
Budget Controls And Its Impact On The Financial Stability In The Organizations. A Case Study Nansana Municipality**Kahunde Barbra Moselyn¹, Babirye Shamirah²****1, 2 Metropolitan International University****Abstract**

The purpose of the study was to investigate the influence of budget controls on the financial stability in Nansana Municipality. It was based on the following objectives; To examine the role of accountability on the financial stability in Nansana Municipality, to examine the relationship between the financial control and the financial stability in Nansana Municipality and to establish the contribution of planning and conditions on the financial stability of Nansana Municipality. Concerning the relationship between financial controls and financial stability, it has been found out that there is some relationship as supported by 57(95%) indicated that there is a relationship between financial controls and financial stability of in Nansana as compared to the least number 03(05%) of the respondents who reported that there is no relationship between the two variables of and financial stability of Nansana. Respondents said that financial performance depends on the workers and their efforts but not on budgeting. The results showed that, 59(98%) of the respondents agreed that accountability has a significant role on the financial stability of Nansana as compared to 1(02%) of the respondents who said that accountability has no a significant role on the financial stability of Nansana as they disagreed with statement. The respondent who disagreed claimed the organization financial performance depends on other factors like hard work, quality of the produced products and type of business carried out but not accountability. The ministry of finance and economic development needs to encourage to operate on budgets because budgeting and financial stability of are significantly related. This will track all the costs even banks will support such that operate under the budget after seeing the forecasted cash flows in the drafted budget.

Keywords: Budget Controls, Financial, Stability and Organizations**Background of the Study**

The original meaning of the word budget is derived from the context of the British government, created from the French word "baguette", meaning a small purse (Annet et al., 2023). Public budgets, as they are understood today, are a recent invention that became widespread in the early nineteenth century. It arose in response to major scientific-economic issues and government challenges at critical moments in history (Ntirandekura & Christopher, 2022). In this part of the continent, budgetary controls play a vital role in the management of public finances. Effective resource allocation and expenditure oversight are essential for governments to provide essential services, invest in infrastructure, and promote sustainable economic growth (T. Christopher et al., 2023). Budget research in East Africa often delves into strategies that facilitate the allocation of resources to development projects, poverty reduction, and social welfare programs, all of which contribute to overall financial stability in the region (F. Christopher & Micheal, 2022).

While East Africa is a region with great economic potential, it also faces challenges such as corruption, political instability and limited access to financial services. Research on budgetary controls in this context aims to address these issues by emphasizing transparency, accountability and fiscal discipline (Moses et al., 2023). In addition, it

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examines how budgetary controls can be used to attract investment, foster innovation and foster economic resilience in East Africa, ultimately contributing to the financial stability and prosperity of the region (Musimenta et al., 2017). Uganda's public financial management has undergone significant reforms in recent years to improve transparency and accountability (Polycarp et al., 2023). A government's commitment to prudent budgeting is essential to ensure that public resources are allocated efficiently and used for their intended purposes. Research in Uganda often focuses on assessing the impact of these budgetary control measures on various organizations such as municipalities like Nansana. The aim is to understand how budgetary controls contribute to improving financial stability, service delivery and overall development in local communities (Ivan et al., 2023).

As a specific case study, the village of Nansana provides a microcosm of the broader challenges and opportunities in Uganda. Research on budgetary controls within a municipality can examine issues such as resource allocation, revenue collection, and expenditure oversight (Lydia et al., 2023). It can shed light on how well-established budgetary controls can mitigate corruption, improve public service delivery and ultimately contribute to the financial stability of local government units in Uganda. Such research not only benefits Nansana, but also informs broader policy discussions about financial management practices across the country and serves as a catalyst for improving the fiscal health of organizations in Uganda (Frank et al., 2023).

The case study of the Nansana municipality offers a localized view of research on the impact of budgetary controls on financial stability in organizations (Racheal et al., 2023). Located in central Uganda, Nansana faces challenges common to many African municipalities, including limited resources, rapid urbanization and the imperative to provide basic public services. As a result, the effectiveness of budgetary controls becomes particularly important to maintain financial stability and provide services to a growing population (F. Christopher, Komunda et al., 2022).

Nansana municipality budget management is essential to ensure that limited resources are allocated efficiently and services such as education, health care and infrastructure development are delivered effectively (Ronet et al., 2023). Research in Nansana can delve into the complexities of budgetary controls and examine how these controls are applied within the municipality, their impact on revenue collection, resource allocation and expenditure monitoring. The aim of the study is to reveal the direct link between tight budgetary controls and the financial stability of local organizations such as the Nansana Municipality and to offer a micro-level perspective that contributes to broader discussions on fiscal management in Uganda and other similar contexts. Such research plays a key role in promoting accountability and transparency and ultimately seeks to improve the financial stability and quality of life of residents in Nansana and municipalities like it (Turyatamba et al., 2022).

Problem Statement

The problem with the claim was based on statistics which indicated that the Nansana municipality was consistently reducing its overall contribution to the economy possibly due to poor stability (Moses et al., 2023). According to a 2019 Uganda Bureau of Statistics (UBOS) report, it has been shown that there is a need to have a comprehensive budgetary control system to minimize budget variances, costs and maximize efficiency while improving their financial stability in organizations (F. Christopher Muhindo et al., 2022). The researcher revealed that budgetary control can affect financial stability by playing an important role in the public sector such as helping in accountability, financial control of inputs, planning and coordination as well as effectiveness and efficiency in the

implementation of government programs which in turn improves financial stability, and transparency in accountability in organizations (Racheal et al., 2023). Despite the fact that budgetary control has played a big role in organizations, most organizations face challenges that can be caused by poor forecasting and poor control of funds, resulting in indiscriminate use of public funds meant for more viable activities, Lack of an important tool for proper financial planning, control and coordination for high stability and difficulty in interpreting and implementing detailed to support operational efficiency and other reasonable results to meet estimated or planned goals (Ronald et al., 2023). Therefore, the government has tried to set all possible policies and strategies to curb the said challenges, but there is still a need that prompted the researcher to investigate the effect of budget control on financial stability in Nansana Municipality as a case study area.

Objectives of the study

1. To examine the role of accountability on the financial stability in Nansana Municipality.
2. To examine the relationship between the financial control and the financial stability in Nansana Municipality.
3. To establish the contribution of planning and conditions on the financial stability of Nansana Municipality.

Methodology

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 is employed. These methods are used for the purposes of drawing valid conclusions (Nafiu & Ph, 2012). A descriptive survey research design is used because the study is intended to select respondents across different Sub-counties in Nansana Municipality if necessary and its neighbors with the purpose of soliciting for their opinions and analyzing them for comparison (Jallow et al., 2021). A cross-sectional survey is used to gather data from a large number of cases at a particular time. The study was carried out within Nansana Municipality (Nafiu et al., 2012). This is selected because basing on the stability budgeting system and ministry of finance Reports indicates that Nansana Municipality have been faced with many challenges including poor finance management, accountability among which attract the researcher to investigate on how the budgetary control the stability of finance in Nansana Municipality (Nafiu, 2012). The target population of this study was constituted by all the local leader's citizens, employees (civil servants) for example, CAO regardless of their qualifications in public services as well as Organizations and government-aided organizations which has been in existence for at least 2 years (Olanrewaju et al., 2021). These civil servants are about 60 in number in accordance with the statistics from the office of the CEO). This population was chosen because it is in position to give accurate views concerning budget control on the stability in finance mainly in Nansana Municipality. 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 (2015) suggested a minimum sample of 50 respondents. Simple random sample was a subject of a statically population in which each probability of being chosen (Jallow et al., 2021). The study is also applied the simple random sampling technique to select 20 civil servants and 18 top officers as well as 5 community members whose views are significant for the effectiveness of the study. The questionnaire survey method is employed to gather primary data from school staff through a semi-structured questionnaire. The respondents had an obligation of selecting responses in the tool basing

on their choices as per their experience with the statements (Rasheed et al., 2022). This was used to collect primary data from administrative staff of Nansana Municipality. It involved use of a semi-structured interview guides. The method of interview involved a free interaction between the researcher and the respondents as well as Open ended questions is used to gather information where by the researcher is guided by the tool to ask the questions and the respondents' responses is recorded. The research instrument that was used in the study that was the Self-Administered Questionnaire (SAQs) was directed towards Nansana administration offices (Olanrewaju & Abiodun, 2021). In this study, the SAQs were filled in by the selected public servants. The researcher used the SAQs because it was the most appropriate in a survey that involved a large number of respondents (Amin, 2015). 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 unilabiate 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 stability in Nansana Municipality (Nelson et al., 2023).

RESULTS

Table 1: Showing whether planning and coordination has contributions on the financial stability.

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 from table 5 above shows that majority of the respondents 59(98%) said that planning and coordination has contribute to budgeting to achieve financial stability as compared to 01(02%) of the respondents who said that planning and coordination does no contribution on the financial stability of in Uganda. To this, the respondent said that whether there is planning or not in Nansana's financial stability still exists as planning involves a lot of costs (Alex & Kazaara, 2023). On further understanding by the researcher, the respondents who believed that planning and coordination has contributions to budgeting on the financial stability of Nansana were able to report the following information in such relation that; Coordination ensures proper planning of firm's resources in terms of cash and this helps in the financial stability of Nansana (Polycarp et al., 2023). That through coordination, periodic planning like budgets for the year, monthly, quarterly, weekly among others are drafted with the help of the master budget for the resources available in the firm. More that, it is through planning that costs are managed and controlled and therefore through this, budgeting contributes to the financial stability of organization. In this, the through budgeting can realize when costs are high and make some adjustments and that they can set targets to meet through budgeting and that by doing this cost are n managed and controlled.

Still that budgeting helps in the stability measurements and therefore contributes on the financial stability of Nansana (Ntirandekura & Christopher, 2022).

Table 2: Showing whether accountability has significant role on financial stability of Nansana.

“accountability has significant role on financial stability of Nansana”	Male	Female	Frequency	Valid Percent	Cumulative Percent
I disagree	01	00	01	02	02
I agree	50	09	59	98	100
Total	51	09	60	100	

Source: Primary Data, 2022

From the table 2 above, 59(98%) of the respondents agreed that accountability has a significant role on the financial stability of Nansana as compared to 1(02%) of the respondents who said that accountability has no a significant role on the financial stability of Nansana as they disagreed with statement. The respondent who disagreed claimed the organization financial stability depends on other factors like hard work, quality of the produced products and type of business carried out but not accountability (Lydia et al., 2023). However, those respondents who were in the agreement with the statement gave different reasons in relation to the same view as significances of accountability on the financial stability of forms Nansana and these were as follows;

It was revealed that proper planning of funds is one of the significant roles of accountability. To this, respondents indicated that through planning, targets are set in financial budgets that are based upon in the process of reviewing the stability.

Table 3: Showing whether there is a relationship between financial controls and financial stability of Nansana.

Response	Male	Female	Frequency	Valid Percent	Cumulative Percent
Yes	50	07	57	95	95
No	01	02	03	05	100
Total	51	09	60	100	

Source: Primary Data, 2022

According to above table 3, most of respondents 57(95%) indicated that there is a relationship between financial controls and financial stability of in Nansana as compared to the least number 03(05%) of the respondents who reported that there is no relationship between the two variables of and financial stability of Nansana. Respondents said that financial performance depends on the workers and their efforts but not on budgeting (Akankwasa et al., 2022). However, those who said that financial controls has a relationship with the financial stability of Nansana said that budgeting helps Nansana to spend within the limits of their operations. And that this results into better resources management that later leads to better financial performance adding that good financial performance depends on a detailed good financial control.

Conclusions

According to the study findings, it is through planning and coordination that can lead to better financial stability of Nansana. That budgeting allows proper allocation of resources depending on the capability of the department in an

organization to make profits. This helps in facilitating the workers for better performance in such organization that improves on sales revenue for increased profits of Nansana.

Through accountability it was revealed that costs were controlled on the firm for better investment. From the study findings, firms always want to use their revenues in a proper way and these were budgeted for such that they can enhance better investment and future expansion of Nansana. This clearly shows how accountability has a significant role it plays in the financial stability.

The findings clearly showed that there is a relationship between financial controls and the financial stability of a firm however; the kind of relationship depends on how the financial process is done as revealed by the majority of the covered study respondents

Recommendations

That, should employee workers who are qualified for improved financial stability. 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 developing countries and Uganda in particular to always perform budgeting process. By doing this, all the departments in will get to know of what is expected out of them and able to adjust towards achieving it for fulfilling the Nansana' goals and objectives since budgeting serves as performance indicator, model of communication, measure of control, means of motivation.

The study further recommends that human resource in to always conceive and adhere to budgeting in a positive way as it is drafted and follow its contents in the day to day running of the Nansana' activities because it contributes much to the financial performance of Nansana. By doing this negative attitude of the human resource in such will be reduced that will result into proper allocation of resources.

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