
CORRUPTION AND PUBLIC FINANCE MANAGEMENT

A CASE STUDY OF WAKISO DISTRICT

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ABSTRACT

The study evaluated how corruption affected the district of Wakiso's handling of public finances. The study's goals included determining how administrative misconduct affects public finance administration in the Wakiso District, examining how local authority bribery affects government budget management in the district, and determining how bribery and extortion impact service delivery there. A case study research strategy combining qualitative and quantitative methods was chosen. A response rate of 78.2% was achieved by having 126 participants participate in the survey out of the intended sample size of 161 respondents. Demographic information, Spearman association, and logistic analysis methods were used to assess the quantitative data.

Transcript sentences were used to condense and present qualitative data.

According to the results, bribery and extortion had an 18.9% impact on public finance management, whereas sources of corruption in local government had a 38.9% impact. Bureaucracy bribery also had a 23.9% impact.

The findings imply that local authority corruption issues had the biggest impact on service delivery. In conclusion, the study found that the delivery of inadequate health services is substantially impacted by bureaucratic corruption, which lowers the morale of health personnel. Poor public financial management was a result of local widespread corruption, which undermines the hiring process and defrauds health centers of potential qualified and devoted workers. Ineffective treatment delivery was sometimes a result of patient bribe requests.

*Key words: **corruption and public finance management***

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Background of the Study

All monetary operations by the government are supported by the management of public finances (PFM), which is recognized as a key component of a functioning administration. The revenue collection, budget creation, budget implementation, accounting and reporting, and audit and oversight phases make up the PFM cycle. It is widely assumed that enhancing a nation's PFM system will result in significant and long-lasting advantages, such as strengthened institutions, less poverty, increased gender equality, and balanced growth (Aleman, 2018). A recent study also discovered a significant association between public expenditure and reporting requirements (PEFA) scores and views of corruption. Research suggests that interventions at every level of the PFM cycle have a favorable influence on reducing corruption (Aven, 2018). Every government in Europe is scrutinized for its management of the economy and government finances, which make up about half of the continent's GDP. Two of every five euros in the EU are spent on goods, services, and works that are outsourced out, representing a market worth more than €2 trillion a year (Bryman, 2019). The European Structural Investment Funds (ESIF) might account for up to 100% of public investment in specific policy domains, but at most only 4% of the GDP of Member States. Securing the highest value from such funding decisions and preventing wastage, errors, fraud, and corruption constitutes maximizing productivity and effectiveness (Albanese, 2017). Public finance management (PFM) in Africa is often regarded as being in need of reform, despite the fact that many experts acknowledge this process is challenging even for the most developed governments. Yet, some aspects of PFM, such as taxpayer stewardship, fiscal prediction, central financial management, and credibility, are functioning better on average as a result of the improvements made. Additionally, some nations have seen improvements in internal financial reporting, sector planning procedures, and the timely submission of audit reports to parliament (Asian-Pacific Economic Cooperation, 2019). Despite the extent of investment made in these areas, there are still inadequate links between public sector planning, spending, and results monitoring (Betts et al., 2019).

Problem Statement

Misallocation of public monies in Uganda continues to be a problem despite the implementation of several public finance management reforms since the 2017s. On the one hand, the reforms seek to establish a reliable system for managing public finances that promotes overall control, prioritizing, responsibility, and effectiveness in the administration of public funds and the provision of services essential to Uganda's development objectives (Ministry of Finance Planning and Economic Development, 2018). But at the other hand, the predominance of public employees misusing public money, delays in fund release, insufficient capacity for assimilation by some ministries, and inactive, inactive bank balances continue to have a detrimental effect on the delivery of public services.

Objectives of the Study

The study was guided by the following objectives;

- 1. To assess the relationship between embezzlement and public finance management in Wakiso District*
- 2. To determine the relationship between graft and public finance management in Wakiso district.*
- 3. To evaluate the relationship between extortion and public finance management in Wakiso District.*

Research Questions

The study was guided by the following Questions;

- 1. What is the relationship between embezzlement and public finance management in Wakiso District?*
- 2. What is the relationship between graft and public finance management in Wakiso district?*
- 3. What is the relationship between extortion and public fiancé management in Wakiso District?*

Methodology

Research Design

The design used in this study is also referred to as a bridge assessment.

Researchers commonly employ cross-sectional research to understand results in the social and physical sciences as well as many commercial domains, despite the fact that it does not entail running experiments (Orodho, 2018).

According to Mugenda and Mugenda (2014), bridge research is conducted for the purpose of documenting and assessing the state of the situation.

Because the researcher collected data and reported the current condition of the situation without modifying any factors, the investigation fit within the guidelines of the cross-sectional study design.

Study Population

The target population for this project consisted of the staff of Wakiso District, totaling 161 officers. These included both operational and management staff.

Sampling Procedure and Sample Size

Sampling Procedure

The project used simple random sampling method specifically the systematic sampling technique to get sampling units from which the respondents were chosen from the given list of 161 members of staff. According to Morgan and Krejcie sample determination table, a population of 161 yields a sample size of 126 participants.

Data Collection Instruments

For this research program, primary sources of information were used.

Quizzes were used for the project's initial gathering of information.

The quizzes were chosen because they were simple and were simpler for the researcher and the subjects to complete (Owens, 2018).

Questionnaire survey were deemed appropriate for the project because they sought knowledge on personal views, feelings, attitudes, motives, and achievements, which was

knowledge that could not be seen directly (Borg and Gall, 2019).

This was due to the fact that the contributors were not in any way affected by the project.

To satisfy the project's goals, structured surveys were created.

Each component was created to address a particular project theme.

Data Analysis and Presentation

After gathering all the data, the investigator cleaned the data.

In order to enhance the accuracy of the comments, the identified erroneous or fragmentary responses have to be corrected as a component of the data wash cycle.

Data was cleaned, coded, and entered into the computer using the Statistical Package in the Social Sciences, version 22 for analysis.

Data from this study were both qualitative and quantifiable.

The data was examined in accordance with the study's goals.

Through the examination of the interpretations and implications derived from the responses of respondents and the documentation of data, qualitative data was studied subjectively using textual analysis.

Results

Response Rate

This section presents the response rate per category of respondents that were included in this study.

Table 1: Response Rate

<i>Category</i>	<i>Population</i>	<i>Sample size</i>	<i>% of Return</i>	<i>Data Collection Instruments</i>
<i>District top management committee</i>	40	35	88	<i>Simple random</i>
	4	4	100	

<i>District officers</i>				<i>Purposive</i>
<i>District councilors</i>	28	25	89	<i>Simple random</i>
<i>District support staff</i>	70	50	71	<i>Simple random</i>
<i>Attendants</i>	19	12	63	<i>Simple random</i>
Total	161	126	78	

Source: Primary data

The study has 161 participants in its sample. A total of 126 of these selected population took part in the survey. The response rate was 78%. If the quasi is unequal across the respondents considering exposures and/or consequence, a low response rate may result in sampling bias. A 67% number of responses is sufficient, as according Amin (2005) and Mugenda & Mugenda (1999). As according Mundy (2002), a number of responses of 60% might be adequate, however 70% would be preferred in a general population study that attempts to describe understanding or habits. Because it falls within in the advised response rates, the study's 78% response rate was deemed appropriate.

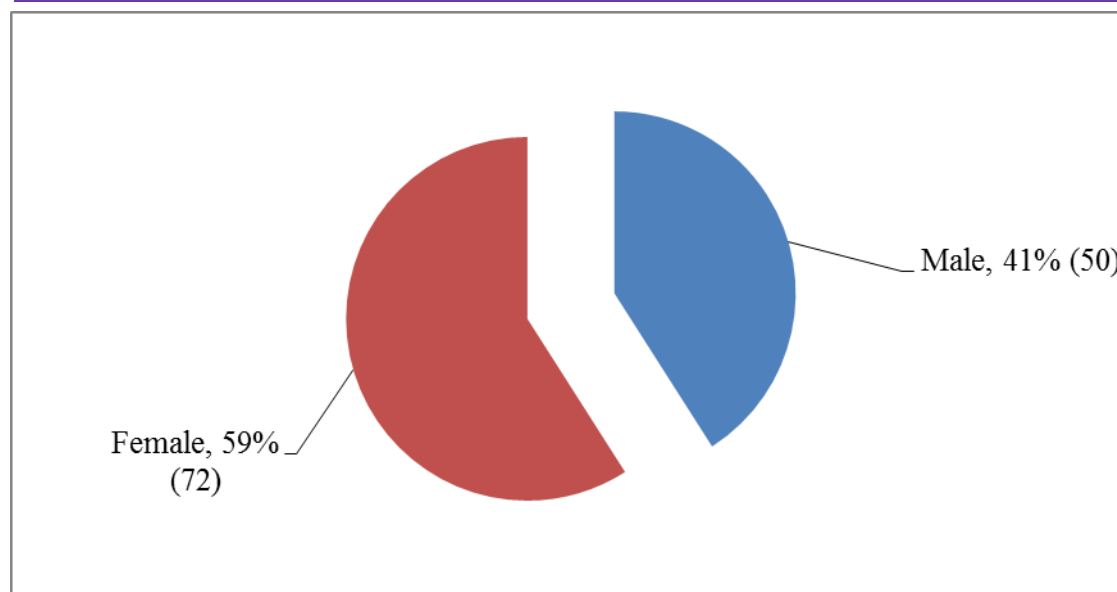
Background Information

To establish the background characteristics of the respondents the study focused on gender of respondent, Age of respondent, highest level of education, how long have you worked in the organization and terms of employment.

Gender of the respondents

Gender of the respondents was categorized as male and female. A question about gender of respondent was administered to find out the influence of corruption practices on the public finance management at Wakiso district and the results were analyzed using descriptive statistics.

Figure 1: Gender of the Respondents



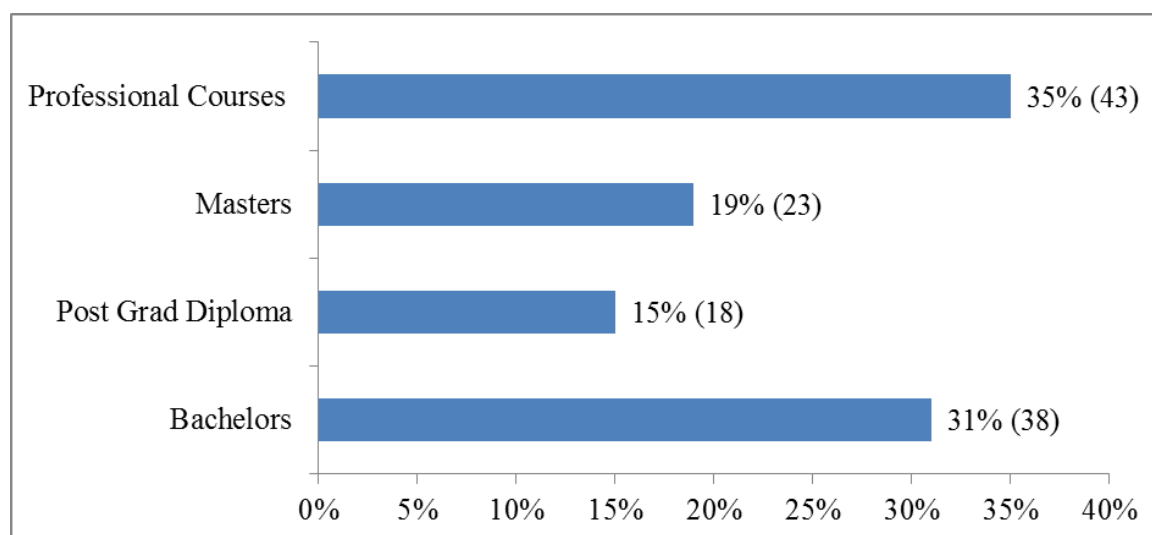
Source: Primary data, 2022

The study findings show that (72) 59% of respondents were females and (50) 41% were males. This is attributed to the fact that female district support staff and other staff are dominant at Wakiso district and as result, it is expected that when a study is conducted out at Wakiso district, one is likely to have more female participants compared to male participants. Thus, the implication of these findings is that information obtained about corruption and public finance management using the sample was not gender biased.

Highest level of education

The education level of the respondents was categorized as bachelors, post grad diploma, masters and professional courses. A question about education level of respondents was administered and the results were analyzed using descriptive statistics and are presented in the following figure.

Figure 2: Education Level of the Respondents



Source: Primary data

According to the report's results, the majority of those surveyed (43) 35% had finished professional training, followed by (31) 38 who had earned a bachelor of science, (23) 19% who had earned a master's degree, and (18) 15% who had earned a postgraduate diploma. The data show that the respondents should be able to respond to the questions given their educational background. In other words, the majority of survey participants were literate and comprehended the questions.

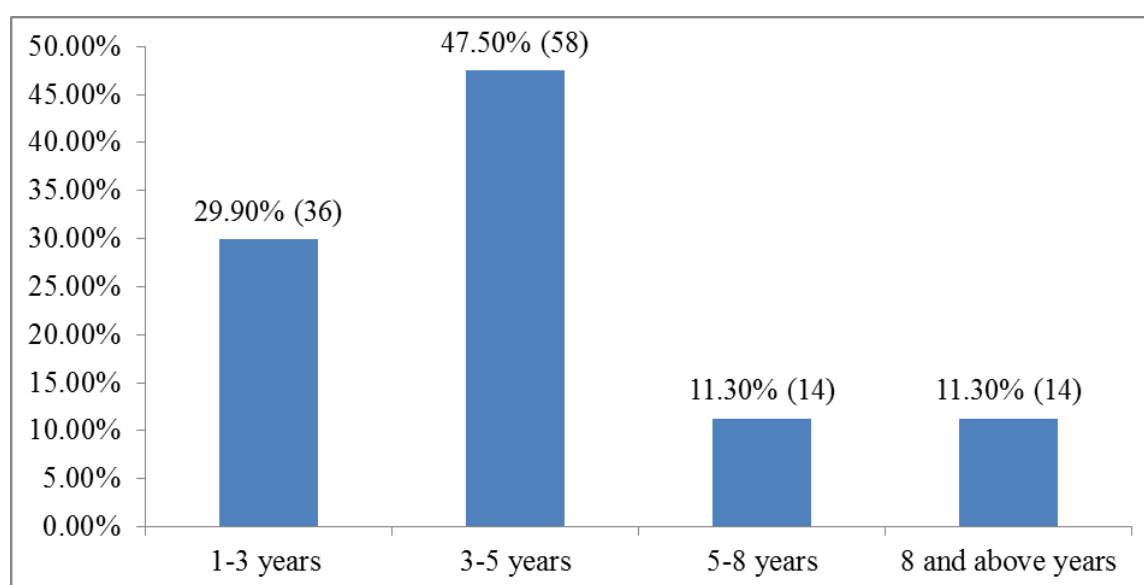
As a result, the knowledge was trustworthy.

Duration of period of respondents associating with Wakiso district

This section looked at how long someone had worked with Wakiso district, which was

categorized as 1-3 years, 3-5 years, 5-8 years and 8 and above years. The results were analyzed using descriptive statistics and findings are presented in the following figure.

Figure 3: Duration of period of respondents associating with Wakiso district



Source: Primary data

According to the research authors, a sizable part of the participants (58) 47.5% had performed for the Wakiso district for three to five years, followed by (36) 29.9% who had worked there for one to three years, and (14) 11.3% who had done so for eight years or more. The results demonstrate that most participants had experience with the Wakiso district for three to five years. This suggests that the majority of the respondents had long-term relationships with both the Wakiso district in order to be familiar with the problems the study aimed to identify. As a result, the respondents to this study gave reliable information about bribery and public financial administration in the Wakiso district.

Corruption and Public finance management at Wakiso district

Embezzlement and public finance management

Table 2: showing the relationship between embezzlement and public finance management

<i>response</i>	SD	D	NS	A	SA
<i>There have been cases of embezzlement report in Wakiso District Public Finance Management (PFM)</i>	16% (19)	9% (11)	7% (9)	57% (70)	11% (13)
<i>Some district officials have been prosecuted for embezzlement of the district funds</i>	14% (16)	8% (10)	3% (4)	53% (65)	22% (27)
<i>Embezzlement is a challenge in district finance management and a hindrance to public service delivery</i>	15% (18)	3% (4)	10% (12)	50% (61)	22% (27)
<i>Sometimes district accounting officers use funds for a different purpose than they were intended to be used</i>	18% (23)	4% (5)	11% (13)	47% (57)	20% (24)
<i>Some district officials create bills and receipts for activities that did not occur and then use the money paid for personal expenses.</i>	12% (15)	6% (8)	11% (13)	52% (63)	19% (23)
<i>Administrative staff are so many but do-little work</i>	21% (26)	7% (9)	6% (7)	43% (52)	23% (28)

Source: Primary data, 2022

Findings indicate that more district office and support employees agreed with all 8 points regarding the connection between corruption and public financial management.

In the case of the question of whether there had been examples of theft reported in the Wakiso District Public Financial Management (PFM), for instance, more district support personnel and administrative staff (68%) agreed with the statement, as opposed to 25% who disagreed

and 7% who were unsure.

More district administrative and support personnel (75%) agreed that district support staff received slow attention, contrasted to 22% who disagreed and 3% who were unsure.

Compared to district support employees, a greater percentage (72%) of administrative staff agreed that administrative staffs lacked competence. More divisional support team and administrative personnel (71%) agreed that some divisional officials have indeed been brought to justice for embezzling district monies, especially in comparison to 18% who rejected and 11% who were unsure. More district support staff and administrative staff (67%) agreed that admin assistant was few, comparison to 22% who disagreed and 11% who were unsure. These results demonstrate that the district of Wakiso's public financial management was neglected.

Because all four participants showed unhappiness with the public financial management in the Wakiso region, the results of the interviews supported those from the surveys.

In terms of employee misappropriation, it was found that more district support workers and administrative staff (66%) agreed that there were too many administrative staff members and not enough of them were doing anything productive, compared to 28% who disagreed and 6% who were unsure. The majority of district support and administration workers (65%) agreed that it took a long time for personnel to visit a client, contrasted to 31% who disagreed and 4% who were unsure. 65% of the district's administrative and support employees agreed that records were not frequently retained, compared to 31% who disagreed and 4% who were unsure.

Relationship between graft and public finance management

Table 3: Graft at Wakiso district

Graft	SD	D	NS	A	SA
1. Administrative staff engage in graft	3.3%	4.1%	10.7%	46.7%	35.2%

<i>practices</i>	(4)	(5)	(13)	(57)	(43)
2. <i>Use public health facilities for own use</i>	4.9%	13.9%	15.6%	51.6%	13.9%
	(6)	(17)	(19)	(63)	(17)
3. <i>There is misappropriate public funds</i>	4.1%	5.7%	13.9%	48.4%	27.9%
<i>meant for project implementation</i>	(5)	(7)	(17)	(59)	(34)
4. <i>Only the rich received quality services</i>	1.6%	8.2%	9.8%	45.1%	35.2%
	(2)	(10)	(12)	(55)	(43)
5. <i>Administrative staff often do not attend to</i>	2.5%	16.4%	18.0%	41.0%	22.1%
<i>district support staff because graft practices</i>	(3)	(20)	(22)	(50)	(27)
6. <i>There are mishandle cases because</i>	0.8%	2.5%	5.7%	61.5%	29.5%
<i>graft practices</i>	(1)	(3)	(7)	(75)	(36)
7. <i>District support staff' conditions get worse</i>	1.6%	13.9%	16.4%	53.3%	14.8%
<i>due to delay because graft practices</i>	(2)	(17)	(20)	(65)	(18)
8. <i>District support staff do not get needed</i>	5.7%	1.6%	4.9%	50.8%	36.9%
<i>treatment</i>	(7)	(2)	(6)	(62)	(45)
9. <i>Workers lack motivation and interest in</i>	4.1%	0.8%	22.1%	50.8%	22.1%
<i>client care because graft practices</i>	(5)	(1)	(27)	(62)	(27)
10. <i>There is misuse public assets</i>	4.1%	2.5%	13.9%	52.5%	27.0%
	(5)	(3)	(17)	(64)	(33)

11. There is low morale and lack of commitment from staff because graft practices	0.8%	8.2%	21.3%	44.3%	25.4%
	(1)	(10)	(26)	(54)	(31)
12. District local government do not protect assets satisfactorily because graft practices	5.7%	6.6%	9.0%	52.5%	26.2%
	(7)	(8)	(11)	(64)	(32)

Source: Primary data, 2022

Results indicate that more district support personnel and administrators agreed with all 12 statements about graft than did those who disagreed with the items or were unsure about them. Comparing these results reveals that the percentages of district support staff and administrative staff who disagreed ranged from 63.1% to 91%, while those who were opposed ranged from 4.9% to 18.9%. The proportions of district support workers and administrative staff who were unsure also ranged from 4.9% to 22.1%.

These comparisons show that the percentages who disagreed with the items and the percentages who were unsure were lower than the percentages who agreed. **Relationship between extortion and public finance management in local governments at Wakiso district**

Extortion was measured using five-point Likert scale of (5) = strongly agree (4) = agree, (3) = not sure (2) = disagree (1) = strongly disagree and the findings are displayed in the table below.

Table 4: extortion and public finance management of corruption in Uganda's local government at Wakiso district

Extortion and public finance management	SD	D	NS	A	SA
Some officials extort money from citizens	1.6%	8.2%	32.0%	45.1%	13.1%

<i>who need a service from the district</i>	(2)	(10)	(39)	(55)	(16)
<i>Some officials get public resources through intimidation of the responsible lower cadre officers</i>	5.7% (7)	3.3% (4)	9.0% (11)	48.4% (59)	33.6% (41)
<i>Some officials use blackmail to achieve their personal selfish interests from the district resources</i>	0.8% (1)	2.5% (3)	5.7% (7)	45.1% (55)	45.9% (56)
<i>Support of the civil society organizations in the fight against corruption</i>	3.3% (4)	10.7% (13)	15.6% (19)	54.1% (66)	16.4% (20)
<i>Involvement of the media in naming and shaming of corrupt individuals and demanding for accountability</i>	9.0% (11)	10.7% (13)	11.5% (14)	46.7% (57)	22.1% (27)

Source: Primary data, 2022

Findings demonstrate that bribery may be combated when authorities attempt to extort revenue from consumers of the area.

Comparing these results reveals that the proportions of district support staff and administrative staff who disagreed usually ranges from 58.2% to 91.0%, while the proportions who were objected varied widely from 2.5% to 10.7%, the probability who were not sure, and the percentages who were sure ranged from 5.7% to 32.0%.

These results demonstrate that the percentages who disagreed with the items and the percentages who were unsure were lower than the percentages who agreed.

These data so demonstrate that some authorities obtain public funds through intimidating the accountable lower cadre.

Conclusions of the study

According to the report, the Wakiso district's delayed implementation of public finance management has a negative impact on the working conditions of regional support employees. When asked if employees expropriate public funds intended for construction projects, the majority of respondents said yes. The study came to the conclusion that there had been theft. This might be brought on by staff disengagement and low morale. When respondents were asked if workers lack motivation and desire in providing client care, the majority of them agreed, reinforcing the previous point. According to the study's findings, the Wakiso district's public financial management is greatly impacted by abuse of office.

This was because the majority of responders concurred with this statement.

Recommendations

Since the majority of the participants felt that staff lack desire and interest in delivering client care, the researcher advises that the Wakiso district encourage its employees. This can be accomplished by offering incentives to employees. Since the majority of respondents observed that public monies intended for project implementation are misused, the researcher further suggests that administrators of the Wakiso district build improved accountability systems. The researcher suggests that Wakiso district create recruitment procedures to prevent hiring friends and family.

The report suggests that the Wakiso district create procurement criteria to prevent involvement in the procurement process for personal gain, which also will decrease granting contracts to family members and friends.

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