

**Relationship Between Public Finance Management And Corruption Practices In Uganda: A Case Of
Wakiso District Local Government**

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Abstract

This study was based on the relationship between public financial management and corruption practices in Uganda: A case of Wakiso district local government. The study was guided by the following objectives; To examine the causes of corruption in Wakiso, to examine the public finance management in Wakiso district Local government and to examine the relationship between public finance management and corruption practices. The study adopted a cross sectional and correlation survey design complemented with a qualitative and quantitative approach. The study population was 176 and 124 formed the sample size selected using the purposive and simple random sampling. Information was elicited using questionnaire, interview and documentary review checklist. A response rate of 63% was obtained as recommended by Amin (2005). Key findings suggested a positive significant relationship between corruption and public financial management. The study concluded that the principles of PFM are Accountability, Probity, Prudence, Equity, Transparency and Democratic consent; and corruption in PFM can directly affect a range of different development outcomes. The following were recommendations were made: Align anti-corruption measures with market, behavioral, and social forces. Adopting integrity standards is a smart business decision, especially for companies interested in doing business with the World Bank Group and other development partners. Create pathways that give citizens relevant tools to engage and participate in their governments identify priorities, problems and find solutions. Bring together formal and informal processes to change behavior and monitor progress. Use the power of technology to build dynamic and continuous exchanges between key stakeholders: government, citizens, business, civil society groups, media, academia etc. Invest in institutions and policy sustainable improvement in how a government delivers services is only possible if the people in these institutions endorse sensible rules and practices that allow for change while making the best use of tested traditions and legacies – imported models often do not work. Punishing corruption is a vital component of any effective anti-corruption effort. Keep citizens engaged on corruption at local, national, international and global levels in line with the scale and scope of corruption. Make use of the architecture that has been developed and the platforms that exist for engagement. Any good strategy must be continually monitored and evaluated to make sure it can be easily adapted as situations on the ground change.

Keywords: Public Financial Management, Corruption Practices, Local Government, Stakeholders, Anti-corruption Measures.

Introduction

Corruption remains a major problem facing both developed and developing countries. Dorotinsky & Pradhan (2007, p. 267) suggest that; corruption in the administration of public finances is a problem

faced by countries throughout history and around the world. To alleviate this problem, countries have adopted several public finance management reforms (Paul et al., 2023). For example, Uganda has

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implemented public financial management reform programs since the 1990s (see section 2.5 below) aimed at promoting effective and efficient public resource management (Ministry of Finance, Planning and Economic Planning, 2018). Independence was followed by the adoption of public finance management reforms a period characterized by political uncertainty, human rights violations and corruption (Museveni, 2016). Uganda's first anti-corruption efforts can be traced back since 1970, when the first anti-corruption legislation was adopted (Prevention of the Corruption Act, 1970 was passed). However, that was only in the mid-1980s coordinated anti-corruption measures and structural adjustment programs (SAP) were introduced to reduce corruption and promote efficient service delivery. Despite with relatively strong legal, institutional and administrative measures to combat it corruption, Uganda is still grappling with the problem of corruption as evidenced by the grand corruption cases involving huge sums of public funds, usually in a syndicate way (Ntirandekura et al., 2022). Since 2012, Uganda has witnessed a dramatic increase in the syndicate corruption cases. During the celebration of the International Fight Against Corruption. In 2015, Uganda commemorated the day under the theme, stop the syndicate corruption for better service delivery. The corruption of the

syndicate was underlined as the main problem facing anti-corruption institutions. **The** Inspector General of Government (2017, p. 8) stated that Uganda was is experiencing a new wave of grand and syndicated corruption that has involved high

public officials at the level that distort policy (Kazaara et al., 2023). A greater proportion of public funds allocated for the benefit of vulnerable citizens continue to escape due to corruption, as has been demonstrated major corruption scandals in the management of pension funds and funds for refugees among many others (Phionah et al., 2023). Almost all sectors including health, education, country, local governments and humanitarian sectors are affected by corruption. Reinikka a Svensson (2004) estimated that on average 87% of block grants are for primary schools in Uganda are diverted by public officials (Seth & Ntirandekura, 2022). This study was conducted to find out what could be driving the new a wave of syndicated corruption in the management of public funds. He tried to identify structure, dynamics, vulnerabilities and limitations using central government Uganda as a case study. Although this research focused on the central government it was part of a larger study applied to corrupt syndicates across the entire government Ministries, Agencies and Local Governments (MDAs).

Statement of the problem

Corruption has taken root in public institutions, their representatives and private social organizations, local governments and in some cases even among the clergy. (Mark et al., 2023) argue that there is tangible progress in creating a legal and institutional framework to fight corruption in Uganda, but political corruption scandals and the lack of political will to fight corruption are increasingly visible. Most of the corruption in various districts and organizations takes place informally and under the guise of isolated contacts between officials. Sometimes it does not even require a verbal agreement (Racheal et al., 2023).

Effective Public Financial Management (PPM) systems are required to maximize the efficient use of resources, create the highest level of transparency and accountability in the finances of Wakiso Local Government to ensure long-term economic prosperity. To date, SVF measures on financial management including the adoption of the Media Term Expenditure Framework (MTEF) budget process have not achieved the desired results (Gracious, 2023). External diagnostics combined with work carried out through workshops and consultations identified some of the following main problem areas of ERSWEC (2003-2007). The political priorities described in the ministerial and sectoral strategic plans are not sufficiently taken into account in the annual budget. The difference between the annual budget and the final expenditure result is high (Annet et al., 2023). Budget release cannot be predicted and payments are delayed, leading to high arrears, cash management and commitment control are still poor, public procurement systems are characterized by a slow process, unclear mandates and lack of transparency and waste, manual and parallel systems currently in use lead to difficulty adhering to reporting format and reporting timelines (F. Christopher, Moses, et al., 2022).

Good governance and effective service delivery is achieved through better transparency, accountability and effective controls in public financial management programs. PFM is a tool in the fight against wasteful spending and corruption, as it improves access to financial data, audit related to risks and results, open and competitive procurement processes and commitments in a control system such as IFMIS (F. Christopher, Komunda et al., 2022), Managing the implementation of public finance management programs requires a harmonized and coordinated approach between cooperating partners supporting the management program. This therefore calls for this study to assess the relationship between corrupt practices and SVF in securing financial operations in Wakiso Local Government (Innocent et al., 2023). The government needs the SVF to improve its capabilities and systems to use public financial resources towards ERS objectives. It is about modernization and introduction of more efficient and useful management of public finances. This effort requires the mobilization of all areas of public finance management, as the system needs better integration to become effective (Alex & Kazaara, 2023). This forms the basis for the current study in which the researcher seeks to find out the relationship between corrupt practices and public financial management. Given the importance of public financial management in local governments and also for the future of Wakiso, the opportunities and challenges of spreading public financial management in the context of Wakiso, where corrupt practices abound, are a concern. There is a need to find out to what extent corruption has affected the SVF in Wakiso. Also, this study will help answer the research questions.

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The purpose of the study was to establish the relationship between public finance management and corruption practices in Uganda. The study helped the researcher understand the study variables and also generate the solutions to the study challenges and limitations.

Research questions

1. What are the principles of public financial management in Wakiso district Local government?
2. What are the causes of corruption in Wakiso local government?
3. What is the relationship between public financial management and corruption practices?

Conceptual framework

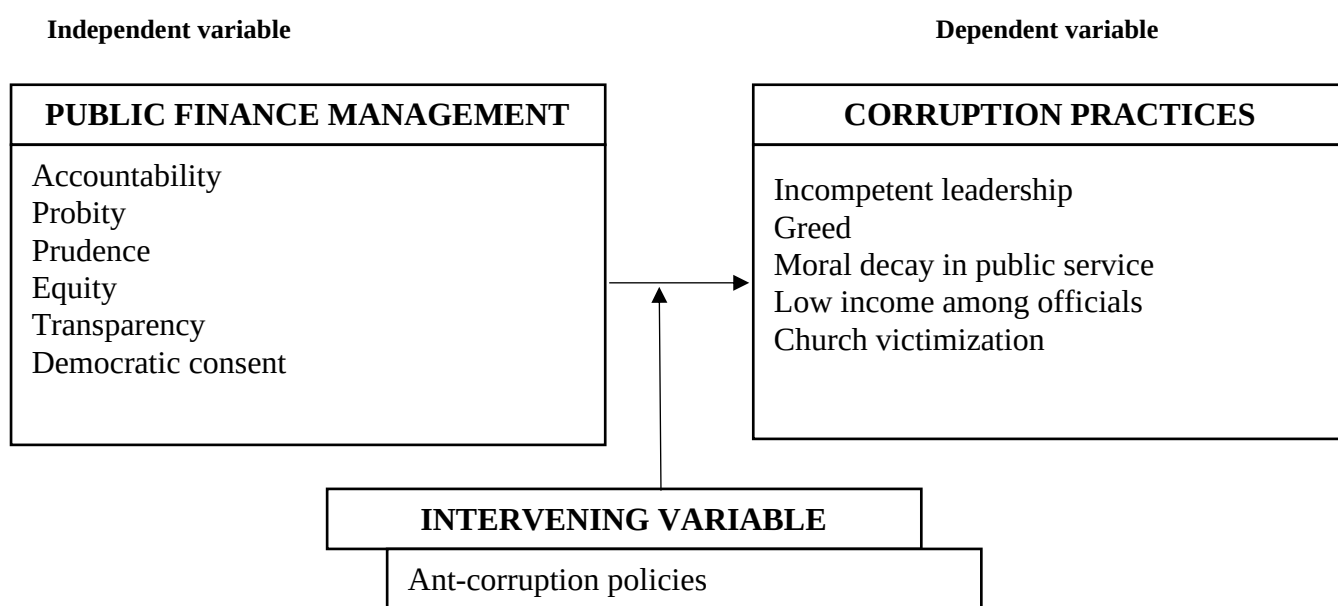


Figure 1: Conceptual Framework

Figure 1 shows the conceptual framework on the topic relationship between corruption practice and PFM in Uganda. According to this framework, the independent variable is PFM and the dependent variable is Corruption practice. To achieve effective management, there is intervening variable as seen in the figure because PFM alone may not fully promote effective social and economic development.

Developing and managing national or regional budgets is a critical component of effective public service implementation. If public funds are to deliver the services for which they have been allocated, financial planning, execution and monitoring systems need to be in place, and working. For PFM to serve its purpose, there should be PFM principles which includes accountability, probity, prudence, equity, transparency and democratic consent. The dependent variables as seen in the diagram are Incompetent leadership, Greed, Moral decay in public service, Low income among officials and Church victimization.

Methodology

The study adopted a cross sectional study design. Cross sectional study design was suitable for this research because the researcher intended to analyze data from a population that is Wakiso local government in the study at a specific point in time – that is cross sectional data.

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The study population of interest was the target population that the study intends to treat. The population is the broader group of people to whom the researcher intends to generalize the results of the study. A population can be defined as the set of individuals, objects, or data from where a statistical sample can be drawn (Saunders, et al., 2012). The exact population depended on the scope of the study. The study population comprised officials of Wakiso local government in the departments of education and sports, finance, health, community-based services, natural resource, physical planning, work and technical services internal audit, production and markets and the administrators and human resource. The population comprise a total of 50 people. These figures were picked from the websites of Wakiso local government. Officials were selected here because they are the population that directly engaged in the PFM process. The study used stratified random sampling. Stratified random sampling is a type of probability sampling in which a research organization can branch off the entire population into multiple non-overlapping, homogeneous groups (strata) and randomly choose final members from the various strata for research which reduces cost and improves efficiency. Members in each of these groups should be distinct so that every member of all groups get equal opportunity to be selected using simple probability. This sampling method is also called “random quota sampling”. The respondents in the researcher’s case will be selected from the departments of Wakiso local government. The researcher will have 4 strata, which are the local councils. A sample from each stratum was determined using the formula for systematic sampling. Assuming a desired sample of size of 50. Data was analyzed inform of tables, frequencies and percentages using SPSS & STATA (Nelson et al., 2022)

Results

Table 1: Causes of corruption in Uganda

	Statement	1	2	3	4	5	TOTAL
1	Lack of competent leadership and accountability	12 28.52%	5 11.9%	2 4.76%	10 23.81%	12 28.52%	50 100%
2	Public beliefs and attitudes	8 19.05%	8 19.05%	2 4.76%	9 21.43%	10 23.81%	42 100%
3	Moral decay in public service	6 14.29%	0 0%	3 7.14%	10 23.81%	19 45.24%	42 100%
4	Low income	4 9.52%	3 7.14%	6 14.29%	10 23.81%	16 38.1%	42 100%
5	The anti-corruption agencies and the judicial system face problems of limited finances and human resources	9 21.43%	3 7.14%	4 9.52%	12 28.52%	9 21.43%	42 100%
6	The churches with their development projects and charities are also victims of corruption.	5 11.9%	5 11.9%	6 14.29%	11 26.19%	9 21.43%	42 100%
7	Greed	10	2	5	5	20	42

		23.81%	4.76%	11.9%	11.9%	47.62%	100%
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Source: Respondents

From the table above, it can be seen that lack of competent political leadership and poor accountability is one of the causes of the corruption however 28.52% of the respondents strongly disagreed, 11.9% of the respondents disagreed, 4.76% of the respondents were didn't know, 23.81% of the respondents agreed while 28.52% of the respondents strongly agreed that the statement is one of the causes of corruption (Frank et al., 2023).

According to (Ijsr.net, 2023), weak leadership is the basic source of corruption When leaders are those who know how to sacrifice themselves for the country, have a national spirit and foresight, put the interests of the country and nation first, and show high national spirit and patriotism. corruption is unlikely to occur. The decline in the quality and capacity of leaders leads to the birth of a generation of leaders who lack vision, lose humanity and will make people poorer and poorer by the loss of public property (F. Christopher, Muhindo, et al., 2022). Many studies have shown that corrupt leaders are less concerned with social security, the real life of the people, but focus on investing in things that are not necessary for the country, along with A lavish lifestyle will cause disunity, social disturbance, and even ethnic or religious conflicts. Corruption has existed for a long time in history, but it is not until recent years that many countries around the world have awakened and started implementing reform of national governance and innovating the way of leading the country, committed to peace, democracy and development (Kazaara & Kazaara, 2023).On public beliefs and attitudes, 23.81% of the respondents strongly agreed, 21.43% of the respondents agreed, 4.76 didn't know, 19.05% disagreed while 19.05% of the respondents strongly disagreed. According to (Link.springer.com, 2023) public opinion was often an important part of research due to the frequent use of perception-based measures of corruption. After a lull of few years, more conventional political scientists and public administration scholars began to advance the knowledge base about public attitudes and corruption. While interest never fully went away, the issue area is experiencing something of a rebirth in a different form. Individuals' perceptions of the extent of corruption must logically be informed by what they regard to be corrupt behavior. The uniformity, or otherwise, of corruption perceptions has implications for monitoring and policing corrupt actions (Olken, 2007). Thus, if behavior is overwhelmingly considered to be corrupt, it may be easier to detect and the policing of such actions is likely to enjoy popular support. On moral decay in public service, 45.24% of the respondents strongly agreed, 23.81% of the respondents agreed, 7.14% of the respondents were didn't know while 14.29% of the respondents strongly disagreed. According to United Nations System Staff College a person is said to be immoral if his/her actions contravene acceptable moral codes. From this perspective, we can classify corruption or acts of corruption as immoral acts and a corrupt person as an immoral person. Ethics and morality are the life wires of every society.

For low income, 38.1% of the respondents strongly agreed while 60% of the respondents agreed.

For higher wages. 60% of the respondents strongly agreed, 23.81 of the respondents agreed, 14.29% of the respondents didn't know, 7.14% of the respondents disagreed with the statement while 21.43% of the respondents strongly disagreed with the statement.

According to Vivekanda 2023, In human society too much wealth or too much poverty is a great impediment to the higher development of the soul. It is from the middle classes that the great ones of the world come. Popular belief suggests that corruption and poverty are closely related to low income. Corruption has been a constant obstacle for people trying to bring out the political, economic and social changes desired for their development. Across different people contexts, corruption has been a cause and consequence of poverty.

Corruption on the part of governments, the private sector and citizens affects development initiatives at their very root by skewing decision-making, budgeting and implementation processes. When these actors abuse their entrusted power for private gain, corruption denies the participation of citizens and diverts public resources into private hands. The poor find themselves at the losing end of this corruption chain without state support and the services they demand

For anti-corruption agencies and the judicial system face problems of limited finances and human resources, 21.43% of the respondents strongly agreed, 28.52% of the respondents agreed, 9.52% of the respondents didn't know, 7.14% of the respondents disagreed with the statement while 21.43% of the respondents disagreed. For churches with their development projects and charities are also victims of corruption, 21.43% of the respondents strongly agreed, 26.19% of the respondents agreed, 14.29% of the respondents didn't know, 11.9% of the respondents disagreed with the statement while 11.9% of the respondents strongly disagreed with the statement.

For greed, 47.62% of the respondents strongly agreed, 11.9% of the respondents agreed, 11.9% of the respondents didn't know, 4.76% of the respondents disagreed with the statement while 23.81% of the respondents strongly disagreed with the statement.

Principles of Public Finance Management

Table 2: Principles of public finance management

	Statement	1	2	3	4	5	TOTAL
1	Accountability	12 28.52%	3 7.14%	7 16.67%	9 21.43%	11 26.19%	42 100%
2	Probity	6 14.29%	3 7.14%	13 30.95%	7 16.67%	9 21.43%	42 100%
3	Prudence	8 19.05%	0 0%	7 16.67%	14 33.33%	8 19.05%	42 100%
4	Equity	6 14.29%	3 7.14%	8 19.05%	11 26.19%	10 23.81%	42 100%
5	Transparency	5 11.9%	1 2.38%	11 26.19%	11 26.19%	8 19.05%	42 100%
6	Democratic consent	5 11.9%	3 7.14%	2 4.76%	8 19.05%	18 42.85%	42 100%

Source: Respondents

From the table above, it can be seen that accountability is one of the principles of public finance management however 28.52% of the respondents strongly disagreed, 7.14% of the respondents disagreed, 16.67% of the respondents didn't know, 21.43% of the respondents agreed while 26.19% of the respondents strongly agreed with the statement that accountability is one of the principles of Public finance management (Ntirandekura & Alex, 2022).

According to Collaborative Africa Budget Reform Initiative accountability requires a relationship of conferring responsibility and reporting back on the expected and agreed performance and on the manner in which the responsibility was fulfilled. The rendering of account, whether obligatory or on a voluntary basis, establishes the relationship of accountability. The report on performance on the agreed expectations lends a sort of flexibility but increases the emphasis on accountability for results (Ntirandekura et al., 2022). The agreement about expected performance could be explicit or implicit between superiors and subordinates. A robust framework of accountability, thus, moves away from the traditional outlook of blameworthiness or 'catching a thief' toward reporting on results achieved as compared to agreed expectations, highlighting practical constraints and willingness to improve in the light of experience.

On Probity, 19.05% of the respondents strongly disagreed, 7.14% of the respondents disagreed, 30.95% of the respondents didn't know, 16.67% of the respondents agreed while 21.43% of the respondents strongly agreed that probity is one of the principles of public finance management.

According to (erepostory.unonbi.ac.uk, 2023), In the context of a financial environment, fiscal probity is about the ethical, lawful, prudent, effective and transparent conduct of financial transactions and of processes that ensure that all such transactions and procedures are supported as appropriate by a robust risk management strategy (Kazaara & Christopher, 2023). Fiscal probity was of much value for the effective management of public resources. A report by the United Nations (2000) indicated that scandals involving public officials had captured world attention these days. Precipitated by shady privatization deals, the diversion of aid, widespread public sector patronage, crony capitalism, and campaign financing abuses, people were debating outright corruption and unprofessional behavior in government (F. Christopher, Muhindo, et al., 2022).

For Prudence, 14.29% of the respondents strongly disagreed, 16.67% of the respondents didn't know, 33.33% of the respondents agreed while 19.05% of the respondents strongly agreed that prudence is one of the principles of public finance management (T. Christopher, 2022).

Prudence is an accounting practice that goes beyond the common sense of being fiscally conservative. It is the practice of ensuring that the company is not overvalued by preventing the income and assets from being overstated in the company's reporting. The prudence principle deviates from conventional accounting as it provides for all possible losses, but does not anticipate profits (Annet et al., 2023). As such, the company may actually be undervalued. This may not curry favour with shareholders. However, it can create a more realistic overview of the company's financial health than more optimistic estimates, and ensures that the company will always be able to meet its debt obligations.

For Equity, 14.29% of the respondents strongly disagreed, 7.14% of the respondents disagreed with the statement, 19.05% of the respondents didn't know, 26.19% of the respondents agreed while 23.81% of the respondents strongly agreed that equity is one of the principles of public finance management.

For Transparency, 11.9% of the respondents strongly disagreed, 2.38% of the respondents disagreed with the statement, 26.19% of the respondents didn't know, 26.19% of the respondents agreed while 19.05% of the respondents strongly agreed that transparency is one of the principles of public finance management.

For Democratic consent, 11.9% of the respondents strongly disagreed, 7.14% of the respondents disagreed with the statement, 4.76% of the respondents didn't know, 19.05% of the respondents agreed while 42.85% of the respondents strongly agreed that equity is one of the principles of public finance management.

Relationship between corruption and public finance management

Table 3: Relationship between public finance management and corruption practices

	Statement	1	2	3	4	5	TOTAL
1	PFM processes- revenue mobilization (e.g. taxation and customs), budget preparation and resource allocation, budget execution (e.g. procurement and payroll), and the accounting and auditing of government expenditure public expenditure is a substantial, and often the largest, part of most countries' economy	4 9.52%	5 11.9%	8 19.05%	17 40.48%	7 16.67%	42 100%
2	Corruption in PFM can directly affect a range of different development outcomes	3 7.14%	1 2.38%	6 14.29%	17 40.48%	14 33.33%	42 100%

Source: Respondents

From the table above, it can be seen that PFM processes- revenue mobilization (e.g. taxation and customs), budget preparation and resource allocation, budget execution (e.g. procurement and payroll), and the accounting and auditing of government expenditure, public expenditure is a substantial, and often the largest, part of most countries' economy is the relationship between corruption and public finance management however 9.52% of the respondents strongly disagreed, 11.9% of the respondents disagreed, 19.05% of the respondents didn't know, 40.48% of the respondents agreed while 16.67% of the respondents strongly agreed with the statement (Moses et al., 2023). For Corruption in PFM can directly affect a range of different development outcomes, 7.14% of the respondents strongly disagreed, 2.38% of the respondents disagreed, 14.29% of the respondents didn't know, 40.48% of the respondents agreed while 33.33% of the respondents strongly agreed that with the statement.

Discussion of Findings

The study findings revealed that most respondents agreed that the causes of corruption include lack of competent leadership and accountability, public beliefs and attitudes, moral decay in public service, low income, the anti-corruption agencies and the judicial system face problems of limited finances and human resources, the churches with their development projects and charities are also victims of corruption and greed. This agrees with Wikipedia (2023) which asserts that Corruption will occur if the corrupt gain is greater than the penalty multiplied by the likelihood of being caught and prosecuted. Since a high degree of monopoly and discretion accompanied by a low degree of transparency does not automatically lead to corruption, a fourth variable of "morality" or "integrity" has been introduced by others. The moral dimension has an intrinsic component and refers to a "mentality problem", and an extrinsic component referring to circumstances like poverty, inadequate remuneration, inappropriate work conditions and inoperable or over-complicated procedures which demoralize people and let them search for "alternative" solutions.

According to a 2017 survey study, the following factors have been attributed as causes of corruption: Greed of money, desires. Higher levels of market and political monopolization, Low levels of democracy, weak civil participation and low political transparency. Higher levels of bureaucracy and inefficient administrative structures, Low press freedom Low economic freedom, Large ethnic divisions and high levels of in-group favouritism, Gender inequality, Poverty, Political instability, Weak property rights, Contagion from corrupt neighbouring countries, Low levels of education, Lack of commitment to society, Extravagant family, Unemployment and lack of proper policies against corruption

It has been noted that in a comparison of the most corrupt with the least corrupt countries, the former group contains nations with huge socio-economic inequalities, and the latter contains nations with a high degree of social and economic justice.

Wikipedia.org (2023) asserts that the factors which encourage systemic corruption include conflicting incentives, discretionary powers; monopolistic powers; lack of transparency; low pay; and a culture of impunity. Specific acts of corruption include "bribery, extortion, and embezzlement" in a system where "corruption becomes the rule rather than the exception." Scholars distinguish between centralized and decentralized systemic corruption, depending on which level of state or government corruption takes place; in countries such as the Post-Soviet states both types occur. Some scholars argue that there is a negative duty[clarification needed] of western governments to protect against systematic corruption of underdeveloped governments.

Principles of Public finance management

The study findings revealed that most respondents agreed that the principles of public finance management include; Accountability, Probity, Prudence, Equity, Transparency and Democratic consent.

According to erepostory.unonbi.ac.uk, (2023), In the context of a financial environment, fiscal probity is about the ethical, lawful, prudent, effective and transparent conduct of financial transactions and of processes that ensure that all such transactions and procedures are supported as appropriate by a robust risk management strategy. Fiscal probity was of much value for the effective management of public resources. A report by the United Nations

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(2000) indicated that scandals involving public officials had captured world attention these days. Precipitated by shady privatization deals, the diversion of aid, widespread public sector patronage, crony capitalism, and campaign financing abuses, people were debating outright corruption and unprofessional behavior in government. Prudence is an accounting practice that goes beyond the common sense of being fiscally conservative. It is the practice of ensuring that the company is not overvalued by preventing the income and assets from being overstated in the company's reporting. The prudence principle deviates from conventional accounting as it provides for all possible losses, but does not anticipate profits. As such, the company may actually be undervalued. This may not curry favour with shareholders. However, it can create a more realistic overview of the company's financial health than more optimistic estimates, and ensures that the company will always be able to meet its debt obligations.

Relationship between Public finance management and corruption practices

The study findings revealed that most respondents agreed that PFM processes- revenue mobilization (e.g. taxation and customs), budget preparation and resource allocation, budget execution (e.g. procurement and payroll), and the accounting and auditing of government expenditure and public expenditure is a substantial, and often the largest, part of most countries' economy and corruption in PFM can directly affect a range of different development outcomes are some of the relationship between PFM and corruption.

Gsdrc (2021) further suggests that Most anti-corruption efforts targeted at PFM rely on a traditional "Klitgardian" theory of change: opportunity + discretion – sanctions = inclination for corruption. As a result of interventions largely focus on reducing discretion, with the aim of limiting opportunities and incentives for corruption, for example, through greater transparency, the standardization and automation of processes, and by opening budgetary processes to wider participation. They also focus on stronger sanctions to reduce incentives for corruption, such as greater monitoring and transparency to make the detection of corruption and the application of sanctions more likely, or through tougher sanctions. The latter is ideally coupled with more consistent and regular application to deter corrupt behaviour more effectively.

Compared to other anti-corruption reforms, there is a reasonable body of research on corruption and PFM, driven particularly by the availability of stronger data (especially PETS data). The evidence shows the overall effectiveness of anti-corruption PFM reforms, and highlights the link between transparency reforms and sanctions. However, joint patterns of PFM and PFM reforms are generally associated with stronger governance (and lower corruption). While we can be relatively confident that PFM reforms have an impact on corruption, we are less confident about which particular aspect of PFM contributes to reducing corruption.

Considering the wider political economy of PFM-related corruption, and understanding how this can affect the opportunities for, and efficacy of, different anti-corruption reforms is important. Government spending is often a key source of political patronage and key to sustaining a particular political settlement. This inherently mitigates against transparency and procedural openness.

All these reforms approach corruption in PFM as a principal-agent problem. While it is plausible that this is a useful framework to understand important aspects of what drives or facilitates PFM-related corruption, it is worth noting that there are two alternative perspectives:

Corruption in PFM can be a rational response to the wider political-economic environment. Corruption by procurement officials, for example, might not only be driven by greed but also by a response to threats of job losses or even violence against officials by powerful politicians.

Corruption, especially petty corruption, can be a collective action problem, where the wider political and economic settlement makes it too costly for individuals to not engage in corruption as long as it remains a pervasive activity. For example, businesses might suffer and become no longer viable if, unlike most others, they eschew practices like bribing tax officials or customs officials.

Conclusions

The study findings concluded that the causes of corruption include; lack of competent leadership and accountability, public beliefs and attitudes, moral decay in public service, low income, the anti-corruption agencies and the judicial system face problems of limited finances and human resources, the churches with their development projects and charities are also victims of corruption and greed. This was reflected when most of respondents agreed or strongly agreed with the statements about the causes of corruption.

The study findings also concluded that in the context of a financial environment, fiscal probity is about the ethical, lawful, prudent, effective and transparent conduct of financial transactions and of processes that ensure that all such transactions and procedures are supported as appropriate by a robust risk management strategy

The study findings concluded that corruption in PFM can directly affect a range of different development outcomes. PFM processes- revenue mobilization (e.g. taxation and customs), budget preparation and resource allocation, budget execution (e.g. procurement and payroll), and the accounting and auditing of government expenditure, public expenditure is a substantial, and often the largest, part of most countries' economy

Corruption in PFM can be a rational response to the wider political-economic environment. Corruption by procurement officials, for example, might not only be driven by greed but also by a response to threats of job losses or even violence against officials by powerful politicians.

Corruption, especially petty corruption, can be a collective action problem, where the wider political and economic settlement makes it too costly for individuals to not engage in corruption as long as it remains a pervasive activity. For example, businesses might suffer and become no longer viable if, unlike most others, they eschew practices like bribing tax officials or customs officials.

Recommendations

On the basis of the analysis of the study the researcher made the following recommendations;

Expose corrupt activities and risks that may otherwise remain hidden, keep the public sector honest, transparent and accountable, help stop dishonest practices and ensure that public sector employees act in the public interest.

Align anti-corruption measures with market, behavioral, and social forces. Adopting integrity standards is a smart business decision, especially for companies interested in doing business with the World Bank Group and other development partners.

Create pathways that give citizens relevant tools to engage and participate in their governments identify priorities, problems and find solutions.

Bring together formal and informal processes (this means working with the government as well as non-governmental groups) to change behavior and monitor progress.

Use the power of technology to build dynamic and continuous exchanges between key stakeholders: government, citizens, business, civil society groups, media, academia etc.

Invest in institutions and policy sustainable improvement in how a government delivers services is only possible if the people in these institutions endorse sensible rules and practices that allow for change while making the best use of tested traditions and legacies – imported models often do not work.

Punishing corruption is a vital component of any effective anti-corruption effort. Keep citizens engaged on corruption at local, national, international and global levels in line with the scale and scope of corruption. Make use of the architecture that has been developed and the platforms that exist for engagement.

Any good strategy must be continually monitored and evaluated to make sure it can be easily adapted as situations on the ground change.

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