MEASURING THE EFFECT OF PUBLIC SECTOR FINANCIAL REFORMS ON SERVICE DELIVERY IN UGANDA'S LOCAL GOVERNMENT SYSTEMS: A CASE STUDY OF BUSIA DISTRICT

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LIST OF ABBREVIATIONS

ACCA =Association of Certified Chartered Accountants

BDLG =Busia District Local Government

CAO = Chief Administrative Officer

DFID =Department for International Development

ESAAAG =Eastern Southern African Association of Accountants General

FINMAP =Financial Management Accountability Program me

GDP =Gross Domestic Product

GOU =Government of Uganda

HRMIS = Human Resource Management Information System

ICT =Information Communication Technology

IFMIS =Integrated Management Information Systems

IFMS =Integrated Financial Management System

IMF =International Monetary Fund

IPPS =Integrated Payroll Payment System

IT =Information Technology

LC = Local Council

LGs =Local Governments

MADLDs =Ministries, Agencies, Departments and local Governments

MDAs **=**Ministries, Departments and Agencies

MFPED =Ministry of Finance Planning and Economic Development

MTEF =Medium Term Expenditure Framework

NPM =New Public Management

OECD =Organization of Economic Cooperation and Development

OPM = Office of the Prime Minister

PAF =Poverty Action Fund

PEAP =Poverty Eradication Action Plan

PEFA =Public Expenditure Financial Accountability

PEM =Public Expenditure Management

PFAA = Public Finance and Accountability Act

PFM =Public Financial Management

PSFRs = Public Sector Financial Reforms

ROM =Result Oriented Management

SAP =Structural Adjustment Program me

SPSS = Statistical Package for Social Scientists

TAM = Technology Acceptance Model

TSA = Treasury Single Account

UK =United Kingdom

UTAMU = Uganda Technology and Management University

URA = Uganda Revenue Authority

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study seeks to examine the effect of public sector financial reforms on service delivery in Uganda's local government systems. The independent variable which is public sector financial reforms will include upgrading of the Integrated Financial Management Systems (IFMS), implementation of the Treasury Single Account (TSA) and implementing the Integrated Personnel and Payroll System (IPPS). The dependent variable which is service delivery in the local government context will be measured in terms of effectiveness, responsiveness, quality, timeliness, customer satisfaction and efficiency of service delivery.

This introduction chapter presents the background to the study, statement of the problem, general and specific objectives of the study, study questions and hypotheses, conceptual framework, significance and justification of the study, scope of the study and definition of key terms and concepts.

1.1 Background to the Study

1.1.1 Historical Background

In the last 30 years, governments all over the world have made fundamental changes to the way they are run (OECD; 2005). Public service financial reforms have been at the heart of this process of modernization. Despite different administrative cultures, political circumstances and priorities, the level of convergence is striking (Karmarck; 2003:46). This convergence reflects the prevalence of a shared governing philosophy that has underpinned many of the recent reforms: the new public management (NPM). Hood; (2003:17) argues that NPM has been a dominant force shaping market based reform agenda in many countries of the world under different labels.

Under John Major they were called as citizen charter (OECD; 2005:33) while in US the reforms were tagged as National Performance Review (Gore, 1994:11). Other titles included; Public Sector Reforms by the Common Wealth Secretariat, the World Bank referred to them as Civil Service Reforms. All these labels and whatever rubric used all embraced the New Public Management ideology.

Doherty and Horne (2002:48), argue that the period from 1980-2000 saw changes in patterns of ownership and in the forms of organizational structure and systems in most of the public service of the developed world and the developing ones. It is obvious that every citizen and stake holders in the public sector where public sector reforms took place in one way or the other and at different levels has been deeply implicated by changes in public social service delivery, well-being and economic development. The New Public Management (NPM), which gained popularity in the 1990s, advocates the redefinition of the size, scope and role of the state in society and its relationship with the market alongside reforms for improving competence of public bureaucracy (Pollitt; 2003). It is largely supportive of effective and efficiency public service delivery. Therefore, it has become a major element of governmental attempts to reshape and improve the performance of public institutions in terms of public service delivery for sustained economies.

One of the broad public sector reforms were financial reforms. Jan (1997:24) argued that the public sector financial reforms were a drive initiated during the 1980s in the advanced capitalist democracies as a response to the public sector expansion process that had been such a dominant feature of the OECD countries after the Second World War. In the early 1980s there was realization that the public sector had a profound problem in relation to how well its various programs were operating, given the fact that the public sector had grown from below 25% to over 45% of GDP in a couple of decades as an OECD average. Osbome and Gaebrar, (1992:19) alluded that the reforms were a response to the crisis of the welfare state in OECD countries and the general crisis in the third world .The public sector inefficiency and poor performance called for reform strategies; however these could vary considerably in scope, orientation and accomplishment.

In Africa, most of the public sector financial reform programs that have taken place during the last two decades were introduced as part of the Structural Adjustment Programs (SAPs) of the World Bank in the 1980s. The more recent reforms, however under the influence of the New Public Management (NPM), were driven by a combination of economic, social, political and technological factors, which were triggered by the quest for efficiency and for ways to cut the cost of delivering public services. Additional factors, particularly for Africa, included lending conditionality and the increasing emphasis on good governance (ECA, 2003:88).

More recently, the World Bank and other donors in Africa have been concerned with finding alternative ways of organizing and managing public services and redefining the role of the State to give more prominence to markets and competition, and to the private and voluntary sectors (World Bank, 2014; Williamson, 2003:78). The alternative vision, based on issues of efficiency, representation, participation and accountability, has sought to create a market-friendly, liberalized, lean, decentralized, customer-oriented, managerial and democratic State.

Two of the most significant reforms championed by the World Bank, DFID and others were the introduction of a Medium Term Economic Framework (MTEF) and an Integrated Financial Management Information System (IFMIS). “In the early 1990s, Uganda’s priority was to establish macroeconomic stability, following a lapse in fiscal discipline which resulted in high inflation” (Williamson, 2003:78). As a result the Government of Uganda introduced an MTEF largely on its own initiative. Once some progress had been made towards a balanced budget, the MTEF was used to assist with the reallocation of Government resources towards poverty reducing expenditure, although the success on this measure is far from being clear (Bevan and Palomba, 2000:36).

In early 2001, the Government of Uganda initiated an ambitious project to implement a comprehensive integrated financial management information system (IFMIS). As the Accountant General stated in early 2004, “The IFMIS is one of the most ambitious interventions the Government of Uganda has embarked upon recently” (ESAAG, 2003:13). So far the project appears to be reasonably on course with the pilot sites going live in February 2004, only a year behind the original schedule (World Bank, 2004b).

The Ministry of Finance Planning and Economic Development introduced a Treasure Single Account system in October 2013 in accordance with Section 4 (1)3 of the Public Finance and Accountability Act (PFAA), 2003. Prior to the creation of the TSA, the ministry operated over 2000 accounts, some of which had long become dormant (Munyambonera & Lwanga, 2015). Multiple accounts presented a breeding ground for the misappropriation of public funds (as was the case in the OPM scandal) and resulted in inadequate supervision by MFPED (MFPED, 2013).

In January 2014, the government of Uganda introduced the Integrated Personnel and Payroll System. Under the new payment system, accounting officers are required to verify and approve the payroll and each salary payment (Munyambonera & Lwanga, 2015). The Ministry of Public Service, which previously managed the payroll, is limited to providing policy guidance, administration and monitoring. In addition to decentralizing the management payroll systems, a number of other measures have been introduced to better manage the system (Ministry of Public Service, 2014).

In 1992, Uganda adopted a decentralization policy that sought to establish a system of governance underpinned by strong local governments. Subsequent constitutional and legal reforms established districts and sub-counties as key pillars of local governments through which effective service delivery and local governance is to be attained (Government of Uganda, 2002). With the implementation of the decentralization policy, deliberate effort was undertaken to decentralize the decision making powers on the planning and budgeting process (Bitarabeho, 2008). The process of fiscal decentralization began in Uganda in 1993/94, when the central government devolved many functions and responsibilities, including the provision of basic health services and control of medical personnel from the central MOH to the district level.

Fiscal decentralization occurred in a phased manner, with some districts being decentralized before others (Akin et al, 2005). Although decentralization has been pursued over the last two decades, there is widespread consensus that financial performance and service delivery under a decentralized setting is less than desirable (Wanje, 2014; Action for Development, 2006; Bashasha, Mangheni & Nkoya, 2008). In a bid to address the lackluster financial performance, the government of Uganda introduced financial reforms which were aimed at improving financial management and improve service delivery. Despite the reforms, service delivery at local government level is still poor (Munyambonera & Lwanga, 2015; Bashasha, Mangheni & Nkoya, 2008). The current study thus seeks to assess the effect of the financial reforms on service delivery in Uganda's local governments using a case study of Busia District Local Government.

1.1.2 Theoretical Background

This research will utilize the Technology Acceptance Model (TAM) since it is an information systems theory that models how users accept and use a technology. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, notably; perceived usefulness and Perceived ease-of-use. Perceived usefulness was defined by Fred Davis as "the degree to which a person believes that using a particular system would enhance his or her job performance". Perceived ease-of-use was defined by Davis as "the degree to which a person believes that using a particular system would be free from effort" (Davis 1989). Thus current study will be used to assess the extent to which the Public sector financial management system reforms are accepted and adopted by the users in Busia District Local Government.

The study will also be based on the General Systems Theory. General System Theory, which was developed by Bertalanffy (1934) as cited in Tama (1987). According to Bertalanffy (1968), system transforms inputs into outputs. This transformation is essential for the survival of the system. There are three aspects involved in this transformation process: inputs, mediator, and outputs. Inputs are taken from the environment, transformed into outputs and given back to the environment. The various inputs may be in the form of information, money, materials, human resources, etc. Outputs may be in the form of goods and services. The total relationship may be called the input – output process and system works as a mediator in the process (Bertalanffy

1968). For this study, the financial reforms will be the inputs and the quality of service delivery within the local governments will be the output.

Service delivery will be underpinned by the SERVQUAL model of Parasuraman Zeithaml and Berry (1985). According to this model, quality of service delivery is regarded as the effective and efficient delivery of services to clients. The model looks at service delivery in terms of reliability, accessibility of service, competence, responsiveness and courtesy of staff. The model provides the study with a conceptual framework to measure the quality of service delivery.

1.1.3 Conceptual Background

An Integrated Financial Management Systems (IFMS) is a fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. In simple terms, it is an IT-based budgeting and accounting system that assists the Government of Uganda entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities (MFPED, 2015:11). The IFMS can streamline all fiscal and financial management processes throughout Government and provide GOU with a modern budgeting and accounting system with state of the art functionality on which to undertake its national and public sector accounting and financial management" (MFPED, 2004:2).

A Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments (Munyambonera & Lwanga, 2015:7). The principle of unity follows from the fungibility of all cash irrespective of its end use. While it is necessary to distinguish individual cash transactions for control and reporting purposes, this purpose is achieved through the accounting system and not by holding/depositing cash in transaction specific bank accounts. This enables the treasury to delink management of cash from control at a transaction level (Pattanayak & Fainboim, 2010:7).

An Integrated Personnel and Payroll System (IPPS) is a system that is aimed at enhancing the management of the pay roll and personnel. Under the new payment system, accounting officers are required to verify and approve the payroll and each salary payment. The Ministry of Public Service, which previously managed the payroll, is limited to providing policy guidance, administration and monitoring. In addition to decentralizing the management payroll systems, a number of other measures have been introduced to better manage the wage bill and payroll (Munyambonera & Lwanga, 2015:14).

Service delivery is a component of business that defines the interaction between providers and clients where the provider offers a service, whether information or a task, and the client either finds value or loses value as a result. Good service delivery provides clients with an increase in value (Kanzira, 2013). Chen, Dean, Frant and Kumar (2014:8), conceptualize service delivery as the government distribution of resources and services that the citizens depend on like water, electricity, sanitation infrastructure, land, and housing. This study will conceptualize service delivery in terms of whether service delivery in Busia District Local government is reliable, efficient, and effective and meets quality requirements.

1.1.4 Contextual Background

Uganda is considered by many as a country at the forefront of reforming public expenditure systems towards the goal of poverty reduction. Through the Poverty Eradication Action Plan (PEAP), Uganda has developed a comprehensive framework for reducing poverty in the country, with clearly articulated priorities for achieving this goal. Through Sector Wide Approaches

(SWAPs), sectors have developed long term strategic plans with common programming modalities and cost targets.

Over the five years to 2002 there were major shifts in the size of budgeted expenditures and shift in their composition towards priority PEAP programs. Initiatives such as the Medium Term Expenditure Framework (MTEF) and the Poverty Action Fund (PAF) have helped in this reorientation. Uganda runs a very open and consultative budget process, where the Government's near and medium term strategy for implementing the PEAP is discussed. Budget discipline in

Uganda has been relatively good compared to its peers; however, disbursements against budget can vary significantly between sectors and agencies within those sectors. Uganda has a highly decentralized system of government with local governments responsible for the implementation of many government services; however, this has not been followed up with full fiscal decentralization.

The vast majority grants from central government are channeled to local governments as 'conditional grants', earmarked by central government to specific areas of primary service delivery in sectors, mostly under the PAF. Throughout the last decade the government has sought to address the need to improve the performance of the public sector through ambitious public service reform programmes. In the early 1990's substantial progress in downsizing the public service and increasing pay was made. Also crucial have been efforts to improve the efficiency and effectiveness of public sector institutions through initiatives such as Results-oriented Management (ROM) and Staff Performance Appraisal systems.

The Public Financial Management (PFM) Reform Strategy (PFM Strategy) provides a guide to the future focus of PFM reforms in Uganda over a five-year period from 2011/12 to 2016/17.

Uganda has been implementing PFM reforms since the early 1990s with a number of accomplishments which include: maintaining robust and stable fiscal and macroeconomic policies and fundamentals; improved planning and budgeting; enhanced control and management of public funds; improved reporting at Ministries Department and Agencies (MDAs) and Local Governments (LGs); and revival of scrutiny and oversight of collection and utilization of public funds and resources. The PFM Strategy takes stock of these achievements and identifies and addresses the gaps that have hindered the maximization of the benefits of implementing PFM reforms.

Despite the successes and improvements that have been registered by GOU PFM systems, studies such as the Public Expenditure and Financial Accountability (PEFA) report 2008, Financial Accountability and Management Programme (FINMAP) Mid-term Review 2010:07) indicate that the improvements do not appear to be translating into marked improved services delivery. In particular it has been observed, especially through the FINMAP Mid-term Review, that resources are not getting to the end users on time and the users are not being empowered to effectively use the resources to improve service delivery.

Notwithstanding the massive but cosmetic participation in Uganda's local governments as exemplified by periodic elections, annual budget conferences organized with much fanfare, and a semblance of oversight institutions, poor accountability constitutes a big challenge. A number of official reports and stories in the mass media have repeatedly revealed the financial rot in local governments for the last decade (Ayoo, 2016: 1; ROU 2003:7; *The New Vision*, 31 January 2004:5 ;). Financial scandals that have either involved outright misappropriation of public resources or conniving to defraud or both by local officials have become rampant to the extent that in 2006 local governments were ranked the third most corrupt government institutions in Uganda (Wanje, 2013:5).

Likewise, the misuse of local government resources by officials has become common. It was reported that several Health Centers (Auditor General Office 2015:13) were Non Functioning. These included three health Centre IIs in Butangasi, Buyengo and Kubo Sub counties constructed in 2012/2013 to a tune of UGX. 193,012,422 which were to - date not functional. The (IGG's Report Jan- June 2016:72) to Parliament also gives evidence that Busia DLG is ranked 24th among Uganda Districts on complaints regarding corrupt tendencies and the following pages,80,83 and 86 gives more insights of misuse of Public resources in same report.

More particularly, procurement of goods and services is characterized by corrupt tendencies where political leaders are reportedly involved in tender scandals that lead to conflicts of interest. Besides, rather than playing the role of supervising civil servants and also ensuring that taxpayers' money is put to good use, elected leaders instead connive with them and embezzle public resources. This confirms the argument by Treisman (2001) Bardhan and Mookhejee (2000) that decentralization is likely to lead to capture by local interest groups and increased corruption.

Other forms of corruption have been cited in the recruitment process. District officials have been reported to engage in acts that flout the standardized rules such as recruitment based on merit. They have been accused of promoting nepotism in recruitment. There has been a tendency to recruit people whose birth origins are from particular local governments while rejecting those from outside the district regardless of their suitability by qualification. There are also reports of influence-peddling in local government recruitment. Friends, relatives and political supporters of influential local government officials have been recruited fraudulently. A good example was in

Rakai district where the government ombudsman (Inspector General of Government) had to intervene because of such irregularities that involved, among others, the district chairperson who influenced the recruitment of his son and daughter to the posts of Sub-county Chief and Environment Officer respectively (Kibazo, 2013:7).

In a bid to address the lackluster financial performance, the government of Uganda introduced financial reforms which were aimed at improving financial management and improve service delivery. Despite the reforms, service delivery at local government level is still poor (Bashasha, Mangheni & Nkoya, 2008). The current study thus seeks to assess the effect of the financial reforms on service delivery in Uganda's local governments using a case study of Busia Local Government.

1.2 Statement of the Problem

Public sector financial reforms are expected to improve service delivery at local government level by ensuring proper allocation of scares resources, transparency and proper accountability. In a bid to improve the performance of financial management at central and local government levels, the government of Uganda embarked on a number of financial reforms like the introduction upgrading of the Integrated Financial Management Systems (IFMS); implementation of the Treasury Single Account (TSA) and implementation of the Integrated Personnel and Payroll System (IPPS).

Despite the well laid guidelines to improve financial management processes and the performance of local governments, there is widespread consensus that the performance of local governments as regards service delivery is less than desirable (Wanje, 2014:5). Busia District Local Government is no exception. Poor performance has been reported in the district as evidenced by diminishing revenue base and poor service delivery (Busia District Local Government, 2016:4;

Auditor General 2015:7). In Busia District, reports indicate that there is steep decline in spending on service delivery following decentralization and that funds intended for service delivery are used for administrative costs. It is also reported that the district alters the budget share of public goods and services (Auditor General Office, 2008; 2015:9). A report by the Auditor General (2015:7) noted that UGX 4,965,500 paid out for various activities during 2014 remained un-accounted for by the time of audit. The same report noted that a sum of UGX. 6,387,080 which was spent by the district lacked the necessary supporting documents. The Auditor General' Report (2015:8) further observed that payments amounting to UGX 5,923,506 purportedly paid to URA lacked acknowledgment receipts. The report further highlighted corruption in the procurement processes. Given this lackluster financial performance, it is thus not clear if the financial reforms have had any significant effect on service delivery within BDLG. The current study therefore seeks to assess the effect of financial reforms on service delivery in the district. Without this information, the district may continue underperforming which may result into poor service delivery and wastage of tax payers' money. The study will go a long way in suggesting practical recommendations to improve financial management and service delivery in the district local government.

1.3 General objective of the Study

The study seeks to assess the effect of public sector financial reforms on service delivery in Busia District Local Government.

1.4 Specific Objectives of the Study

1. To assess the effect of implementing the Integrated Financial Management Systems (IFMS) on service delivery in Busia District Local Government;

2. To assess the effect of implementing the Integrated Financial Management Systems (IFMS) on service delivery in Busia District Local Government;
3. To determine the effect of implementing the Treasury Single Account (TSA) on service delivery in Busia District Local Government;
4. To examine the effect of implementing the Integrated Personnel and Payroll System (IPPS) on service delivery in Busia District Local Government.

1.5 Research Questions

1. What is the effect of implementing the Integrated Financial Management Systems (IFMS) on service delivery in Busia District Local Government?
2. What is the effect of implementing the Treasury Single Account (TSA) on service delivery in Busia District Local Government?
3. What is effect of implementing the Integrated Personnel and Payroll System (IPPS) on service delivery in Busia District Local Government?

1.6 Study Hypotheses

1. Implementing the Integrated Financial Management Systems has a significant effect on service delivery in local governments
2. Implementing the Treasury Single Account has a significant effect on service delivery in local governments
3. Implementing the Integrated Personnel and Payroll System has a significant effect on service delivery in local governments.

1.7 Conceptual Framework

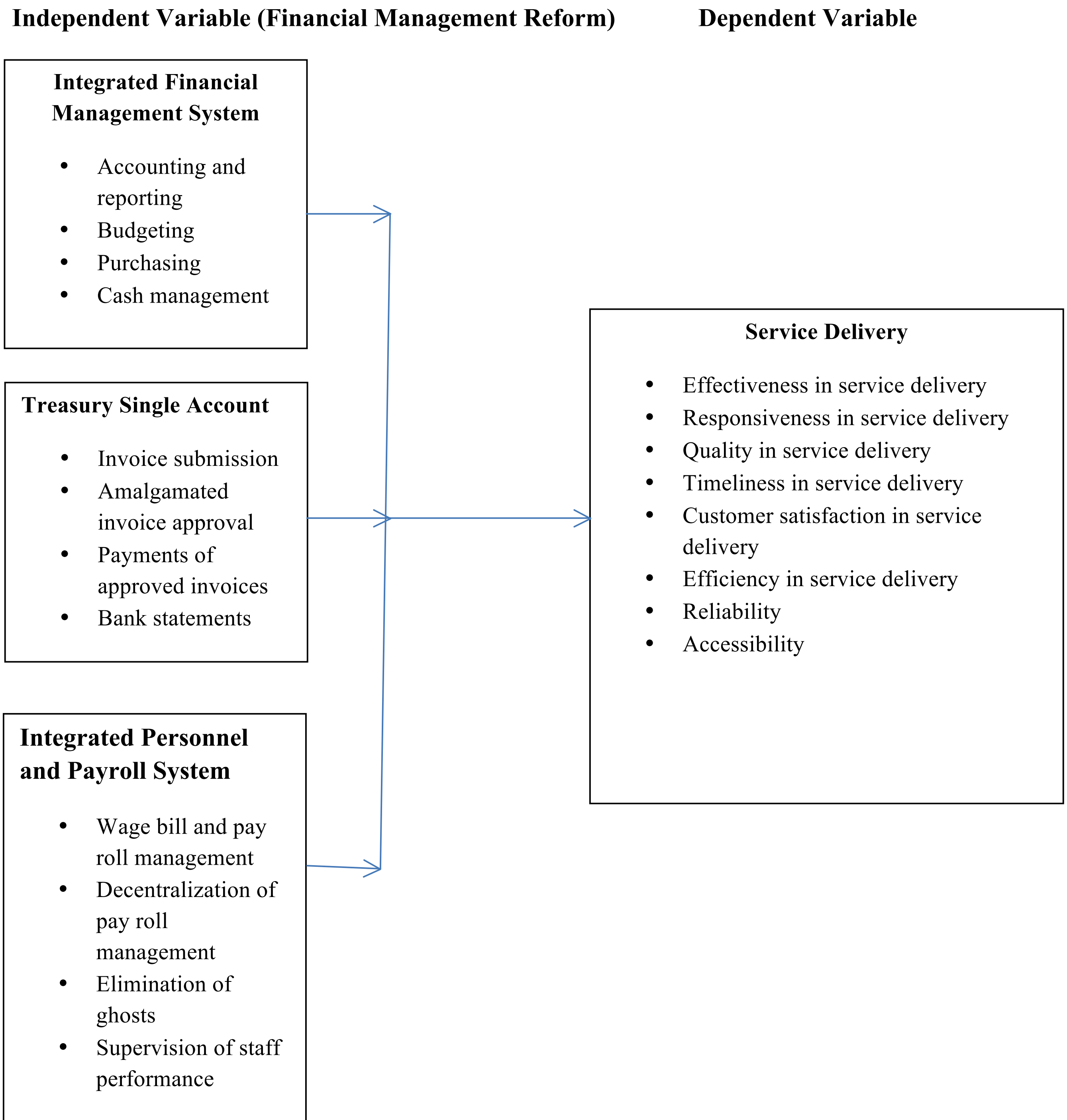

Figure 1: Conceptual framework showing the relationship between public financial reforms and service delivery

Source: Adopted with modification from Munyambonera and Lwanga (2015:8)

The conceptual framework shows the relationship between the public sector financial reforms and service delivery. According to the conceptual framework, public sector financial reforms measured in terms of Integrated Financial Management Systems, Treasury Single Account and the Integrated Personnel and pay roll management system is the independent variable, while, service delivery is the dependent variable. The conceptual framework assumes that service delivery improves with greater implementation of the public sector financial management reforms. According to the conceptual framework, better implementation of the IFMS improves service delivery. The conceptual framework also assumes that better implementation of the TSA improves service delivery. In the conceptual framework, it is also assumed that service delivery improves with better implementation of the IPPS. Thus in all, the framework assumes that service delivery improves with better implementation of the public financial reforms.

1.8 Significance of the Study

The study will be important in the following ways;

The study will help the researcher in understanding more about the public sector financial reforms and service delivery. The study will also help the researcher to gain skills in conducting research for instance interviewing, making questionnaire, observing, and data collection, widen the knowledge and improve on career and career development. The research can be used as a future carrier and done as a business in order to earn some income.

The study will help government departments more especially at Busia District Local Government to ensure proper and efficient service delivery and the study will highlight the impact of public sector financial reforms on service delivery.

The study will help the management of Busia District to improve on the administration and better management of service delivery. This helps to consolidate their weak areas and improves further on their strong areas so as to provide more efficient, reliable and transparent services.

The study will create an understanding to the residents of Busia District about the nature and quality of services they are supposed to get from the District, for example efficient and reliable services, accessible and timely.

The study will be useful to other researchers and academicians who will be under taking research on public sector financial reforms and service delivery; this is because the study will contribute to the existing secondary data for reference.

1.9 Justification of the Study

While Busia District Local Government has implemented financial reforms, no study has been conducted to examine the effect of the financial reforms on the quality of service delivery in the district. This study will fill the above mentioned knowledge gap by examining the effect of the financial reforms on service delivery in the district.

1.10 Scope of the Study

1.10.1 Content Scope

The independent variable which is public sector financial reforms variables will include Public Sector Financial Reforms such as; upgrading of the Integrated Financial Management Systems (IFMS), implementation of the Treasury Single Account (TSA) and implementing the Integrated Personnel and Payroll System (IPPS). The dependent variable which is service delivery in the local governments will be measured in terms of effectiveness, responsiveness, quality services, timeliness, customer satisfaction and efficiency of service delivery. The study will focus on financial reforms and service delivery because the district is faced with both financial management and service delivery challenges yet no study has been conducted to examine how the public financial reforms affect service delivery in the district.

1.10.2 Geographical Scope

The study will be conducted in Busia District Local Government. The district provides an optimal location for this study because it has been faced with financial management and service delivery challenges (Busia District Local Government, 2016). Busia District is located in Eastern Uganda, at the border with the Republic of Kenya. It sits across the International border with Kenya, adjacent to its similarly named town of Busia, Kenya. Busia Uganda lies approximately 202 kilometers east of Kampala. The study will focus on the district because it is one of the districts in Uganda that are affected by both financial management and service delivery challenges (Auditor General' Report, 2015:8).

1.10.3 Time Scope

The study will focus on the period between 2009 and 2017. This is the period in which the district has implemented the public financial management reforms.

1.11 Operational definition of key terms and concepts

Integrated Financial Management System in this study will refer to fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. In simple terms, it is an IT-based budgeting and accounting system that assists the Government of Uganda entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities

Treasury Single Account in this study will refer to a unified structure of government bank accounts that gives a consolidated view of government cash resources.

Integrated Payroll and Personnel System will refer to a system that is aimed at enhancing the management of the pay roll and personnel in the public service.

Service Delivery will refer to the extent to which local governments deliver services within the boundaries of quality, reliability, effectiveness and efficiency dimensions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature on the topic under investigation. The chapter presents a review of the relevant theories. It also presents empirical literature on the effect of the different financial reforms on service delivery.

2.2 Theoretical Review

This research will utilize the Technology Acceptance Model (TAM) since it is an information systems theory that models how users accept and use a technology. The TAM has been continuously studied and expanded the two major upgrades being the TAM 2 (Venkatesh & Davis 2000 & Venkatesh 2000). A TAM has also been proposed in the context of payroll systems with an inclusion of the effects of trust and perceived risk on system use (Venkatesh & Bala 2008). The study will provide an intensive, descriptive and holistic financial reform systems in Busia District. Several researchers have replicated Davis' original study (Davis, 1989) to provide empirical evidence on the relationships that exist between usefulness, ease of use and system use (Subramanian, 19994; Szajna, 1994).

Venkatesh and Davis extended the original TAM model to explain perceived usefulness and usage intentions in terms of social influence (subjective norms, voluntariness, image) and cognitive instrumental processes (job relevance, output quality, result demonstrability, perceived ease of use). The extended model, referred to as TAM2, was tested in both voluntary and mandatory settings. The results strongly supported TAM2 (Venkatesh & Davis 2000:5).

TAM has been widely criticized, despite its frequent use, leading the original proposers to attempt to redefine it several times. Criticisms of TAM as a "theory" include its questionable heuristic value, limited explanatory and predictive power, triviality, and lack of any practical value, as for IPPD, its practical means user acceptance is a factor for system implementation promoting activities such as end user computing by managers. TRA has been used in ICT adoption and use research as a fundamental theoretical framework, and it also has been combined with other theories and models. Both attitude and subjective norm were found to be important determinants of peoples' intentions to adopt and use ICTs and thus adoption of IPPD. Furthermore, the independent attempts by several researchers to expand TAM in order to adopt it to the constantly changing ICT and systems environments has led to a state of theoretical chaos and confusion" (Benbasat & Barki 2007:7). This is a necessary basis to evaluate current and potential actions that Government may undertake to support financial management reforms implementation hence adoption of TAM theory has to be tested.

Systems Theory

The study will also be based on the General Systems Theory. General System Theory, which was developed by Bertalanffy (1934) as cited in Tama (1987). According to Bertalanffy (1968), a system is an assemblage of things connected or interrelated so as to form a complex unity: a whole composed of parts and sub parts in orderly arrangement according to some scheme or plan. The following are the features of a system. A system is basically a combination of parts, sub parts, sub systems. Each part may have various sub parts. A system has mutually dependent parts, each of which may include many sub systems. Parts and sub-parts of a system are mutually related to each other, some more, some less; some directly, some indirectly. The relationship is in the context of the whole. Any change in one part may affect other parts also. A system is an interdependent framework in which various parts are arranged (Tamas, 1987). System transforms inputs into outputs. This transformation is essential for the survival of the system. There are three aspects involved in this transformation process: inputs, mediator, and outputs. Inputs are taken from the environment, transformed into outputs and given back to the environment. The various inputs may be in the form of information, money, materials, human resources, etc. Outputs may be in the form of goods and services. The total relationship may be called the input – output process and system works as a mediator in the process (Bertalanffy 1968). For this study, the financial reforms will be the inputs and service delivery within the local governments will be the output. The systems theory has been used in a number of fields like community development cybernetics, education, history, philosophy, psychiatry, psychology and sociology(Tamas, 1987; Lazlo & Knipper, 1998).

SERVIQUAL Model (Service Quality Model)

ServQUAL has been ferreted with barrage of both theoretical and operational criticisms from scholars. For example, Bradly, et al cited in Ahmed & Shoeb (2009:10) argued that perception scores should not be relied on alone to explain the service quality of customers because expectations of customers could be based only on the memory of the user and for that the results are bound to be biased. Sometimes respondents may not clearly visualize the difference between desired and expected services and consequently gave the researcher a diluted report. These criticisms notwithstanding, various studies have been and are still being carried in developing countries out with strong conviction that ServQUAL is still a useful model for service quality evaluation not only in service delivery but also in other fields of human services.

These criticisms notwithstanding, many authors and scholars have adopted and are still employing ServQUAL as a benchmark for empirical assessment of the views of customers on the services they receive. For example, Aghamolaie, Zare, & Abedini (2007:4) studied on the quality of educational services provided to the students in Hormozgan University of Medical Sciences; Zavar, *et al*. (2004) evaluated the quality of education at the Payamenoor University of West Azarbaijan provinces, Iran; Arbuni, *et al*. (2009:14) investigated the gap between students' expectations and the provision of educational services among students of Medical Sciences in University of Zanjan; Bagherzadeh and Bagherzadeh (2010:229) evaluated the quality of higher education centers services at Tabriz higher education institutions; Jung-Wan (2010:15) examined potential differences between Korean and American students in terms of their perception levels regarding online service quality, online learning acceptance, and satisfaction; Enayati & Kowsarian (2012:11) applied descriptive survey to compare Islamic Azad University Mazandaran Province (Iran) by measuring students' expectations and perceptions using the five dimensions of service quality.

2.3 Actual Literature Review

2.3.1 Integrated Financial Management Systems (IFMS)

Views on the role and significance of IT in African economic development may sometimes be over optimistic. A World Bank publication stated that "in the emerging knowledge-based economy of the 21st Century, information and communications technology (ICT) will likely assume an importance that dwarfs other types of infrastructure. This shift offers Africa a chance to leapfrog intermediate stages of development" (World Bank, 2000:44). This reference may have been intended to be somewhat rhetorical, but it does show the enthusiasm with which this subject may be approached. As a result, consultants and other advisors of governments in Africa may have some responsibility to temper this enthusiasm and to point out the very real and significant risks associated with the introduction of modern information technology.

“‘Integrated financial management system’ (IFMS) is the generic term that has emerged to describe computerized government financial management systems. The World Bank’s ‘Treasury Reference Model’ has a concept of core and non-core components:

- Core components include the general ledger, budget management, agency budget execution and cash management.
- Non-core components include budget preparation, debt management, payroll and tax administration, procurement and a number of other possible areas.

Thus, an IFMS is a budget management and accounting system for a government, with other functions being included as appropriate for a specific country” (ACCA International Public Sector Bulletin, 2004: 4).

Many people, especially in developing countries believe that all industrialized countries have implemented the IFMIS. However, in the UK for example, each ministry, local government or other public sector organization has its own financial information system and a wide variety of different software and computer platforms are used. In addition, the UK public sector has experienced frequent problems with the introduction of new computer systems. For instance, an investigation carried out in April 2005 by the parliamentary intelligence and security committee, found that the computer upgrade in the security service MI5 suffered from persistent problems, limiting the department’s capabilities (Public Finance, 14 April 2005). The French Government is also struggling to implement the IFMIS across the central offices of Government ministries with a plan to connect the regional outposts.

At a World Bank presentation in late 2003, Bill Dorotinsky provided a useful overview of the Bank’s experience of providing over $1billion to finance Integrated Financial Management Information System (IFMIS) projects over the last decade. The average time for the completion was over nine years for African projects and the average cost of each of the 34 projects worldwide was $12.3 million (Dorotinsky, 2003:7).

IFMIS in Uganda

In early 2001, the Government of Uganda initiated an ambitious project to implement a comprehensive integrated financial management information system (IFMIS). As the Accountant General stated in early 2004, "The IFMIS is one of the most ambitious interventions the Government of Uganda has embarked upon recently" (ESAAG, 2003:13). So far the project appears to be reasonably on course with the pilot sites going live in February 2004, only a year behind the original schedule (World Bank, 2004b).

This project followed on from a number of stand-alone computerized systems, which had been installed in various Government Ministries, Agencies and Local Governments in the past few years (Ministry of Finance, Uganda, 2005:23)

The IFMIS in Uganda is planned to, eventually after nine to ten years, cover all the major Government business processes including:

• Budgeting, Accounting and Reporting • Purchasing • Payments / Payables • Revenue Management • Commitment Accounting • Cash Management • Debt Management • Fixed Assets and Fleet Management • Inventory/Stock Control

It is also planned that the system will interface with other systems such as the Integrated Personnel and Payroll System (IPPS), the Government's revenue systems and Bank of Uganda systems (Ministry of Finance, Uganda 2005:23)

2.3.2 Treasury Single Account (TSA)

Treasury Single Account (TSA) is one of the financial policies implemented by governments to consolidate all the revenue from all the ministries, departments, and agencies (MDAs) in the country by way of deposit into Commercial banks traceable into a single account at the Central Bank of the country. This policy is introduced by governments to reduce the proliferation of bank accounts operated by MDAs and also to promote transparency and accountability among all organs of the government Tayo (2015), observed that in Nigeria, TSA is "the Federal Government independent Revenue e-collection initiative that will automate Revenue Collections of Ministries, Departments, and Agencies (MDAs) directly into the Federal Government Consolidated Revenue Fund (CFR) account at the CBN through the Remita e collection platform and other electronic payment channels".

Kanu (2016) observes that government sees Treasury Single Account as a useful tool to establish centralized control over its revenue through effective cash management. It enhances accountability and enables government to know how much is accruing to its accounts on a daily basis. Adelemu (2015) added that the implementation of TSA will help tame the tide of corruption of financial leakages and embezzlement. The implementation of Single Treasury Account (TSA) is expected to block revenue leakages within the government parastatals as the Ministry of Finance will be able to monitor the inflows and outflows, hence, augment the reduction in oil revenue due to falling oil prices. CBN, (2015) reasoned in the same direction and said that the implementation of TSA will enable the Ministry of Finance to monitor fund flow as no agency of government is allowed to maintain any operational bank account outside the oversight of the ministry of finance. The implementation of the TSA will have a positive effect on the national economic planning, swift & full budgetary implementation; reduce leakages and other irregularities in the MDAs, aid appropriate planning, data collection, analysis and timely aggregation of government revenue.

The primary benefit of a Treasury Single Account is to provide for proper monitoring of government receipts and expenditure. In the Nigerian case, it will help to block most, if not all, the leakages that have been the bane of the economy. We have a situation where some Ministries, Departments, and Agencies manage their finances like independent empires and remit limited revenue to government treasury. Under a properly run Treasury Single Account, it cannot be possible, an agencies of government are meant to spend in line with duly approved budget provisions (Kanu, 2016).

2.3.3 Integrated Personnel and Payroll System (IPPS)

The integrated personnel payroll and information system and Government integrated financial management and information system have been able to enhance accountability and transparency in the management of government resources. More so, the federal ministry of finance of Nigeria observed in 2013 that the (IPPIS) enhances efficient personnel cost, planning and budgeting as personnel cost is based on actual verified aim and not estimates.

Haruna et al (2015) argued that implementing the IPPS broadens employment opportunities, reduces corruption in the public service and reduced personnel costs. The efficiency in transacting government business is enhanced. More so, it enhances the confidence in payroll costs and budgeting, greatly improves management reporting and information, rebuilding public confidence provide opportunities for an improved infrastructural facilities, create conducive work atmosphere and job security (Hall and Torington, 1998, Uzochukwu, 2015). Though, the envisaged challenges by the employees include; job act, bureaucratic bottleneck, decayed infrastructure, wickedness unionism, and reduced fortune for recruitments; government insensitivity and commitment in vigorously pursuing its policies in the past. But Mayo (2011) assessed the success so far and concludes that its success can be consolidated by adopting it at all levels of government especially the local government to address the scourge of ghost workers in the system.

2.4 Empirical Literature Review

2.4.1 Implementation of the Integrated Financial Management Systems (IFMS) and service delivery

Several studies have been done on implementation of Integrated Financial Management Information System (IFMIS). Gichoya (2009:7) looked at the implementation of the Integrated Financial Management System (IFMIS) and explored cases of success and factors that contributed to this success and whether success lead to reduced corruption and improved Public Financial Management. This work was done through Transparency International focusing on; benefits and challenges of the system, experience with implementation and issues to consider in designing and implementing the system. This study focused on several developing countries and gave examples in Africa. Sierra Leone is cited, where the introduction of IFMIS and subsequent improvement of record management systems helped uncover anomalies in personnel records of 2,000 civil servants, leading to 16% of the subset employees being immediately suspended from the payroll as a result of the exercise.

Gakunu (2014:11) carried out a study on the effect of integrated financial management information system on the performance of public sector organizations. The study was conducted in the Ministry for East Africa, Commerce and Tourism. The target population comprised of 94 staff working in the finance, accounts, procurement and audit departments. The purpose of the study was to determine the effect integrated financial management information system on the performance of public sector organizations. The study focused on the effect of integrated financial management information system on financial reporting in public sector organizations and the effect of the system on financial transaction processing, control and governance in public sector organizations. The study found that in terms of the effect of IFMIS on financial reporting in public sector organizations, there was a statistically significant positive correlation between IFMIS and improved financial reporting. Concerning the effect of IFMIS on financial transaction processing in public sector organizations, the relationship between IFMIS and improvements in financial transaction processing was statistically significant. Regarding the effect of IFMIS on financial control and governance in public sector organizations, there was a significant positive correlation between IFMIS and better control and governance (Gukunu, 2014:11).

A case study on Personnel and Payroll Records and Information Systems in Tanzania (World Bank/International Records Management Trust Partnership Project, 2002:14) highlights use of personnel and payroll information in management of records. Thirteen case studies were conducted and supplemented by findings derived by global discussion forum of senior officials and records and archives professionals. The knowledge gathered through the studies provided basis for the development of assessment tools to measure the quality of personnel and payroll information systems in relation to clearly defined functional requirements and benchmarks. The case studies were undertaken in India in the state of Uttar Pradesh and at the central government level, Burkina Faso, Tanzania and Chile. The studies highlighted the challenges affecting implementation of personnel and payroll systems and recommended approaches that include integrated systems for public sector.

2.4.2 Implementation of the Treasury Single Account (TSA) and service delivery

Literature available suggests that implementing the TSA accrues positive benefits. It has been argued by Pattanayak and Fainboim (2010:6) that when fully implemented, it is expected that the TSA will ensure that the government's banking arrangement is unified and that transfers are easily traceable, therefore enabling the MFPED to better monitor the government's cash flows. The unified structure of government bank accounts allows complete fundability of all cash resources, including on a real-time basis if electronic banking is in place (Pattanayak and Fainboim, 2010:5).

A study by Munyambonera and Lwanga (2015) to assess the public sector financial reforms in Uganda found that the government ministries and departments that were interviewed reported that the implementation of the TSA system has so far ensured efficiency and accountability for public funds as well as improved reporting mechanisms.

Tayo (2015:9) observed in his study that TSA enables government to make banking arrangements for efficient management and control of government's cash resources". It should be designed to minimize the cost of government borrowing and maximize the opportunity cost of fund. TSA ensures that all money received is available for carrying out government's expenditure program and making payments on time. Many low-income countries have fragmented systems for handling government receipts and payments. In these countries, the ministry of finance/treasury lacks a unified view and centralized control over government's cash resources. As a result, this fund lies idle for extended periods in numerous bank accounts held by spending agencies while the government continues to borrow to execute its budget.

Udoma (2016:11) opines that maintenance of TSA will enhance funding government budget rather than depend on Federal allocation. In any economy where the budget is fully funded, the aim certainly will be accomplished. The consequence should be; improved economic system, political and social development. IMF (2010), made it clear that a government that lacks effective control over its cash resources can pay for its institutional deficiencies in multiple ways. First, idle cash balances in bank accounts often fail to earn market-related remuneration. Second, the government, being unaware of these resources, incurs unnecessary borrowing costs on raising funds to cover a perceived cash shortage. Third, idle government cash balances in the commercial banks are not idle for the banks themselves, and can be used to extend credit. These have been the case in Nigerian economy. Nigeria still owes a huge amount in both external and internal debts. Therefore, the implementation of TSA will promote a healthy economic system. Hence, a member of the Monetary Policy Committee

2.4.3 Implementation of the Integrated Personnel and Payroll System (IPPS) and service delivery

In 1999, the Tanzania's Government through the Public Service Management started implementation of a HR and payroll system. In 2010, a business process review was conducted and presented to stakeholders that additional system development was necessary to improve the system functionality. Upgrading of the Lawson system was carried out under many challenges including lack of donor support that had initially supported development of the system. Several reviews of the IPPS identified that the system do not meet the basic requirements for managing both HR and Payroll data. The reviews identified weak implementation strategy that made the system centralized at the Ministry of Public Service. Since then, this has changed and the system decentralized in MDAs (PSRP reports 2006, 2007, and 2010). Adopting information systems could be impeded by laws and regulations but also poor system support.

Uganda has been implementing an integrated payroll and personnel system (IPPS) since 2009. The current Oracle database, licenses and operating system have never been updated since 2009. The system was reviewed in 2015 (MFPED, 2015:17). Results from the review indicate that the system data is incomplete; there are inaccuracies between actual payroll data and the IFMIS system. Human Resource Officers are not aware of actual payments made and whether they tally with the figures computed in the IPPS Payroll. IPPS currently has no alternative Business Continuity & Disaster Recovery Capability; DRS Server has no functional storage as it was taken to replace storage at the production site which had crushed with no replacement as yet, DRS is not connected to the network therefore replication is not working and no back-ups stored in offsite location (Uganda IPPS, 2015:15).

In 2004, the Government of Malawi made a decision to develop a new Human Resource Management Information System (HRMIS). The short to medium term objectives of the new system were to Control Civil Service establishment and hence control the wage bill, to maintain Civil Service job records, maintain up-to-date personnel records, maintain training records and to maintain Industrial / Labor relations records. Implementation of this system has never covered all the modules and integration with IFMIS has never been achieved. In June 2008 the Government decided to review implementation progress of the system. Terms of Reference covered a comprehensive and objective assessment of the HRMIS to ensure that it met the original Government requirement specifications and best international accounting practices. The review was also to assess the compatibility of HRMIS with IFMIS. By 2015 only the establishment, payroll and employee data modules of the system were fully functional (Malawi HRMIS, 2004).

Munyambonera and Lwanga (2015:7) reviewed public financial reforms and found that the decentralization of the payroll has yielded positive results in terms of eliminating ghost workers, improving the timely payment of salaries, cleaning the payroll and auditing, improving service delivery through improved motivation and better staff supervision, improving the management of salary arrears and increasing the ease in deducting local service tax by the local government.

2.5 Summary and Gaps Identified in the Literature

The review of literature indicates that implementing public sector financial reforms have significant effects on governance because it improves accountability, efficiency and transparence in the management of public funds. However, much as literature points out the advantages of implementing financial reforms, there is a paucity of literature on the effect of financial reforms on the quality of service delivery in local government settings. This study will therefore fill the above mentioned gaps by examining the effect of public sector financial reforms on the quality of service delivery in Uganda's local government using a case study of Busia District Local Government.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology that will be adopted during the study. It describes and discusses; the research design, sample size and selection, the data collection methods used and their corresponding data collection instruments, data management and analysis procedure as well as steps that will be taken to ensure validity and reliability during the study and measurement of variables.

3.2 Research Design

The study will adopt a case study design. The case study design will be adopted because the study intends to conduct an intensive investigation on the variables under study in a particular local government in Uganda which is Busia District Local Government as suggested by Oso and Onen (2008:4). Since the study seeks to examine the relationship between variables, a simple correlation design will be adopted to determine the relationship between public sector financial reforms on service delivery in Busia District Local Government.

The study will use both qualitative and quantitative approaches. The quantitative approach will be adopted because the study intends to examine the effect of public sector financial reforms on service delivery in Busia District Local Government. Such an endeavour can best be achieved when a quantitative approach is used because it allows for collecting numeric data on observable individual behavior of samples, then subjecting these data to statistical analysis (Amin, 2005:5).

A qualitative approach will also be adopted to enable the researcher capture data that will be left out by the quantitative approach. This will be aimed at capturing more in-depth information on the topic under investigation.

3.3 Study Population

The study population will be comprised of 407 people who will include: 1 L C 5 Chairman, 1 Chief Administrative Officer (CAO), 8 L C III Chairpersons, 8 Sub County Chiefs, 57 Councilors, and 332 District Staff.

3.4 Study Sample

The study sample will be comprised of 241 respondents. The LC V Chairperson, the CAO, LCIII Chairpersons, the Sub County Chiefs, Councilors and District Staff will be the unit of inquiry because they are involved in the day to day management of the district and service delivery. The sample size was arrived at using the predetermined table for determining sample size by Krejicie and Morgan (1970) as cited in Amin (2005).

Table 1: Sample Size Determination

Category	Population	Sample Size	Sampling Technique
L C V Chairman	1	1	Purposive Sampling
Chief Administrative Officer	1	1	Purposive Sampling
L C III Chairpersons	8	8	Purposive Sampling
Sub County Chiefs	8	8	Purposive Sampling
Elected Leaders/Councilors	57	48	Simple Random Sampling
Other District Staff	332	175	Simple Random Sampling
Total	**407**	**241**	

Source: Chief Administrative Office, Busia District Local Government (2017)

3.5 Sampling Techniques and Procedure

A number of sampling techniques will be used to select respondents to the study namely; stratified, simple random and purposive sampling techniques. Stratified random sampling technique will be used to select the Local Councilors from the 7 Sub Counties and one Municipal Council. Stratified sampling involves a process of stratification or segregation, of members of the target population into mutually exclusive groups that are relevant, appropriate, and meaningful in the context of the study as observed by Sekaran (2003:256). In this case, the local councilors from each of the 7 Sub Counties and the Municipal Council will be segregated into 8 strata and the respondents from each of the Strata will be selected using simple random sampling technique.

The District Staff will be selected using simple random sampling technique. Simple random sampling will be used because it ensures generalizability of findings and minimizes bias (Sekaran, 2003). Purposive sampling technique will be used to select senior managers. This technique will be used to select the LC V Chairperson, the CAO, LCIII Chairpersons and the Sub County Chiefs. These key informants will be purposively sampled because they are believed to have technical and specialized knowledge about the topic under investigation by virtue of the offices that they held.

3.6 Data collection Methods

3.6.1 Questionnaire Survey Method

The study will use the questionnaire method to collect data. The use of a questionnaire in this study is important mainly because the purpose of the study is to examine the effect of public sector financial reforms on service delivery in Busia District. Such data can best be tapped on a closed ended questionnaire which allows for easy correlation and regression of the respondents attitudinal disposition on the independent and dependent variables as suggested by Amin (2005:10). Secondly the use of a questionnaire allows busy respondents fill it at their convenient time. It also allows respondents express their views and opinions without fear of being victimized (Oso & Onen, 2008:18).

3.6.2 Interview Method

The study will employ interview method. Interviews in this study will help the researcher obtain more information on the topic under investigation. This method will also be used because it will offer the researcher an opportunity to adapt questions, clarify the questions by using the appropriate language, clear doubts and establish rapport and probe for more information (Sekaran, 2003:253).

3.6.3 Document Review Method

The researcher will review documents in order to obtain recorded information that is related to the issue under investigation. This method will be used because it enables the researcher access data at his convenient time, obtain data that are thoughtful in that the informants have given attention in obtaining them and enables the researcher obtain data in the language of the respondent (Oso & Onen,2008).

3.7 Data Collection Instruments

The instruments used in this study will be questionnaire, interview guide and document review checklist.

3.7.1 Self-Administered Questionnaire

The study will employ a questionnaire as a tool of data collection. The questionnaire for staff will have six sections (see appendix I). Section A will deal with the demographic characteristics of the respondents, section B will focus on the implementation of the IFMS, Section B will focus on the implementation of the Treasury Single Account (TSA) and service delivery and Section C will focus on the implementation of the Integrated Personnel and Payroll System (IPPS) and service delivery in Busia District while Section D will focus on service delivery in the district. The questionnaires will be closed ended. Closed ended questions will be developed to help respondents make quick decisions; in addition, closed ended questions will help the researcher to code the information easily for subsequent analysis and narrow down the error gap while analyzing data as observed by Sekaran (2003:231).

3.7.2 Interview Guide

An unstructured interview guide will be used as a tool for collecting in depth information from the key informants. The guide will have list of topical issues and questions which will be explored in the course of conducting the interviews. The guide will be drawn with the questions soliciting for the perception of the key informants regarding the influence of public sector financial reforms on service delivery in Busia District Local Government. The interview guide will be used because it provides in-depth data which may not be possible to obtain when using self-administered questionnaires (Mugenda & Mugenda, 1999:17; Kakoza, 1999:27).

3.7.3 Document Review Checklist

A document review checklist will be used to collect more in-depth data on the topic under investigation. The checklist will be used to provide in-depth qualitative information which may not be possible to collect with the closed ended questionnaire.

3.8 Validity and Reliability of the Research Instruments

3.8.1 Validity

To ensure validity, the questionnaire will be developed and given to three expert judges to score the relevance of each question in providing answers to the study. After which a content validity index C.V.I will be computed using the formula; number of items declared valid/number of items in the questionnaire. A CVI of above 70% will be acceptable (Amin, 2005:18)

3.8.2 Reliability

A pre-test will be done on 10 of the respondents who will not be part of the final study. Data will be coded and entered into the computer. Cronbach's Alpha Reliability Coefficients will be generated using the statistical package for social scientists (SPSS) computer program to estimate the reliability of the questionnaire. The Cronbach's alpha reliability coefficient of above 0.7 will be acceptable (Sekaran, 2003: 221).

3.9 Research procedure

I will obtain a letter of introduction from UTAMU which will be presented to the authorities at Busia District. I will obtain a list of the top district leaders, councilors and politicians from the Office of the Chief Administrative Officer. After obtaining the list of respondents to the study, I will randomly select the local Councillors and Staff to participate in the study. A self-administered questionnaire will be used to collect information from the above mentioned respondents. I will then purposively select the LC V Chairperson, the CAO, LCIII Chairpersons and the Sub County Chiefs. Interviews will be used to obtained data from the above mentioned senior officers. After data collection, data will be analyzed; a report will be written and submitted to UTAMU for review and defense.

3.10 Data Analysis

3.10.1 Analysis of quantitative Data

The statistical package which will be used for analysis of data in this study is the SPSS version 16.0. Different statistical techniques will be used namely: correlation and regression analysis. The upper level of statistical significance for hypothesis testing will be at 5%. All statistical test results will be computed at 2-tailed level of significance.

Descriptive statistics namely frequency counts, percentages will be used to analyze the respondents' demographic characteristics and the mean and standard deviation will be used to analyze the respondents' opinions on the public sector financial reforms and service delivery in the district.

Data will be analyzed and correlated using Pearson Product-Moment correlation coefficient to establish the relationship between financial reforms and service delivery in the district as suggested by Sekaran (2003:212), Amin (2005) and Oso and Onen (2008:18).

For this study, the three dimensions of public sector financial reforms will be regressed against service delivery in Busia District Local Government. This will be aimed at determining the extent to which the financial reforms explain the variation in service delivery in Busia District Local Government. Regression analysis will also be used to determine which of the three dimensions of financial reforms influences service delivery most.

3.10.2 Analysis of qualitative data

Qualitative data will be analyzed using content analysis. Responses from key informants will be grouped into recurrent issues. The recurrent issues which will emerge in relation to each guiding questions will be presented in the results, with selected direct quotations from participants offered as illustrations.

3.11 Measurement of variables

Data on the respondent's views and opinions about public sector financial reforms and service delivery in Busia District Local Government will be obtained using scaled variables from a self-developed questionnaire. A five point-Likert scale of 1= strongly disagree, 2= disagree, 3= not sure, 4= agree and 5= strongly agree will be used to tap respondents perception on the study variables.

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APPENDIX I: QUESTIONNAIRE

Dear respondent, I am a student at Uganda Technology and Management University undertaking a study on the effect of public sector financial reforms on service delivery in local governments in Uganda taking a case study of Busia District Local Government. The study is in partial fulfillment of the requirements for the award of a master's degree in Business Administration (Finance and Accounting).

You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purposes and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Yours faithfully,

Stephenie Wandera

Section A: Background Information

Tick or circle appropriately

1. Age (a) 20-30 (b) 31-40 (c) 41-50 (d) above 51

2. Sex (a) Male (b) Female

3. Highest level of education

(a) Certificate (b) Ordinary Diploma (c) Bachelor's Degree (d) Post graduate diploma (e) Master's Degree (f) PhD

4. How long have you been in the organization?

1. Below five years
2. 6-10 years
3. 11-15 years
4. Above 15 years

In the subsequent sections use the scale provided to tick or circle a number that describes your opinion. 1 strongly disagree, 2.disagree, 3.not sure 4.agree 5. Strongly agree

Section B: Integrated Financial Management Systems

1	The district uses the IFMS for accounting	5	4	3	2	1
2	The district uses the IFMS for financial reporting	5	4	3	2	1
3	The district uses IFMS for budgeting	5	4	3	2	1
4	The district uses IFMS for purchasing goods and services	5	4	3	2	1
5	The district uses IFMS for cash management	5	4	3	2	1
6	The district uses IFMS for revenue receipting	5	4	3	2	1
7	The district uses IFMS for debt management	5	4	3	2	1
8	The district uses IFMS to manage fixed assets	5	4	3	2	1
9	The district uses IFMS for fleet management	5	4	3	2	1
10	The district uses IFMS for inventory management	5	4	3	2	1

Section C: Treasury Single Account (TSA)

1	There is submission of approved invoices through the TSA system	5	4	3	2	1
2	There is amalgamation of approved invoices through the TSA system	5	4	3	2	1
3	There is formatting of approved invoices through the TSA system	5	4	3	2	1
4	An aggregated summary of invoices is created through the TSA system	5	4	3	2	1
5	Aggregated summaries are transmitted through the TSA system	5	4	3	2	1
6	There is confirmation of funding of TSAs through the TSA system	5	4	3	2	1
7	There is submission of detailed payment files through the TSA system	5	4	3	2	1
8	There is clearance of payment after submission of payment files through the TSA system	5	4	3	2	1
9	There is sweeping of bank balances through the TSA system	5	4	3	2	1
10	There is submission of bank statements through the TSA system by the district	5	4	3	2	1

11	There is a limit to the amount of withdrawals made by accounting officers in the district through the TSA system	5	4	3	2	1
12	Unspent monies by the district are sent back to the treasury through the TSA system	5	4	3	2	1
13	There is direct payment of service provider through the TSA system by the district	5	4	3	2	1

Section D: Integrated Payroll and Personnel System

1	Under the IPPS, accounting officers in the district verify the pay roll	5	4	3	2	1
2	Under the IPPS, accounting officers in the district verify the salary payments	5	4	3	2	1
3	Under the IPPS, accounting officers in the district approve the pay roll	5	4	3	2	1
4	accounting officers in the district approve salary payments	5	4	3	2	1
5	Payrolls are printed and displayed on public notice boards in the district	5	4	3	2	1
6	In the district, the Integrated Personnel and Payroll System (IPPS) is interfaced with the Integrated Financial Management System (IFMS)	5	4	3	2	1
7	In the district, staff lists are entered into the Output Budgeting tool (OBT)	5	4	3	2	1

Section E: Service Delivery

1	In BDLG, public services are delivered effectively	5	4	3	2	1
2	In BDLG, public services are delivered efficiently	5	4	3	2	1
3	In BDLG, there is quality delivery of public services	5	4	3	2	1
4	In BDLG, there is timely delivery of public services	5	4	3	2	1
5	BDLG is responsive to the needs of the public	5	4	3	2	1
6	In BDLG, there is reliable delivery of public services	5	4	3	2	1
7	In BDLG, public services are accessible	5	4	3	2	1

1. What recommendations do you give to the government to improve the public financial reforms practices?…………………………………………………………………………………………

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2. What recommendations do you give to government to improve service delivery?

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Thank You

APPENDIX II: INTEVIEW GUIDE FOR KEY INFORMANTS

Dear respondent, I am a student at Uganda Technology and Management University undertaking a study on the effect of public sector financial reforms on service delivery in local governments in Uganda taking a case study of Busia District Local Government. The study is in partial fulfillment of the requirements for the award of a master's degree in Business Administration (Finance and Accounting).

You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purposes and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Yours faithfully,

Stephanie Wandera

IFMS

1. How is IFMS implemented in the District?
2. What are the challenges of implementing IFMS in the District?
3. How does IFMS affect service delivery in Busia District?
4. How can IFMS be improved?

TSA

1. How is TSA implemented in the District?
2. What are the challenges of implementing TSA in the District
3. How does TSA affect service delivery in Busia District?
4. How can TSA be improved?

IPPS

1. How is IPPS implemented in theDistrict?
2. What are the challenges of implementing IPPS in the District?
3. How does IPPS affect service delivery in Busia District
4. How can IPPS be improved?

Service Delivery

1. What are the challenges of service delivery in Busia District?
2. How reliable and timely is service delivery in Busia District?
3. How effective is service delivery in Busia District
4. How efficient is service delivery in Busia District?
5. What can be done to improve service delivery in Busia District?

Thank You for Your Time

APPENDIX III: DOCUMENTARY REVIEW CHECKLIST

1. Review IFMS reports
2. Review TSA reports
3. Review IPPS reports
4. Look at pay rolls
5. Review budgets
6. Review financial reports
7. Review sector reports to assess the quality of service delivery.