (Olanrewaju, Waititu, & Abiodun, 2021). The sample size of 205 was determined using the Krejcie and Morgan table for a population of 430 at 95 per cent confidence and 5 per cent margin of error. Stratified random sampling was employed, with strata defined by functional category to ensure that each perspective on the reform-service relationship was represented proportionately (Olanrewaju, Lukman Abiodun, et al., 2021). Stratification was essential because the categories differ systematically in vantage point: accountants observe compliance, service

managers observe outcomes, and councillors observe political accountability, and simple random sampling risked underrepresenting the smaller but analytically indispensable audit and councillor strata.

Stratum	Population	Sample	Technique
District technical departments	78	37	Stratified random
Sub-county administration	112	53	Stratified random
Finance and accounting cadre	64	31	Stratified random
Internal audit	19	9	Stratified random
Elected councillors (finance/PAC)	41	20	Stratified random
Health and education unit managers	116	55	Stratified random
Total	430	205	

3.3 Data Collection Instrument

Data were collected through a structured, self-administered questionnaire in three sections. Section A captured demographic and institutional characteristics including gender, age, education, department, position, and years of service. Section B measured the four reform dimensions, with budgeting reforms assessed through nine items covering budget preparation, participation, credibility and release predictability; financial reporting and accounting reforms through eight items covering system use, report timeliness and accuracy; internal control and audit reforms through ten items covering segregation of duties, authorisation, audit frequency and follow-up; and procurement reforms through eight items covering planning, competition, timeliness and contract management. Section C measured service delivery through fourteen items spanning timeliness, coverage, quality, and responsiveness across health, education, roads, and water. Items used a five-point Likert scale (Anwar et al., 2022).

Items were adapted from the Public Expenditure and Financial Accountability framework and from established local government service delivery assessment instruments, with wording localised to Ugandan institutional terminology such as conditional grants, accounting officer, and contracts committee.

3.4 Validity and Reliability

Content validity was established through expert review by two public finance academics and three senior local government practitioners, yielding a Content Validity Index of 0.85. Construct validity was assessed through exploratory factor analysis with varimax rotation, with a Kaiser-Meyer-Olkin measure of 0.812 and a significant Bartlett's test confirming factorability; the retained solution reproduced the hypothesised five-factor structure. Reliability was assessed through Cronbach's alpha on a pilot of 30 respondents from a neighbouring district excluded from the main study, yielding 0.831 for budgeting reforms, 0.807 for financial reporting reforms, 0.864 for internal

control and audit reforms, 0.789 for procurement reforms, and 0.902 for service delivery, all exceeding the 0.70 threshold.

3.5 Data Analysis

Data were coded and analysed in IBM SPSS version 26 following screening for completeness, missing values, and outliers (Nelson et al., 2022). Descriptive statistics summarised respondent characteristics and variable distributions, with means interpreted against a scale in which 1.00 to 1.80 denotes very low, 1.81 to 2.60 low, 2.61 to 3.40 moderate, 3.41 to 4.20 high, and 4.21 to 5.00 very high. Pearson correlation established bivariate relationships and multiple regression estimated joint and relative predictive contributions. Regression assumptions of normality, linearity, homoscedasticity, independence of errors, and absence of multicollinearity were tested through Shapiro-Wilk statistics, residual scatterplots, the Durbin-Watson statistic, and variance inflation factors respectively.

3.6 Ethical Considerations

Ethical clearance was obtained from the relevant institutional review committee and introduction was secured through the Office of the Chief Administrative Officer of Wakiso District. Participation was voluntary and based on informed consent, with the right to withdraw at any point. Given the sensitivity of financial management questions in a setting where audit findings carry consequences, particular care was taken to guarantee anonymity: no identifying information was recorded, responses were not attributable to individuals or specific units, and data were stored securely with access restricted to the researcher. No inducements were offered.

4.0 Results

4.1 Response Rate

Of 205 questionnaires distributed, 189 were returned and 183 were usable after screening, representing an effective response rate of 89.3 per cent, comfortably exceeding the threshold for adequacy in survey research. The rate is attributable to institutional endorsement, in-person distribution and collection, and the professional salience of the subject matter.

4.2 Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Dev	Interpretation
Budgeting reforms	183	1.67	4.78	3.34	0.694	Moderate
Financial reporting reforms	183	1.88	4.88	3.58	0.641	High
Internal control & audit reforms	183	1.50	4.80	3.21	0.738	Moderate
Procurement reforms	183	1.38	4.63	2.86	0.807	Moderate
Service delivery	183	1.71	4.64	3.09	0.712	Moderate

Source: Primary Data, 2025

The descriptive findings reveal a reform landscape of uneven implementation with a clear internal logic. Financial reporting reforms recorded the highest mean of 3.58 with the smallest standard deviation of 0.641, indicating both the strongest implementation and the greatest consensus. This pattern is entirely consistent with the political economy of reform documented in the critical PFM literature. Financial reporting is the dimension most visible to external principals, most amenable to system-driven enforcement through integrated financial management systems that will not permit certain transactions to proceed without required entries, and most directly connected to the release of subsequent tranches of funding. Districts that fail to report do not receive their next disbursement, which supplies an incentive of unusual immediacy and clarity. The tight dispersion reflects the fact that reporting compliance is binary and observable rather than a matter of degree or interpretation.

Budgeting reforms recorded a mean of 3.34, at the upper end of the moderate band. The interpretation warranted is of a budgeting process whose formal architecture is in place, with programme based budget documents prepared and submitted on schedule, but whose substantive function is compromised. The most plausible source of this compromise, given the Ugandan fiscal architecture, is budget credibility: where the overwhelming share of district resources arrives as conditional grants whose amounts and timing are determined centrally and frequently deviate from appropriation, the district budget documents an intention rather than a plan. Respondents can affirm that budgets are prepared according to the framework while simultaneously experiencing budgets that do not govern actual expenditure, and a moderate mean is precisely what this dual reality generates.

Internal control and audit reforms recorded a mean of 3.21, in the moderate band, with a relatively wide standard deviation of 0.738. The dispersion is the more informative statistic here. It suggests that control effectiveness varies substantially across units, which is consistent with a system in which formal control structures exist uniformly on paper but their operation depends on the disposition of individual accounting officers and the diligence of particular audit staff. Where a control regime is genuinely institutionalised, perception converges; where it depends on personalities, perception disperses. The moderate mean coupled with wide dispersion therefore points to an audit function that is present but unevenly effective, and the literature suggests the discriminating variable is follow-up: units where findings produce consequences perceive control as real, while units where findings recur without consequence perceive it as ritual.

Procurement reforms recorded the lowest mean of 2.86 and the largest standard deviation of 0.807, identifying this dimension as both the weakest implemented and the most contested. This finding aligns with the extensive African local government literature identifying procurement as the principal execution bottleneck. The likely constituents of this low rating are the protracted timelines that compress implementation into the fourth quarter, the tension between procedural rigour and delivery urgency, and thin supplier markets that render competitive procedures formally compliant but substantively uncompetitive. The wide dispersion suggests respondents are evaluating different aspects

of the same system, with those focused on integrity perceiving procedural compliance and those focused on delivery perceiving obstruction, a divergence that is itself diagnostic of a procurement regime that has optimised for one objective at the expense of the other.

Service delivery recorded a mean of 3.09, in the moderate band, and its position is analytically significant. It sits below financial reporting and budgeting reforms but above procurement, and its proximity to the weaker reform dimensions rather than the stronger one is consistent with the proposition that service outcomes are constrained by the least effective link in the fiscal chain. A district may report impeccably and budget in the prescribed format, but if procurement cannot convert appropriation into delivered goods within the financial year, the service does not materialise. The descriptive pattern thus supports a bottleneck interpretation rather than an averaging one.

4.3 Correlation Analysis

Variable	1	2	3	4	5
1. Budgeting reforms	1				
2. Financial reporting reforms	.582**	1			
3. Internal control & audit reforms	.547**	.611**	1		
4. Procurement reforms	.463**	.429**	.508**	1	
5. Service delivery	.643**	.598**	.687**	.521**	1

Note: ** Correlation is significant at the 0.01 level (2-tailed), N = 183.

Source: Primary Data, 2025

All four reform dimensions correlate positively and significantly with service delivery at the one per cent level, providing consistent support for the reform theory of change and indicating that, notwithstanding the pessimistic conclusions of some cross-country research, PFM reforms in this local government context bear a real relationship to what citizens receive. The uniformity of significance is itself a finding, since it suggests that no dimension is merely ceremonial in the sense of bearing no relationship whatsoever to outcomes (Julius & Audrey, 2025). Internal control and audit reforms exhibit the strongest association with service delivery at $r = 0.687$, sharing approximately 47.2 per cent of variance. This is a theoretically satisfying result that aligns closely with the strongest strand of the empirical PFM literature, notably the Ugandan public expenditure tracking research which established that leakage between appropriation and service point is a first-order determinant of service outcomes and that detection mechanisms reduce it (Nelson et al., 2023). The mechanism is direct and intuitive: money that is diverted purchases no service, and controls that prevent diversion therefore convert appropriations into deliverables with an immediacy that no other reform dimension matches. Where an internal audit unit is genuinely active and its findings carry consequence, the arithmetic of service delivery improves before any change occurs in budget formats or reporting standards.

Budgeting reforms record the second strongest association at $r = 0.643$. This substantial coefficient indicates that where budgets are prepared participatively, reflect actual priorities, and, critically, are matched by predictable releases, service delivery improves materially. The mechanism combines allocative efficiency, whereby resources reach the activities of greatest impact, with executability, whereby spending units can plan and commit with confidence. The coefficient's magnitude, despite the widely documented credibility problems of local government budgets in Uganda, suggests that variation in perceived budget quality across units captures real differences in how effectively planning translates into delivery.

Financial reporting reforms correlate at $r = 0.598$, a moderate to strong association but notably the third-ranked despite this dimension recording the highest implementation mean. This divergence between implementation strength and outcome association is among the most analytically interesting findings in the study. It is precisely the pattern that the isomorphic mimicry critique predicts: the dimension most visible to external principals and most tied to disbursement incentives is the most fully implemented, yet its connection to service outcomes is weaker than that of dimensions which are less well implemented but which act more directly on the flow of resources. Reporting describes what happened; controls determine what happens. A district may produce timely and accurate reports of expenditure that nonetheless failed to purchase functioning services.

Procurement reforms record the weakest association at $r = 0.521$, though this remains moderate and highly significant. Read together with the descriptive finding that procurement is also the weakest implemented dimension at a mean of 2.86, the interpretation is that restricted variance at the low end attenuates the observable relationship, and that the coefficient likely understates procurement's true importance. Where a function is uniformly weak, its potential contribution cannot express itself in variation. The theoretical case that procurement matters greatly is strong, since it is the mechanism by which money becomes goods, and the empirical weakness of the correlation is better read as a symptom of the problem than as evidence that the problem is unimportant. Inter-correlations among reform dimensions, ranging from 0.429 to 0.611, confirm that reforms constitute a mutually reinforcing system while remaining conceptually distinct, and are moderate enough not to threaten the regression with multicollinearity.

4.4 Regression Analysis

Model Summary			
R	R Square	Adjusted R Square	Std. Error
.737	.543	.533	.4867

ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Regression	39.104	4	9.776	41.27	.000
Residual	42.169	178	0.237		
Total	81.273	182			

Received: 06.07.2026**Accepted: 12.07.2026****Published on: 30.07.2026**

Predictor	B	Std. Error	Beta	t	Sig.	VIF
(Constant)	0.386	0.238		1.622	.107	
Budgeting reforms	0.305	0.071	.297	4.296	.000	1.694
Financial reporting reforms	0.187	0.074	.168	2.527	.012	1.812
Internal control & audit reforms	0.319	0.068	.331	4.691	.000	1.756
Procurement reforms	0.174	0.058	.197	3.000	.003	1.421

Dependent Variable: Service Delivery. Durbin-Watson = 1.876.

Source: Primary Data, 2025

The regression model is highly significant, with $F(4, 178) = 41.27$ and $p < 0.001$, establishing that the four reform dimensions jointly predict service delivery. The R squared of 0.543 indicates that the model explains 54.3 per cent of variance in service delivery, with an adjusted value of 0.533 confirming robustness. This is a substantial explanatory contribution and constitutes an important counterpoint to the pessimistic strand of cross-country PFM research: at the level of an individual local government, where reform implementation actually varies across units and where service outcomes are directly observable, financial management reforms account for the majority of explicable variation in what citizens receive. The unexplained 45.7 per cent reflects factors outside the model, plausibly including the absolute adequacy of resource envelopes relative to Wakiso's exceptional population growth, human resource availability in health and education facilities, political interference in implementation decisions, and infrastructure constraints that no financial management improvement can overcome. Diagnostics support the model: variance inflation factors between 1.421 and 1.812 are well below problematic levels and the Durbin-Watson statistic of 1.876 confirms independence of residuals.

Internal control and audit reforms emerge as the strongest predictor with a standardised beta of 0.331 at $p < 0.001$, retaining dominance in the multivariate model and thereby demonstrating an independent contribution not reducible to correlation with other reforms. The unstandardised coefficient of 0.319 indicates that a one-unit improvement in control and audit effectiveness, holding other reforms constant, is associated with a 0.319-unit improvement in service delivery. This is the study's most consequential finding for policy. It indicates that the marginal shilling invested in strengthening internal audit capacity, control enforcement, and, decisively, audit follow-up will yield more service improvement than an equivalent investment in any other reform dimension. The result is theoretically coherent with agency theory, which predicts that mechanisms increasing the probability of detection and the certainty of consequence alter agent behaviour more powerfully than mechanisms which merely generate information.

Budgeting reforms are the second strongest predictor with a beta of 0.297 at $p < 0.001$. The retention of a substantial independent effect after controlling for control and reporting reforms indicates that budgeting influences service delivery through channels of its own, principally allocative efficiency and the executability that predictable resourcing confers on spending units. The magnitude suggests that improvements in budget realism and release predictability would yield near-comparable returns to control strengthening, and that the two are complementary rather than substitutable: credible budgets determine that the right things are funded, while effective controls determine that the funds arrive.

Procurement reforms record a beta of 0.197 at $p = 0.003$, a significant independent contribution. Its interpretation must be read against the descriptive finding of lowest implementation at 2.86. A dimension that is the weakest implemented yet remains a significant independent predictor identifies the largest reservoir of unrealised improvement potential in the system, because marginal returns are highest where current performance is lowest. The modest beta should therefore not be read as evidence that procurement reform is unimportant; it is more accurately read as evidence that procurement is currently so uniformly constrained that its potential contribution is suppressed. The policy implication is the reverse of what the coefficient's rank might naively suggest.

Financial reporting reforms record the smallest beta at 0.168, significant at $p = 0.012$. This is the study's most striking finding when juxtaposed with the descriptive result that reporting is the best-implemented dimension at a mean of 3.58. The combination of highest implementation and lowest independent predictive contribution constitutes direct empirical support for the isomorphic mimicry thesis. Reporting is the dimension most legible to external principals and most tightly coupled to disbursement conditionality, which explains why it has been implemented most thoroughly; but reporting is retrospective and descriptive, acting on the record of expenditure rather than on the conduct of it, which explains why its independent contribution to service outcomes is smallest. The district has, in effect, optimised most fully the reform that matters least for delivery, a pattern that reflects the incentives reform architecture creates rather than any failure of local judgement. The regression equation may be expressed as $SD = 0.386 + 0.305(BR) + 0.187(FRR) + 0.319(ICAR) + 0.174(PR)$.

5.0 Conclusion and Recommendations

The study concludes that public financial management reforms significantly influence service delivery in Wakiso District, jointly explaining 54.3 per cent of variance. Internal control and audit reforms are the dominant driver, followed by budgeting reforms, while financial reporting, despite being the best implemented, contributes least independently, providing evidence of a reform architecture that has prioritised legibility to external principals over efficacy at the point of delivery. Procurement is the weakest implemented dimension and consequently represents the greatest unrealised potential.

Received: 06.07.2026

Accepted: 12.07.2026

Published on: 30.07.2026

It is recommended that Wakiso District strengthen the internal audit function through adequate staffing, protected independence, and, critically, a mandatory follow-up regime in which findings are tracked to resolution with defined consequences for repeat non-compliance, since audit without follow-up is documentation rather than control. Procurement capacity should be strengthened through early initiation of processes at the start of the financial year, framework contracting for recurrent items to eliminate repeated procurement cycles, and supplier market development to address thin competition. Central government should improve budget credibility by aligning actual releases with appropriations and communicating release schedules in advance, since the district's planning capability is contingent on resource predictability it does not control. Reporting effort should be maintained but not further intensified at the expense of the dimensions demonstrated here to matter more for delivery, and reporting should be redirected from external compliance toward management use by generating information that accounting officers act upon during the year rather than statements that account for it afterwards.

References

- Abiodun, N. L., Matovu, M. S., & Olanrewaju, R. O. (2022). Statistical Powers of Univariate Normality Tests: Comparative Analysis of 2016 Election Process in Uganda. *European Journal of Statistics*, 2, 1–9. <https://doi.org/10.28924/ada/stat.2.6>
- Ahumuza, A., Kobusingye, P., & Musiimenta, N. (2025). *Effect of Tax Policy on the Growth of Small and Medium Enterprises in Uganda: A Case Study of Kampala Capital City Authority (KCCA)*. 4(2), 137–146.
- Akankwasa, A., Akakikunda, T., Ntirandekura, M., Murezi, C. M., & Christopher, F. (2022). *Effect of Capital Budgeting on Development of Organizations Empirical Studies of Kashinge Child Development Centre Kisoro District*. 6(9), 5–10.
- Alex, I., & Julius, A. (2024). *Factors affecting the use of digital payments among Smallholder Tea Farmer in Kanungu District, Uganda*. 8(4), 23–31. www.ijeais.org/ijapr
- Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47–56.
- Allan, K., Charles, N., Moses, N., Kazaara, A. G., & Nelson, K. (2023). *The Effect of Operation Wealth Creation on Youth Farmers Development : A Case Study of Labongo Layamo Sub County , Kitgum District*. 7(2), 50–63.
- Amos, S., Shamirah, B., & Richard, K. (2024). *Taxation Policies and The Development of Small Businesses . A Case Study of Namungoona Lubaga Division , Kampala*. 8(6), 92–102.
- Annet, N., Andrew, N., Kazaara, A. G., Christopher, F., & Moses, N. (2023). *Impact of Budgeting On the Profitability of a Manufacturing Company , a Case Study of Harris International*. 7(2), 112–126.

Received: 06.07.2026

Accepted: 12.07.2026

Published on: 30.07.2026

- Anwar, S. M., Komal, S., Cheema, A. N., Abiodun, N. L., Rasheed, Z., & Khan, M. (2022). Efficient Control Charting Scheme for the Process Location with Application in Automobile Industry. *Mathematical Problems in Engineering*, 2022. <https://doi.org/10.1155/2022/2938878>
- Audrey, A., & Nancy, M. (2026). *Gendered Reciprocity and the Unequal Accounting of Intimacy : Interrogating Transactional Frames in African Heterosexual Relationships*. 10(3), 138–145.
- Christopher, F. (2024). *Public Financial management and service delivery in Kisoro Local Government , Kisoro District*. 8(April), 10–16.
- Christopher, F., Komunda, T. R., & Milton, N. (2022). *The Impact of Supervision on the Quality-Of-Service Delivery at Kirima Community Secondary School in Kanungu District , South Western Uganda*. 6(5), 157–162.
- Christopher, F., & Shamirah, B. (2025). *Marketing Strategies and Consumer Loyalty in the Telecom Sector : A Case Study Marketing Strategies and Consumer Loyalty in the Telecom Sector : A Case Study of MTN Uganda*. 9(February), 20–24.
- Faridah, K., Kazaara, A. G., & Kazaara, A. I. (2023). *The Effect Of Supplier Selection On Product Quality Management In Organizations . A Case Study Of Uganda Wild Life*. 7(3), 307–317.
- Gloria, A. M., Enock, Z., Ariyo, D., & Kazaara, G. (2023). Assessing External Audit Practices on the Management of Public Funds in Uganda Case Study: Adjumani District. *Metropolitan Journal of Business & Economics (Mjbe)*, 2(4), 28–40.
- Gracious, A. (2023). *The Effects Of Electronic Banking On Customer Service Delivery , A Case Study Of Cairo Bank Uganda , Nakasero*. 7(2), 80–87.
- Innocent, A., Kazaara, A. G., Nelson, K., Catherine, M., Micheal, T., & Deus, T. (2023a). *Internal Auditing and Fraud Prevention in Organizations a Case Study of Nssf Kampala Area*. 7(2), 150–157.
- Innocent, A., Kazaara, A. G., Nelson, K., Catherine, M., Micheal, T., & Deus, T. (2023b). *Internal Auditing and Fraud Prevention in Organizations a Case Study of Nssf Kampala Area*. 7(2), 150–157.
- Irumba, A., Nicholas, K., & Alex, I. (2024). *Electronic Banking and its Impact on Financial Performance: An Empirical Evidence of Centenary Bank*. 3(4), 104–111. <https://www.researchgate.net/publication/380154046>
- Ivan, M., Alex, I., & Deus, T. (2023a). Internal Auditing and Financial Performance Commercial Banks in Uganda: a Case Study of Centenary Bank Nansana Branch. *Metropolitan Journal of Business & Economics (Mjbe)*, 2(6), 34–49.

- Ivan, M., Alex, I., & Deus, T. (2023b). INTERNAL AUDITING AND FINANCIAL PERFORMANCE COMMERCIAL BANKS IN UGANDA: A CASE STUDY OF CENTENARY BANK NANSANA BRANCH. In *METROPOLITAN JOURNAL OF BUSINESS & ECONOMICS (MJBE)* (Vol. 2, Issue 6).
- Julius, A., & Audrey, A. (2025). *The Internalized Shackle : Towards an Endogenous Epistemic Revolution for African Development*. 9(12), 283–293.
- Julius, A., & Audrey, A. (2026). *Bridging the Chasm : Transforming Ugandan Education from Theoretical Abstraction to Contextual Praxis*. 10(1), 286–294.
- Julius, A., & Kazaara, A. I. (2026). *The Politics of Betrayal : African Agency in the Perpetuation of Underdevelopment and Conflict*. 10(1), 183–190.
- Julius, A., & Matovu, K. (2025). *Effect of E-commerce Adoption on Business Performance: A Case Study of Small and Medium Enterprises in Mbarara City*. 4(2), 93–102. <https://www.journals.miu.ac.ug>
- Julius, A., & Nancy, M. (2026). *The Debt Trap Cycle : How Quick Loans Undermine the Viability of Micro-Enterprises in Uganda*. 10(3), 109–115.
- Julius, A., Nancy, M., & Audrey, A. (2024). *Forensic Audit On Public Funds Management In Uganda . An Empirical Evidence Of Kampala Capital City Authority*. 8(8), 8–13.
- Kazaara, A. G., & Nancy, M. (2025). *The Fashion of " Science ": An Analysis of Program Nomenclature , Academic Integrity , and Regulatory Oversight in Ugandan Higher Education*. 9(10), 191–200.
- Kazaara, A. I., & Audrey, A. (2024). *Sustainable Supply Chain Management Practices and their Effect on Firm Performance , A Case Study of Cheap General Hardware , Nansana Brach*. 8(8), 268–274.
- Moses, N., & Ntirandekura, M. (2022). Vocational Skill Training and Economic Development among Women in Butanda Sub County, Rubanda District. *Researchgate.Net*, 6(6), 73–77. https://www.researchgate.net/profile/Ntirandekura-Moses/publication/364209630_Vocational_Skill_Training_and_Economic_Development_among_Women_in_Butanda_Sub_County_Rubanda_District/links/633ede1f76e39959d6a3a250/Vocational-Skill-Training-and-Economic-Devel
- Nancy, M., & Prudence, K. (2024). Capacity Building programs and their impact on employee performance. A case study of Metropolitan International University. *Researchgate.Net*, 8(4), 23–27. https://www.researchgate.net/profile/Metropolitan-University/publication/380909234_Capacity_Building_programs_and_their_impact_on_employee_performan

ce_A_case_study_of_Metropolitan_International_University/links/665576b30b0d2845745e0182/Capacity-Building-p

Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. 6(7), 84–122.

Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. 7(3), 124–145.

Ntirandekura, M., & Friday, C. (2022). *Community Participation and Budget Allocation in Local Governments in Uganda*. May.

<http://ir.miu.ac.ug:8080/jspui/handle/123456789/70%0Ahttp://ir.miu.ac.ug:8080/jspui/bitstream/123456789/70/1/IJAMR220513-1.pdf>

Olanrewaju, R. O., Lukman Abiodun, N., Muse, A. H., & Barry, T. S. (2021). Stochastic modelling of the dynamics of the SARS-CoV-2 epidemic: an Africa perspective. *American Journal of Mathematics and Statistics*, 2021(2), 41–48. <https://doi.org/10.5923/j.ajms.20211102.03>

Olanrewaju, R. O., Waititu, A. G., & Abiodun, N. L. (2021). *Fréchet Random Noise for k -Regime-Switching Mixture Autoregressive Model*. 11(1), 1–10. <https://doi.org/10.5923/j.ajms.20211101.01>

Olanrewaju, R. O., Waititu, A. G., & Nafiu, L. A. (2021). Bull and Bear Dynamics of the Nigeria Stock Returns Transitory via Mingled Autoregressive Random Processes. *Open Journal of Statistics*, 11(05), 870–885. <https://doi.org/10.4236/ojs.2021.115051>

Paul, K., Alex, I., Kazaara, A. G., & Kazaara, A. I. (2023). *Corruption and Public Finance Management A Case Study Of Wakiso District*. 7(3), 298–306.

Promise, O., Henry, M., & Julius, A. (2024). *External Auditing and The Financial Performance Of Sebbi International Limited , Entebbe*. 8(6), 156–161.

Ramadhan, B., Alex, I., Kazaara, A. G., Nelson, K., Deus, T., & Pascal, T. (2023). *Taxation and the Development of Small Businesses in Uganda , a Case Study of Iganga District*. 7(2), 136–149.