
FINANCIAL CONTROL AND SERVICE DELIVERY IN SHEEMA DISTRICT**Mwesigye Justus****Metropolitan International University****ABSTRACT**

The study explored the relationship between Financial Control and Service delivery in Sheema District. Qualitative and quantitative approaches (triangulation) were used. The study population comprised of 62 technical staff and 168 politicians at the district, members of boards and commission, staffs from sub counties and Town Councils and other members from the community. This study utilized Krejcie & Morgan (1970) sample size table to come up with an adequate sample 144 size. The sample size table allows the researcher to determine the sample size for a given population with 95% certainty. To obtain the above appropriate sample for the respondents, Krejcie & Morgan (1970). In this study, the researcher used questionnaire survey, interviews and documentary analysis to collect data. The findings revealed a relationship between financial control and Service Delivery in Sheema District Local government. The response on the item "Funds are released for activities as advance in Sheema District" shows that 38% of the respondents agreed, 42% agreed with the statement, 11% were not sure and 6% disagreed, 2% strongly disagreed which means that majority of respondents agreed with the statement. The response on the item "Advances are accounted for within one month (31days) after activities" shows that 25% of the respondents agreed, 44% agreed with the statement, 18% were not sure and 9% disagreed and 5% strongly disagreed which means that majority of respondents agreed with the statement. The response on the item "Accountability contributes towards service delivery" the respondents strongly agreed accounted for 32%, 48% agreed with the statement, 8% were not sure and 6% disagreed, 2% strongly disagreed. Respondents were further presented with item that "District/ sub-county executive Committee monitored the implementation of Council budget in Sheema District Local Government", and responses revealed that almost some respondents strongly agreed with the statement 41%, 40% agreed, 6% were not sure and only 8 disagreed and 5% strongly disagreed. This was further confirmed in documentary review where the researcher read through two budget conference papers for 2018 and 2019. Pearson correlation of financial control and service delivery, results revealed the significance positive responses relation between financial control and service delivery that is 0.038** significant at 0.01 level of a two tailed test with 209 degrees of freedom. This implies that there is a moderate positive significant relationship between financial control and service delivery.

Key Words; Financial Control, Service Delivery, Local Government**Background to the study**

The International Federation of Accountants (IFAC) reveals that in a number of countries, there is need for greater efforts to support accountancy and financial management in the public sector. It is further postulated that it is evident that support for public sector financial management is curtailed in some cases by legislation and/or organizational by laws (Alex & Kazaara, 2023). The Association of Chartered Certified Accountants (ACCA) has

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put public sector financial management in developing nations and emerging economies into perspective (Frank et al., 2023). The ACCA reports that the foregoing countries and economies continue to realize vital and impressive achievements in regard to reinforcement of both public financial management and governance (Moses et al., 2023). Moreover, the ACCA underscores the importance of improving financial management in the public sector. This is in the wake of the realization that financial management reforms in the public sector have lagged behind in comparison to the private sector. In tandem, therefore, there is great emphasis for the need to initiate financial management and governance reforms in the public sector with the view of improving financial management (T. Christopher, 2022).

Financial control in public sectors especially in local Governments in both developed and developing countries. Better provision of public services like primary education, primary health care services, water and sanitation are reasons why most countries decentralized management of finance to local government systems (fiscal decentralization) (Ramadhan et al., 2023). In Brazil, financial decentralization has been used to capture the views of the citizen as a means of making government responsive to public interest and also monitoring the quality of public services (Faith et al., 2023).

In Africa, many countries have likewise adopted decentralized financial management in local government system at different time. reported that South Africa, Ghana, Nigeria, and Rwanda are among the top African countries that have decentralized powers and resources to a great degree in search of inclusive, involving and participatory governance that is able to enhance quality of public services (Faith et al., 2023).

A study conducted by Kiilu and Ngugi (2014) observed that the aim of public financial control is to ensure that available funds and other scarce resources are employed effectively and in the best interest of the general public. Another study by Wanjau and Muiruri (2012) noted that financial accountability by use of monitoring, auditing and accounting mechanisms is imperative in ensuring that the allocated funds are employed for the intended purposes. Against this backdrop, however, neither of these two studies centred on the influence of budgeting on service delivery in the public health sector (F. Christopher et al., 2022).

Local governments, was operationalized by the Constitution of Uganda (1995) and the Local Government Act, (1997) which intended to improved financial management. Under this system Local governments can formulate, approved and execute its own budget provided it is balanced (LGA, 1997), monitor and evaluate its financial performance maintained proper books of account. In Sheema district services are provided to the community by the district council and depend on funds from locally generated revenue (Kazaara & Christopher, 2023), grants, donor funds and borrowing but there have been persistent queries raised in Audit reports and persistent criticism from the public about the quality-of-service delivery (Gracious, 2023).

In this study financial management is the independent variable that had three dimensions: Financial planning, with indicators as decision making and budgeting, financial mobilization with indicators of internal financial mobilization, External financial mobilization and Borrowing finance, and Financial control with indicators of

accountability, monitoring, reporting, auditing that is value for money (internal and external) and investigation by Local Government Public Accounts Committee (LGPAC) (Ronald et al., 2023).

Service delivery is providing for the needs of the community by organizations, services such as education, health, water and sanitation, roads are to be provided efficiently and effectively. In this study the indicators of service delivery include efficiency and effectiveness in the sectors/departments of health, education (primary), water and sanitation in Sheema District Local Government.

Statement of the Problem

Despite financial control being the main engine for better provision of public services like primary education (Victoria et al., 2023), primary health care services, water and sanitation are reasons why most countries decentralize management of finance to local Government systems (fiscal decentralization) (Lydia et al., 2023). However, management of Finance has remained poor for instance large amount of unaccounted for funds, revenue shortfall, wasteful expenditure, poor recovery of personal advances, lack of insurance policy for money on transit, failure to conduct annual board of survey at the end of the financial year to determine cash balances and missing vouchers among others (Ntirandekura et al., 2022)

In water, Health and Education sectors services have remained inadequate (Sheema District Development Plan, 2019). If this trend continues, inadequate clean water will cause water borne diseases leading to high death rate, in education sector the number of school drop outs will increased, hence higher level of illiteracy (John et al., 2023), poor qualities in grades in school, however this will cause schools to produce poor educated students but also results in excessive repetition and low completion rates at government costs (Decentralization Policy strategic framework, 2016) (Oromo et al., 2023). Low access to malarial drugs, inadequate antenatal care and limited anti-retroviral drugs, lead to high maternal mortality rate, high child mortality rate and high death rate in the district. The study therefore assessed the relationship between financial control and service delivery with specific reference to Sheema District Local Government (Jac & Kazaara, 2023).

Purpose of the study

To investigate the relationship between financial control and service delivery in Sheema District.

Research Question

What is the relationship between financial control and service delivery in Sheema District?

Research Hypothesis

H₀: There is a relationship between financial control and service delivery in Sheema District

Literature Review

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Theoretical Review

Resource-Based Theory Resource-based theory (RBT) was proposed by Grant (1991). The theory states that a firm comprises a bundle of productive resources and capabilities, and that heterogeneity in performance across entities is founded on underlying heterogeneity in their resources and capabilities (Faridah et al., 2023). It is postulated that the theory is premised on the concept of economic rent, and the view of an organization as a collection of resources and capabilities. Resources are defined as inputs into an entity's production process and/or service provision and include capital (finances), equipment, skills and expertise of individual employees, patents, and talented or experienced management. The basic five categories of resources are financial, physical, human, technological, reputational, and organizational resources. Resources may be either tangible or intangible (Racheal et al., 2023).

It is further stated that as the effectiveness of the resources increases, the resources have a tendency of becoming larger. In the same vein, it is held that individual resources are likely to be unable to yield a competitive edge. In this regard, the synergistic combination and integration of a set of resources can result in a firm getting a competitive advantage over rivals (Peteraf, 2016). In order for resources to be optimally utilized and effective, they must be integrated with requisite capabilities (Grant, 1991). It is stated that in reference to competitive advantage, capabilities ought not to be too simple to be imitable or too complex to defy internal steering and control (Schoemaker & Amit, 1994).

In respect of the local government sector, the resources available include the staff hired by the national and county governments, the finances collected and/or disbursed to them, and also the facilities including the infrastructure and medicine to facilitate the execution of various tasks that the health outlets are required to dispense to the public. Relative to resource-based theory, the bundle of productive resources includes staff, finances and infrastructure among others. On the other hand, capabilities include the expertise possessed by the medical staff. Therefore, the theory is relevant to this study in that it is cognizant of the aforementioned resources and capabilities in public health facilities in Uganda.

The relationship between financial control and service delivery

Shah, (2017) states that financial audits include financial statements, accounts, accounting, receipts, and other financial related issues and assesses the internal control systems that ensure the quality of accounting information and financial reporting in conformity with the accounting standards. The accounts of every Local Government Council and administrative Units are to be audited by Internal Auditor and the Auditor General (External) Government of Uganda 2017 (Local Government Act Cap 243).

reveals that accountability has been defined as the art of recording, classifying and summarizes in a significant manner and in terms of money, transactions and events which are of a financial character and interpreting the results therefore. Accountability has been identified by scholars, as one of the measures of performance in organizations. Governments use accounting as a basis for controlling their resources and measuring their accomplishments. This

view is backed by (Goddard 2014) who says that accounting is the most important mechanism for communicating and coordinating the accounts and ensuring accountabilities.

reveals that accounting provides a basis for managers in decision making in the utilization of scarce resources. The researcher agrees with the authors because it is applicable in local governments where the head of finance department (CFO) is supposed to present monthly financial report/statements to the standing committee of finance, planning and administration. Administrative advances to council employees authorized by the chief executive to implement council activities such as for purchased of works, goods and services are accounted for within a month and cannot authorize any advance to a council employee who has not accounted for any advance of the previous advance. Accounting, leads to improved service delivery of local governments that finances are used as budgeted and its evidence that the activities are implemented as planned.

Methodology

A case study design adopting the cross-sectional sample survey was used to describe the nature and pattern of the study. The case study approach calls for the researcher to make choices from among a number of possible events; people and organization and enabled an in-depth investigation. Qualitative and quantitative approaches (triangulation) was used as promote greater understanding, Qualitative approach deals with how people understand their experiences and quantitative describe given condition or to investigate relationships, including cause and effect.

The study population comprised of technical staff and politicians at the district, members of boards and commission, staffs from sub counties and Town Councils and other members from the community (Sheema District Statistical Abstract for FY2020/2021) population because they are expected to participate in the situation ownership of projects under decentralization.

This study utilized Krejcie & Morgan (1970) sample size table to come up with an adequate sample 144 size. The sample size table allows the researcher to determine the sample size for a given population with 95% certainty. To obtain the above appropriate sample for the respondents, Krejcie & Morgan (1970). Purposive sampling was applied at the district level for district councilors, head of departments and sections; random sampling is the process of selecting a sample in such a way that all individuals in the defined population have equal chance of being selected. Simple random sampling was applied to sub-counties, parish and village levels to analyze the participation of various stakeholders.

This was self-constructed questionnaire with semi-structured set of questions, closed ended. Semi structured questionnaire was used because large samples can be made of use and thus, the results can be made more dependable and reliable, offers the greatest assurance of unanimity, cheaper than other methods and free from bias.

Interviewing is a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel. It also permits the researcher to ask more complex questions and it takes into account verbal communications such as attitudes and behaviour of the interviewer in relation to the subject being discussed.

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The researcher also visited the different libraries in Kabale Municipality and information regarding the topic and research objectives were reviewed.

Data analysis was done through the interpretation of data gathered through the use of analytical and logical reasoning to determined patterns, relationships or trends. Qualitative and quantitative Data analysis were analyzed. Quantitative data from the questionnaires was sorted, coded, edited and classified into categories. The results from objective one and two was summarized and entered into SPSS Version 20, where frequency tables and mean scores were generated for easy interpretation of findings. For objective three, correlation between financial control and service delivery in Sheema District Local Government was determined to find out whether there is positive statistical relationship between distribution of self-study materials and home learning. This was done using Pearson correlation coefficient in SPSS tool (Nelson et al., 2022).

The data collected was cleaned, sorted and edited to remove errors, analyzed data into different themes, by source of information, reading through the data to get a general sense and overall meaning, arranged data into categories and labeled those categories for analysis developed description for each category Theme and developed interpretation involving lessons learnt. Content analysis for the qualitative data was done manually.

Findings from the study

Table 1: The relationship between financial control and Service delivery in Sheema District.

Responses	SA		A		NS		D		SD		F	
	5		4		3		2		1			
	F	%	F	%	F	%	F	%	F	%	F	%
Funds are released for activities as advance.	48	38	53	42	14	11	9	6	3	2	127	100
Advances are accounted for within one month (31days) after activities	32	25	56	44	23	18	12	9	6	5	127	100
Accountability contributes towards service delivery	41	32	61	48	10	8	13	10	2	2	127	100
District/ sub-county executive Committee monitored the implementation of Council budget	53	41	51	40	7	6	10	8	6	5	127	100
Standing Committees regularly monitored projects in their sectors	45	35	57	45	5	4	13	10	7	6	127	100
Monitoring projects has an effect on service delivery	32	25	56	44	23	18	12	9	6	5	127	100
Internal controls have been strengthened in Sheema District Local	41	32	61	48	10	8	13	10	2	2	127	100

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Government due to auditing of accounts												
Investigation of Financial loss have improved in Sheema District Local Government	50	40	52	41	5	4	13	10	7	6	127	100

Source: Field Data, (2023)

From the table 3 above, the shows that the response on the item “Funds are released for activities as advance in Sheema District” shows that 38% of the respondents agreed, 42% agreed with the statement, 11% were not sure and 6% disagreed, 2% strongly disagreed which means that majority of respondents agreed with the statement (Lydia et al., 2023).

The response on the item “Advances are accounted for within one month (31days) after activities” shows that 25% of the respondents agreed, 44% agreed with the statement, 18% were not sure and 9% disagreed and 5% strongly disagreed which means that majority of respondents agreed with the statement (Polycarp et al., 2023).

The response on the item “Accountability contributes towards service delivery” the respondents strongly agreed accounted for 32%, 48% agreed with the statement, 8% were not sure and 6% disagreed, 2% strongly disagreed.

Respondents were further presented with item that “District/ sub-county executive Committee monitored the implementation of Council budget in Sheema District Local Government”, and responses revealed that almost some respondents strongly agreed with the statement 41%, 40% agreed, 6% were not sure and only 8 disagreed and 5% strongly disagreed. This was further confirmed in documentary review where the researcher read through two budget conference papers for 2018 and 2019. This imply that Sheema District Local Government hold budget conferences every year and monitors the implementation of council budget (Akankwasa et al., 2022).

Furthermore, the Respondents were presented with item that “Standing Committees regularly monitored projects in their sectors”. The projects include road construction projects, water construction projects among others as revealed by 45(35%) who strongly agreed, 57(45%) who agreed, 5(4%) who were not sure, 13(10%) who disagreed and 7(6%) who strongly disagreed.

The Respondents were also presented with item that “Monitoring projects has an effect on service delivery”. They respondents revealed Monitoring has helped project managers and their staff understand whether the project progressed on schedule or not, this is because under this arrangement data is continuously collected that is used by different stakeholders to streamline the operations of the project through agreed control processes as revealed by the respondents strongly agreed accounted for 32%, 48% agreed with the statement, 8% were not sure and 6% disagreed, 2% strongly disagreed (Wegulo et al., 2023).

The Respondents were also presented with item that “Internal controls have been strengthened in Sheema District Local Government due to auditing of accounts”. This was revealed by 32% of the respondents who strongly agreed,

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48% agreed with the statement, 8% were not sure and 10% disagreed and 2% strongly disagreed which means that majority of respondents agreed with the statement (Anthony et al., 2023).

The Respondents were also presented with item that “Investigation of Financial loss have improved in Sheema District Local Government” This was revealed by 40% of the respondents who strongly agreed, 41% agreed with the statement, 4% were not sure and 10% disagreed and 6% strongly disagreed which means that majority of respondents agreed with the statement.

The Correlation coefficient between financial control and Service delivery

Table 10: Shows the Correlation coefficient between financial control and Service delivery

Correlations		Financial control	Service delivery
Financial control	Pearson Correlation	1	.038**
	Sig. (2-tailed)		.582
	N	209	209
Service delivery	Pearson Correlation	.038**	1
	Sig. (2-tailed)	.582	
	N	209	209

**, Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation of financial control and service delivery, results revealed the significance positive responses relation between financial control and service delivery that is 0.038** significant at 0.01 level of a two tailed test with 209 degrees of freedom (Nelson et al., 2023).

This implies that there is a moderate positive significant relationship between financial control and service delivery.

Recommendations

It is prudent and thus recommendable to audit all financial transactions in local governments. The district local governments should put in place effective, sound and reliable accountability mechanisms, financial controls, internal controls, and audit trails. In the same vein, it is advisable to ensure that these local government departments make full disclosures of their financial transactions. In addition, they should have well-kept financial databases, and also be transparent in all their financial transactions.

The researcher also recommends Sheema District Local Government should continuously improve financial control especially in all sectors since it was found to be strong predictor, and has a positive relationship with service delivery in the district.

Sheema Local Government administrators should put in place new measures to increase the local revenue base and local revenue collections. Some of these measures may include; encouraging more investors in the district, taxing

commercial farmers/plantations that are very common in the district to supplement on existing sources of local revenue, introducing boda boda tax, opening new markets among others.

The study recommends that public health facilities ought to have reliable and sustainable revenue mobilization mechanisms which should be directed towards improving the delivery of services. The management of these entities should ensure that the budgetary strategies are geared towards enhancing service delivery to the public. Granted the established importance of financial accountability, it is important to ensure that there are effective accountability mechanisms that can promote service delivery amongst local governments in Uganda at large.

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