
CORRUPTION PRACTICES AND PUBLIC FINANCE MANAGEMENT IN

WAKISO DISTRICT

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ABSTRACT

The study assessed the effect of corruption on public finance management at Wakiso District. The objectives of the study included; to find out how bureaucratic corruption affects public finance management at Wakiso District, to examine how causes of corruption in local government affects public finance management at Wakiso District and to find out how bribery and extortion affects the delivery of services at Wakiso District. A case study research design was adopted employing both qualitative and quantitative approaches. Out of the targeted sample size of 161 respondents, 126 respondents participated in the study, which was equivalent to a response rate of 78.2%. The quantitative data was analyzed using descriptive statistics, Spearman correlation and regression analysis techniques. Qualitative data was summarized and presented using verbatim statements. The findings showed that, bureaucratic corruption affected public finance management by 23.9%, causes of corruption in local government had 38.9% effect on public finance management while bribery and extortion affected public finance management by 18.9%. The results therefore mean that causes of corruption in local government had the greatest effect on service delivery. In conclusion, the researcher observed that bureaucratic corruption which results into low morale among the health workers significantly contributes to poor health service delivery. Causes of corruption in local government contributed to poor public finance management since it compromises the recruitment process and cheats the health centers of would-be competent and committed staff. Solicitation for bribes from the patients was also contributed to poor service delivery. The study recommended that Buyende sub county should come up with strategies to motivate its workers, especially in the health department; streamline the recruitment system to minimize causes of corruption

in local government and seriously revise and emphasize the work ethics and code of conduct.

Key words: corruption, graft, embezzlement and public finance management

Background of the Study

Public financial management (PFM) is regarded as a central element of a functioning administration, and underlies all government financial activities. The main stages of the PFM cycle are revenue collection, budget preparation, budget execution, accounting and reporting, and audit and oversight (Paul et al., 2023). Improving a country's PFM system is widely believed to provide extensive and enduring benefits, including stronger institutions, reduced poverty, greater gender equality and balanced growth (Aleman, 2018). Evidence shows that interventions at every stage of the PFM cycle have a positive impact on curbing corruption, and a recent report also found a positive correlation between public expenditure and financial accountability (PEFA) scores and perceptions of corruption (Melody et al., 2023).

Corruption in Uganda is not a new thing. There is a long history of corruption in Ugandan governments- Some of the governments' level of corruption were more extreme than others (Pdu et al., 2023). Uganda under Idi Amin was a very repressive state (Kazaara et al., 2023). His military was very aggressive and would kill people if they felt like they opposed the regime in some way, which led to about 100,000 people being killed during his seven years in power. During Amin's rule he took over most businesses that were run by a different race and were given to his cronies (Oromo et al., 2023).

Problem Statement

Despite the enactment of a number of public finance management reforms since the 2017s, misappropriation of public funds in Uganda remains a challenge (Ntirandekura & Samwuel, 2022). On one hand, the reforms aim to create a sound public finance management system that supports aggregate control, prioritization, accountability and efficiency in the management of public resources and the delivery of services critical to Uganda's development goals (Ministry of Finance Planning and Economic Development, 2018). On the

other hand, the prevalence of misappropriation of public funds by public servants, delays in fund disbursement, low absorption capacity by some departments, and idle, dormant bank accounts continue to have a negative impact on the delivery of public services (Mark et al., 2023). For example, scandals in the Office of the Prime Minister, where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services, amounted to the equivalent of the total budget of the Ministry of Agriculture Animal Industry and Fisheries in 2018/14 and approximately 3 % of Uganda's total annual budget (Atwine, 2018). Different panels of inquiries have been set up in Uganda for the investigation of cases of poor public financial management and such panels usually end up with minor or no result (Seth & Ntirandekura, 2022). New strategies like the Parish Model have been invented to help manage public finances in a better way. However, one wonders how effective such new methods of public finance management will perform. This study will however focus on impact of corruption on the public finance management in Uganda (Phionah et al., 2023).

Objectives of the Study

- 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.*
- 4. To find out the relationship between corruption and public finance management in Wakiso district.*

Research 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?

4. *What is the relationship between corruption and public finance management in Wakiso district?*

Methodology

Research Design

This study adopted a design is also known as cross-sectional analysis. Although cross-sectional research does not involve conducting experiments, researchers often use it to understand outcomes in the physical and social sciences and many business industries (Orodho, 2018). Mugenda and Mugenda (2014) and also give the reason for cross sectional research as reporting and determining the state in which things are. The research was suited within the provisions of cross-sectional research design because the researcher gathered data and report the state in which things are without changing any variables.

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 Kreijce sample determination table, a population of 161 yields a sample size of 126 participants.

Data Collection Instruments

The data sources employed in this research project was on primary data. The project employed the use of questionnaires for primary data collection. Structured questionnaires were designed to meet the objectives of the project. Each item was developed to address specific themes of the project. The questionnaire captured the business identification information, demographic information (location, age, marital status, education level, and land size and land ownership) and information based on the specific objectives.

Data Analysis

The researcher conducted data cleaning after all data was collected. The data cleaning involved identification of inaccurate or incomplete responses, which were rectified to improve the quality of the responses. After data cleaning, the data was coded and entered in the computer for analysis using the Statistical Package for Social Sciences version 22 (SPSS) (Nelson et al., 2022). This research produced both quantitative and qualitative data. The data was analyzed in line with the objectives of the study. Qualitative data was analyzed qualitatively using content analysis based on analysis of meanings and implications emanating from respondents' information and documented data. As observed by Gray (2018) qualitative data provides rich descriptions and explanations that demonstrate the chronological flow of events as well as often leading to serendipitous (chance) findings. On the other hand, simple descriptive and inferential statistics (regression model) was employed to analyze quantitative data using E-views (Nelson et al., 2023).

The regression model assumed the following equation:

$$Y = B_1X_1 + B_2X_2 + B_3X_3 + B_3X_3 + \epsilon.$$

RESULTS

Embezzlement and public finance management

Table 1: showing the relationship between embezzlement and public finance management

response	SD	D	NS	A	SA
There have been cases of embezzlement report in Wakiso District Public Finance Management (PFM)	16% (19)	9% (11)	7% (9)	57% (70)	11% (13)
Some district officials have been prosecuted for embezzlement of the district funds	14% (16)	8% (10)	3% (4)	53% (65)	22% (27)
Embezzlement is a challenge in district finance management and a hindrance to public service delivery	15% (18)	3% (4)	10% (12)	50% (61)	22% (27)
Sometimes district accounting officers use funds for a different purpose than they were intended	18% (23)	4% (5)	11% (13)	47% (57)	20% (24)

<i>to be used</i>					
<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

Finding show that more district support staff and administrative staff were concurred to all the 8 items about the relationship between embezzlement and public finance management. For example, relating to if there have been cases of embezzlement report in Wakiso District Public Finance Management (PFM), more district support staff and administrative staff (68%) concurred that There have been cases of embezzlement report in Wakiso District Public Finance Management (PFM) compared to 25% who opposed while 7% were not sure. More district support staff and administrative staff (75%) concurred that district support staff took long to be examined treatment compared to 22% who opposed while 3% were not sure. More district support staff and administrative staff (72%) concurred that administrative staffs were not competent compared to 18% who opposed while 10% were not sure. More district support staff and administrative staff (67%) concurred that administrative staff were few compared to 22% who opposed while 11% were not sure that more district support staff and administrative staff (71%) concurred that Some district officials have been prosecuted for embezzlement of the district funds compared to 18% who opposed while 11% were not sure (Wegulo et al., 2023). These findings show there was delayed public finance management at Wakiso district. Interviews findings about Wakiso district' public finance management were supportive of findings obtained using questionnaires as they also showed that all the four interviewees were dissatisfied with it (Allan et al., 2023).

Regarding staff embezzlement, it is shown that more district support staff and administrative staff (66%) concurred that administrative staff were so many but

do-little work compared to 28% who opposed while 6% were not sure. More district support staff and administrative staff (65%) concurred that it took long for staff to see a client compared to 31% who opposed while 4% were not sure. More district support staff and administrative staff (65%) concurred that district records were not often kept compared to 31% who opposed while 4% were not sure. More district support staff and administrative staff (58%) concurred that district records often took long to trace compared to 28% who opposed while 14% were not sure. Thus, these findings show staff inefficiency at Wakiso district. In support of these findings were interview findings from four district officers. Inefficiencies in government project implementation were the most cited during interviews.

In relation with service quality, it is shown that more district support staff and administrative staff (72%) concurred that service quality was low compared to 21% who opposed while 7% were not sure. More district support staff and administrative staff (80%) concurred that customer care was lacking compared to 17% who opposed while 3% were not sure. More district support staff and administrative staff (74%) concurred that treatment was often in adequate compared to 16% who opposed while 10% were not sure. More district support staff and administrative staff (69%) concurred that prescribed drugs were often not available compared to 20% who opposed while 11% were not sure. More district support staff and administrative staff (74%) concurred that customers were delayed compared to 15% who opposed while 11% were not sure. Therefore, these findings show that service quality in District projects was poor. Interviews with four district officers also revealed in the same. Interview findings revealed that there remained significant challenges in matching Wakiso district' services with local community needs. It was established that most the service that Wakiso district services were insufficient and of poor quality (Moses et al., 2023). Overall, these findings show the following. In most cases, Wakiso district' public finance management was inefficient and ineffective, had no value for money and was of poor-quality services. In addition, in most cases, Wakiso district' services were not easily accessed and Wakiso district' responsiveness in public finance

management and service coverage were unsatisfactory. Lastly, Wakiso district offered unreliable service to the community. Thus, the implication of these findings is that Wakiso district's public finance management was poor.

Testing second hypothesis

Table 2: Correlation between embezzlement and public financial management

	embezzlement
Public financial management	$\rho = -.628$ $\rho^2 = .394$ $p = .000$ $n = 122$

Source: primary data, 2022

Findings show that there was a strong negative correlation ($\rho = -.628$) between embezzlement and public financial management. The coefficient of determination, which is a square of the correlation coefficient ($\rho^2 = .394$) show that embezzlement accounted for 39.4% change in public financial management. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the null hypothesis "Embezzlement significantly affects public financial management" was accepted.

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 practices	3.3% (4)	4.1% (5)	10.7% (13)	46.7% (57)	35.2% (43)
2. Use public health facilities for own use	4.9% (6)	13.9% (17)	15.6% (19)	51.6% (63)	13.9% (17)
3. There is misappropriate public funds meant for project implementation	4.1% (5)	5.7% (7)	13.9% (17)	48.4% (59)	27.9% (34)
4. Only the rich received quality services	1.6% (2)	8.2% (10)	9.8% (12)	45.1% (55)	35.2% (43)

	(2)	(10)	(12)	(55)	(43)
5. Administrative staff often do not attend to district support staff because graft practices	2.5% (3)	16.4% (20)	18.0% (22)	41.0% (50)	22.1% (27)
6. There are mishandle cases because graft practices	0.8% (1)	2.5% (3)	5.7% (7)	61.5% (75)	29.5% (36)
7. District support staff' conditions get worse due to delay because graft practices	1.6% (2)	13.9% (17)	16.4% (20)	53.3% (65)	14.8% (18)
8. District support staff do not get needed treatment	5.7% (7)	1.6% (2)	4.9% (6)	50.8% (62)	36.9% (45)
9. Workers lack motivation and interest in client care because graft practices	4.1% (5)	0.8% (1)	22.1% (27)	50.8% (62)	22.1% (27)
10. There is misuse public assets	4.1% (5)	2.5% (3)	13.9% (17)	52.5% (64)	27.0% (33)
11. There is low morale and lack of commitment from staff because graft practices	0.8% (1)	8.2% (10)	21.3% (26)	44.3% (54)	25.4% (31)
12. District local government do not protect assets satisfactorily because graft practices	5.7% (7)	6.6% (8)	9.0% (11)	52.5% (64)	26.2% (32)

Source: Primary data, 2022

Finding show that more district support staff and administrative staff were concurred to all the 12 items about graft compared to those who opposed the items and those who were not sure about the items. A comparison on these items shows that the percentages of district support staff and administrative staff that opposed ranged from 4.9% to 18.9% while the percentages of district support staff and administrative staff that were not sure ranged from 4.9% to 22.1% and the percentages of district support staff and administrative staff that concurred ranged from 63.1% to 91% (Ntirandekura & Christopher, 2022). From these

comparisons, it can be seen that the percentages that opposed the items and the percentages were not sure were lower compared to the percentages that concurred. Thus, from this analysis, the following is the interpretation.

Testing first hypothesis

Table 4: Correlation between graft and public finance management

	Graft
Public finance management	$\rho = -.495$ $\rho^2 = .245$ $p = .000$ $n = 122$

Source: Primary Data, 2022

Findings show that there was a moderate negative correlation ($\rho = .495$) between graft and public finance management. Since the correlation does imply causal- effect as stated in the first objective, the coefficient of determination, which is a square of the correlation coefficient ($\rho^2 = .245$), was computed and expressed as a percentage to determine the change in public finance management due to graft. Thus, findings show that graft accounted for 24.5% change in public finance management. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the null hypothesis “Graft significantly affects public finance management was accepted.

Relationship between extortion and public finance management in local governments at Wakiso district

Table 5: 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 who need a service from the district	1.6% (2)	8.2% (10)	32.0% (39)	45.1% (55)	13.1% (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

Finding show that that corruption can be fought some officials extort money from citizens who need a service from the district. A comparison on these items shows that the percentages of district support staff and administrative staff that opposed ranged from 2.5% to 10.7% while the percentages of district support staff and administrative staff that were not sure ranged from 5.7% to 32.0% and the percentages of district support staff and administrative staff that concurred ranged from 58.2% to 91.0% (Jackline et al., 2023). From these comparisons, it can be seen that the percentages that opposed the items and the percentages were not sure were lower compared to the percentages that concurred. Thus, these findings show that some officials get public resources through intimidation of the responsible lower cadre officers.

Testing second hypothesis

The second research question was “How does extortion in the district affect public financial management at Wakiso district local government?” and second alternative hypothesis stated, “Extortion significantly affects public financial management”. Spearman rank order correlation coefficient and coefficient of determination were computed. Table 9 presents the test results for the first hypothesis.

Table 6: Correlation between extortion and public financial management

	Extortion
Public financial management	$\rho = -.628$ $\rho^2 = .394$ $p = .000$ $n = 122$

Source: primary data, 2022

Findings show that there was a strong negative correlation ($\rho = -.628$) between extortion and public financial management. The coefficient of determination, which is a square of the correlation coefficient ($\rho^2 = .394$) show that extortion accounted for 39.4% change in public financial management. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the null hypothesis “Extortion significantly affects public financial management” was accepted.

Conclusions

The study concluded that district support staff’ conditions get worse due to delay in providing public finance management at Wakiso district. This was reflected when most of respondents agreed that workers misappropriate public funds meant for project implementation. The study also concluded that there was embezzlement. This could be due to low morale and lack of commitment from staff. This was further echoed when respondents were asked if workers lack motivation and interest in client care were most of respondents agreed. This study concludes that abuse of office significantly influences public finance management at Wakiso district. This was due to the fact most of respondents agreed with this fact.

Recommendations

The researcher recommends that Wakiso district should motivate its workers this was due to the fact that most respondents agreed that workers lack motivation and interest in client care; this can be done through providing incentives to workers. The researcher also recommends that administrators of Wakiso district

should establish better accountability system since most of respondents noted that public funds meant for project implementation are misappropriated.

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