
**A STUDY ON THE INFLUENCE OF BUDGET CONTROLS ON THE FINANCIAL
PERFORMANCE IN THE PUBLIC SECTORS: A CASE STUDY OF MAYUGE DISTRICT**

**1 Ikoba Isima, 2 Ngiri Andrew ,3 Ojok Alex
1, 2, 3 Metropolitan International University**

ABSTRACT

The study was conducted on the influence of budget controls on the financial performance in the public sectors mainly in Mayuge District eastern Uganda neighboring Jinja District, Iganga District. The study followed the following objectives; To examine the role of accountability on the financial performance in public sectors. To examine the relationship between the financial control on the financial performance in the public sectors and to establish the contribution of planning and conditions on the financial performance of public sectors mainly in Mayuge District. From the researcher findings from the study, production and operation participated more than any other officers because they were easily found less busy compared to the rest of Mayuge District employee who hardly got time to respond to the researchers' request. However, other respondent's views were equally important even when they did not have enough time to respond to the researcher. From the study findings, slightly over 11.5% respondents were found working at the marketing, and 3.1% of respondents were from Human resource department and 1.5 % were from Procurement, and 3.9 % were from Finance departments. The ministry of finance should encourage public sectors in developing countries and Uganda in particular to always perform budgeting process. By doing this, all the departments in public sectors will get to know of what is expected out of them and able to adjust towards achieving it for fulfilling the public sectors' goals and objectives since budgeting serves as performance indicator, model of communication, measure of control, means of motivation.

Key words: budget controls, financial performance and public sectors

Background of the Study

In today's world, budget is widely used by many organizations as a financial management tool to achieve financial success. Lucey (2009) agrees that while there are many ways to finance public and private organizations on an equal footing, the main difference is that the budget of the latter organizations focuses on the social quality of expenditures (inputs) and sales revenues (outputs) (Ntirandekura et al., 2022). Results are easier to measure in public organizations, so traditional budgeting is used to ensure that all expenditures are not spent more than the money brought in. Budget. Government budgeting can be defined as political control and management by the executive and legislators to allocate limited resources among the various agencies of government at a district or subdivision level, it is a tool for selecting a combination of resources. Public and public sector products and services are made in public sector mechanisms (Brian & Jacob, 2023).

Uganda's public sector has evolved over time. With the current reforms, budgeting has become an important part of the entire public sector, especially the Ministry of Interior. Cash flow to generate spending has become an essential part of budget deficit management. Further development is needed to learn more about economic forces and find better strategies to be effective and to deal with inflation, interest rates, tax policy and other financial risks without exposure and other jobs. Therefore, everything mentioned above is necessary for this study (Kazaara & Kazaara, 2023).

Despite these efforts, dissatisfaction continues among government employees, particularly in the Mayuga region.

Unfortunately, there is little research that determines how financial management leads to financial performance in the public sector such as local government (Alex & Kazaara, 2023). Other researchers, such as Robert Barlow (2009: 199), have observed that "budgets are mathematical blueprints, models by management, are the basis for decision making, and act upon the management of the business organization". Researchers wondered if these allegations had affected the work of organizations such as the Mayuge District (1 Ourien Isaac, 2 Dr Ariyo Gracious Kazaara, 2023). Therefore, it is the background that motivates the researchers to conduct this research using the impact of financial management in Mayuga district on the financial performance of the public sector as research.

Problem Statement

Statistics show that all public services to the economy have declined, probably due to poor performance. Uganda Bureau of Statistics (UBOS) 2019 report highlights the necessity of budget management to reduce fiscal inequalities, reduce costs and increase efficiency while improving the performance of public finance (UBOS, 2019). Article Performance and Consent in Public Sector Responsibility (Christopher, 2022). Chapter lacks the effective financial planning, management and coordination tools necessary to achieve efficiency and has difficulty explaining and using concepts to facilitate operations, quality and other necessary benefits to achieve desired goals (Akankwasa et al., People, 2022). Therefore, the government tries to establish all policies and strategies to overcome the above challenges, but at the same time asks researchers to explore the impact of fiscal management on action studies of public finances, especially using the Mayuga region as a study area.

Objectives of the study

1. To examine the role of accountability on the financial performance in public sectors
2. To examine the relationship between the financial control on the financial performance in the public sectors.

3. *To establish the contribution of planning and conditions on the financial performance of public sectors mainly in Mayuge District.*

Research questions

1. *What are the roles of budgeting on the financial performance in public sectors?*
2. *What is the relationship between the budget controls on the financial performance in the public sectors?*
3. *What is the contribution of budgeting control on the financial performance of public sectors mainly in Mayuge District?*

Methodology

Research design

The study was based on a descriptive survey, precisely the cross-sectional survey research design in which both qualitative and quantitative methods of data collection was employed. These methods were used for the purposes of drawing valid conclusions. A descriptive survey research design was used because the study was intended to select respondents across different Sub-counties in Mayuge District if necessary and its neighbours with the purpose of soliciting for their opinions and analyzing them for comparison. A cross-sectional survey shall be used to gather data from a large number of cases at a particular time. The qualitative methods shall be used which included, interviews that was guided by an interview schedule.

Population of the study

The target population of this study shall be constituted by all the local leader's citizens, employees (civil servants) for example, CAO regardless of their qualifications in public services as well as public sectors and government-aided organizations which has been in existence for at least 2 years. These civil servants were about 60 in number in accordance with the statistics from the office of the CEO). This population was chosen because it was in position to give accurate views concerning budget control on the performance in finance mainly in Mayuge District.

Sample size

Due to financial constraints and time, the study was intended to involve sampling method. From the target population of 100 Public Servants, Krejcie and Morgan's' (1970) table of sample size determination cited in Amin (2005) suggested a minimum sample of 50 respondents. This sample was considered to representative and able to give accurate views concerning Public Servants on the Budget control and financial performance in Mayuge District.

Sample Techniques

Purposive sampling Technique

Purpose sampling as well-known as judgmental selective or subjective sampling, selective or subjective sampling in which in which researchers rely on own judgement when choosing members of the population to participate in the survey. The purposive sampling technique was employed in order to select: 9 committee members and 10 Top officials.

Simple random sampling technique

Simple random sample is a subject of a statically population in which each probability of being chosen. The study was also applied the simple random sampling technique to select 20 civil servants and 18 top officers as well as 5 community members whose views were significant for the effectiveness of the study.

Profitability sampling techniques

This is where every member of the target population has a known chance of being included in the sample (Cook, T, (2005). Each probability sampling has its own unique and it aimed at reducing the risk of over or under representation and ensuring the results are representative of the population. It ensures the absence of systemic error and sampling bias and high level of reliability findings as well as increased accuracy of sampling error estimation.

Data collection Instruments**Questionnaire**

The research instrument that was used in the study that is the Self-Administered Questionnaire (SAQs) was directed towards Mayuge administration offices. In this study, the SAQs was filled in by the selected public servants. The researcher was used the SAQs because it was the most appropriate in a survey that involved a large number of respondents (Amin, 2005). In addition, (SAQs) was very suitable for the target respondents given their high levels of English literacy.

Data analysis

Data collected from the field was first sorted, edited, coded and entered into in the computer using SPSS (Nelson et al., 2022). This package helped the researcher to present data by generating tables, graphics and frequency tables. At univariate level, SPSS helped the researcher to generate descriptive statistics such as means and standard deviations. The Analysis of Variance (ANOVA) technique was used to establish the magnitude of the influence of budget control on the financial performance in Mayuge District using Eviews (Nelson et al., 2023).

RESULTS**Gender distribution of respondents**

The gender distribution of respondents was established. This aimed at knowing how males and females as community members actively participate in public sectors and how they the perceive budgeting. The study targeted both male and female which gave a variety of findings that were not biased making it gender sensitive as in table 1 below.

Table 2: Showing gender distribution of respondents

Gender	Frequency	Valid Percent	Cumulative Percent
<i>Male</i>	<i>51</i>	<i>85</i>	<i>85</i>
<i>Female</i>	<i>09</i>	<i>15</i>	<i>100</i>
Total	60	100	

Source: *Primary Data 2022*

The study found out that the majority of the respondents were male as compared to the female. The number of males who participated in the study was represented by 51(85%) as compared to 09(15%) of the respondents who were female. This is because the Mayuge District involve a lot men based on the population and District also required men due to heavy activities and programs that can only be done by the male compared to female. Since this is a big Local government, it needs strong men. The given gender of the study respondents would imply that men could still be dominating women in the process of budgeting control within the public sector in Uganda. This was analyzed as per the pie chart below

Figure 2: Showing gender distribution of respondents

Source: *Primary Data 2022*

Age distribution of respondents

Table 3: Showing age distribution of the respondents

Gender	Male	Female	Frequency	Valid Percent	Cumulative Percent
15 - 25	08	01	09	15	15
26-35	09	05	14	23	38
36-45	21	02	23	39	77
46 - 55	08	01	09	15	92
Above 55	05	00	05	08	100
Total	51	09	60	100	

Source: *Primary data 2022*

The table above shows that most of the respondents were between the ages of 36-45 accounting for 23(39%). This implied that were likely to understand better the role of budgeting in financial performance of public sectors in Uganda particularly at public sectors in Uganda which they could be in position to provide to the study as

majority reported to had worked at the factory for a long time. The other category of the respondents was in the age range of 26-35 reported by 14(23%) of the study respondents and these respondents' views were very important for the study as some of these respondents were participating in budgeting process of the organization in addition to them being in position of controlling financial resource at the Organization.

More, 09 (15%) of the study respondents comprised of those who were in the age blanket of 15- 25 and 46- 55 each respectively. These respondents' views were so great in the process of analyzing the study variables that helped to understand the problem that was at hand.

Lastly, 05(05%) comprised of the respondents who reported to have their ages above the range of 55 and above years. The age composition of the study respondents could therefore be important factor in generating valid yet reliable information in relation to the issues concerning the role of budgeting in financial performance of public sectors in Uganda.

Marital status of the respondents

The marital status of the respondents was also covered and analyzed to assess their views in relation to role of budgeting on financial performance. This contained of those who were married, single, widowed, and separated as indicated in the table below.

Table 4: Showing marital status of the respondents

Marital status	Male	Female	Frequency	Valid Percent	Cumulative Percent
<i>Married</i>	32	05	37	61	61
<i>Single</i>	19	03	22	37	98
<i>Widowed</i>	00	01	01	2	100
<i>Separated</i>	00	00	00	00	100
Total	51	09	60	100	

Source: *Primary data 2022*

As seen in the table above, majority of the study respondents constituting 37(61%) were married and these were followed by respondents who were single as was reported by 22(37%) of the respondents, then 01(02%) who was widowed the study further established that most of the respondents who were married had stayed in the organization as employees. All these respondents of the study regardless of their status were all willing to provide the information that was required by the study that helped in understanding the study problem that was under investigation. That their views were very important as were relevant to the study.

Level of education of the respondents

Table 5: Showing level of education of the respondents

Level of education	Male	Female	Frequency	Valid Percent	Cumulative Percent
Primary	00	00	00	00	00
Secondary	05	02	07	12	12
Degree	30	03	33	55	67
Master	02	01	03	05	72
Others(diploma)	14	03	17	28	100
Total	51	09	60	100	

Source: *Primary data 2022*

Figure 3: Showing level of education of the respondents

Source: *Primary Data 2022*

As revealed in table above, most respondents constituting 33(55%) had attained degree level of education. These had the highest level of education and hence more likely to have understanding of the role of budgeting control on financial

performance. In their different positions at Mayuge District were making budgets for their tasks.

The other 17(28%) of the respondents were educated to others (e.g., Diploma). These were likely to believe in budgeting of financial resources at their disposal in the Organization. These respondents provided very vital information that helped the researcher in the process of writing her report as the study problem at hand was clearly revealed.

Furthermore, 07(12%) of the respondents were educated to secondary level and further establishment, it was indicated that all these reported to be in the production department at the Organization where the study was carried out. They showed that budgeting to any business organizations is very important as were also able to provide different reasoning to the study variables that were very crucial to the study.

The least 03(05%) of respondents were educated up to master's level. These respondents were of the view that budgeting is guideline to the financial performance of the organization. This also showed that these respondents' views were vital in relation to the study variables of budgeting and financial performance in public sectors in Uganda.

Length of service

Table 6: showing length of Service

Table showing length of service: Years	Frequency	Valid Percent	Cumulative Percent
Less than 1 year	00	00	00
Between 1 - 2 years	00	00	00
Between 2 - 4 years	16	27	27
Above 4 years	44	73	100
Total	60	100	

Source: Primary data 2022

From the respondents interviewed, 73% had worked for the Mayuge District for more than 4 years and these mostly included employees from outside Uganda more especially Kenya and some Ugandans. This is a quite a good experience for the respondents to give informed responses on the role of budgeting on the financial performance of public sectors. They therefore had extensive experience in the field and helped to reveal how the role of budgeting are exercised in Mayuge District.

Departments of the respondents

Table 7: showing the department of the respondents

<i>Department of the respondent</i>	<i>Frequency</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Human Resource</i>	<i>2</i>	<i>3.1</i>	<i>3.1</i>
<i>Procurement</i>	<i>1</i>	<i>1.5</i>	<i>4.6</i>
<i>Production and operations</i>	<i>48</i>	<i>80</i>	<i>84.6</i>
<i>Marketing</i>	<i>7</i>	<i>11.5</i>	<i>96.1</i>
<i>Finance department</i>	<i>2</i>	<i>3.9</i>	<i>100</i>
<i>Total</i>	<i>60</i>	<i>100</i>	

Source: Primary Data, 2022

To the researcher finding from the study, production and operation participated more than any other officers because they were easily found less busy compared to the rest of Mayuge District employee who hardly got time to respond to the researchers' request. However, other respondent's views were equally important even when they did not have enough time to respond to the researcher. From the study findings, slightly over 11.5% respondents were found working at the marketing, and 3.1% of respondents were from Human resource department and 1.5 % were from Procurement, and 3.9 % were from Finance departments.

The roles of budgeting on the financial performance in public sectors***Table 8: Showing whether respondents understand the term budgeting***

<i>Understand the term budgeting</i>	<i>Male</i>	<i>Female</i>	<i>Frequency</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Yes</i>	<i>51</i>	<i>09</i>	<i>60</i>	<i>100</i>	<i>100</i>
<i>No</i>	<i>00</i>	<i>00</i>	<i>00</i>	<i>00</i>	<i>100</i>
<i>Total</i>	<i>51</i>	<i>09</i>	<i>60</i>	<i>100</i>	

Source: *Primary Data, 2022*

After establishing that all the study respondents knew what the term budgeting is, it was important to establish how the organization was often performing budgeting and this was established as follows.

Table 9: Showing how the organization budgeting is often done

<i>Response</i>	<i>Male</i>	<i>Female</i>	<i>Frequency</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Quarterly</i>	<i>17</i>	<i>02</i>	<i>19</i>	<i>31</i>	<i>31</i>
<i>Monthly</i>	<i>15</i>	<i>01</i>	<i>16</i>	<i>27</i>	<i>58</i>
<i>Yearly</i>	<i>19</i>	<i>06</i>	<i>25</i>	<i>42</i>	<i>100</i>
<i>Total</i>	<i>51</i>	<i>09</i>	<i>60</i>	<i>100</i>	

Source: *Primary Data, 2022*

According to the study finding, majority of the respondents 25(42%) said that the organization of Mayuge District was performing its budgeting process yearly, followed by the respondent who revealed that the organization was performing its budgeting quarterly that constituted 19(31%) of the respondents, finally 16(27%) who reported that budgeting was being performed monthly. The above information implies that at least the organization was performing budgeting for its proper financial performance. On further understanding by the study, it was established that they are reasons for why budgeting was performed at Mayuge District. This is because all the

study respondents were in position to indicate that the organization was performing budgeting process for reasons and these include the following.

Table 10: Showing role for budgeting

Roles for budgeting	Male	Female	Frequency	Valid Percent	Cumulative Percent
Planning purpose	15	01	16	27	27
Control	08	02	10	17	44
Evaluation of Performance	12	02	14	23	67
Continuous comparison of results	09	03	12	20	87
Creation of responsibility centers	07	01	8	13	100
Total	51	09	60	100	

Source: Primary Data, 2022

As presented in the table above, majority of the study respondents totaling 16(27%) said that planning was the main reason for budgeting at Mayuge District. Respondents said that when the firm is planning for the financial year or for the purchase of raw materials, it always budgets for the funds, time and the number of resources to bring into the organization with the budgeted funds. Still that budgeting allows the organization to attain its goals through planning how to use its revenue and how to make expenses.

Also 10(17%) of the respondents said that control in public sectors is done by proper budgeting. The respondents said that through budgeting that overstocking and under stocking of materials can be controlled. To this, public sectors' owners use budgeting as a tool to make sure that the processing materials are available at the right time and in the right place which can later lead to better performance and achievement of the' goals and objectives.

The study respondents 12(20%) also said that budgeting involves the continuous comparison of actual results against budgets to form a basis of standards and taking corrective action. Actual performance should be frequently compared against budgeted performance in order to take corrective action in case of any variances.

Contributions of budgeting on financial performance

Table 11: Showing whether budgeting has contributions on the financial performance

Responses	Male	Female	Frequency	Valid Percent	Cumulative Percent
Yes	51	08	59	98	98
No	00	01	01	02	100
Total	51	09	60	100	

Source: **Primary Data, 2022**

The findings above show that majority of the respondents 59(98%) said that budgeting has contributions of budgeting on the financial performance of public sectors as compared to 01(02%) of the respondents who said that budgeting does no contribution on the financial performance of public sectors in Uganda. To this, the respondent said that whether there is budgeting or not public sectors in Uganda's financial performance still exists as budgeting involves a lot of costs.

On further understanding by the researcher, the respondents who believed that budgeting has contributions of budgeting on the financial performance of public sectors in Uganda were able to report the following information in such relation that;

Budgeting has a significant role on financial performance of public sectors in Uganda

The study also wanted to show how budgeting has significant roles on the financial performance of public sectors in Uganda. This can be mentioned as below.

Table 12: Showing whether budgeting has significant role on financial performance of public sectors in Uganda

“Budgeting has significant role on financial performance of Public sectors in Uganda”	Male	Female	Frequency	Valid Percent	Cumulative Percent
<i>I disagree</i>	01	00	01	02	02
<i>I agree</i>	50	09	59	98	100
Total	51	09	60	100	

Source: Primary Data, 2022

From the table above, 59(98%) of the respondents agreed that budgeting has a significant role on the financial performance of public sectors in Uganda as compared to 1 (02%) of the respondents who said that budgeting has no a significant role on the financial performance of public sectors in Uganda as they disagreed with statement. The respondent who disagreed claimed that public sectors’ financial performance depends on other factors like hard work, quality of the produced products and type of business carried out but not budgeting. However, those respondents who were in the agreement with the statement gave different reasons in relation to the same view as significances of budgeting on the financial performance of Public sectors forms in Uganda and these are as follows;

Table 13: Showing whether Organization budgeting was influencing its financial performance

Response	Male	Female	Frequency	Valid Percent	Cumulative Percent
<i>Yes</i>	59	09	60	100	100
<i>No</i>	00	00	00	00	100
Total	59	09	60	100	

Source: Primary Data, 2022

According to the above table all the 60(100%) respondents believed that organization budgeting was influencing its financial performance as none of the respondents was in the disagreement with the same statement. To this budgeting controls the misuse of funds, allocation of resources and therefore financial development which later heads to better financial performances. The above information as per the study respondents significantly implies that budgeting influence the financial performance of public sectors in Uganda.

Conclusions

The researcher concludes that, budgeting system plays an important role to business management, especially in decentralized Public sectors whereby an organization needs budget to translate all the organization's strategies into short-term and long-term plans and objectives. They further demonstrated that, budget is one of the important tools which all managerial levels use to plan, control firm's activities, and make the business achieve certain aim and appropriate operation.

Recommendations

That, Public sectors should employ workers who are qualified for improved financial performance. This can be done through the process of selection and recruitment process that will help in the selection of people with skills and knowledge that will improve on their performance due to increased output.

The ministry of finance should encourage public sectors in developing countries and Uganda in particular to always perform budgeting process. By doing this, all the departments in Public sectors will get to know of what is expected out of them and able to adjust towards achieving it for fulfilling the Public sectors' goals and objectives since budgeting serves as performance indicator, model of communication, measure of control, means of motivation.

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