

**INTEGRATED FINANCIAL MANAGEMENT SYSTEM ADOPTION AND THE
QUALITY OF FINANCIAL REPORTS IN LOCAL GOVERNMENTS IN
UGANDA: A CASE OF KASESE DISTRICT LOCAL GOVERNMENT**

BY

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DECLARATION

I, Tsongo Andrew, declare that this dissertation is the original of my work and has never been submitted to any academic institution for the award of any academic qualification.

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APPROVAL

We confirm that the work in this dissertation was done by the candidate under our supervision.

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DEDICATION

I dedicate this dissertation to my family, particularly my wife, Musoki Merecy and My children: Mumbere Victor, Bwambale Miracle Shammah, Muhindo Wonder Atholere and Biira Hannah Andria who may have foregone some basic needs to save resources and help make this study a reality. I also dedicate it to my mother for her endless prayers and encouragement she gives me in everything I set out to do.

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ABBREVIATIONS AND ACRONYMS	xii
ABSTRACT	xiii
CHAPTER ONE: INTRODUCTION	1
1.1 Introduction.....	1
1.2 Background to the study	2
1.2.1 Historical background.....	3
1.2.2 Theoretical background	5
1.2.3 Conceptual background	8
1.2.4 Contextual background	9
1.3 Statement of the Problem.....	11
1.4 Purpose of the study.....	12
1.5 Specific Objectives	12
1.6 Hypotheses of the Study	13
1.7 Conceptual Framework.....	13
1.8 Justification of the study	15
1.9 Significance of the study.....	15
1.10 Scope of the study	16
1.10.1 Content scope.....	16
1.10.2 Geographical scope	17
1.10.3 Time scope	18

1.1 1 Operational definitions.....	18
1.12 Chapter Conclusion.....	19
CHAPTER TWO: LITERATURE REVIEW.....	20
2.1 Introduction.....	20
2.2 Theoretical Review	20
2.2.1 Institutional Theory.....	20
2.2.2 Delone and Mclean Information Systems Success Model.....	22
2.3 Conceptual Review	25
2.3.1 Adoption of IFMS in budgeting.....	25
2.3.2 Adoption of IFMS in general ledger management.	26
2.3.3 Adoption of IFMS in Cash Management.....	27
2.4 Quality of financial reports	28
2.5 Empirical Review.....	29
2.5.1 The relationship between adoption of IFMS in budgeting and the Quality of financial reports.	29
2.5.2 The relationship between adoption of IFMS in general ledger management and the Quality of financial reports.....	32
2.5.3 The relationship between adoption of IFMS in cash management and the Quality of financial reports.	35
2.6 Literature gaps	38
2.7 Chapter Conclusion.....	39
CHAPTER THREE:METHODODOLOGY	41
3.1 Introduction.....	41
3.2 Research design	41
3.3 Study population	42
3.4 Sample size	43
3.5 Sampling technique.....	43
3.5.1 Purposive sampling.....	44

3.5.2 Simple random sampling	44
3.6 Data collection methods.....	45
3.6.1 Questionnaire survey	45
3.6.2 Interviews.....	45
3.6.3 Documentary review	46
3.7 Data collection Instruments:	46
3.7.1 Questionnaire	46
3.7.2 Interview guide	47
3.7.3 Document review checklist.....	47
3.8 Validity and Reliability of research instruments	47
3.8.1 Validity	47
3.8.2 Reliability.....	48
3.9 Data Analysis and presentation.....	48
3.9.1 Quantitative data analysis	48
3.9.2 Qualitative Data Analysis	49
3.10 Ethical Consideration.....	49
3.11 Chapter Conclusion.....	51
CHAPTER FOUR:DATA PRESENTATION, ANALYSIS AND DISCUSSION OF	
FINDINGS.....	52
4.1 Introduction.....	52
4.2 Validity and Reliability of research instruments	52
4.2.1 Validity	52
4.2.2 Reliability.....	53
4.3 Response rate	54
4.4 Background information of respondents.....	54
4.5 Quality of financial reports at Kasese District Local Government.....	57
4.6 IFMS adoption in budgeting at Kasese district local government.	61

4.7 IFMS adoption in general ledger management at Kasese District Local Government.....	64
4.8 IFMS adoption in cash management at Kasese district local government.	70
4.9 Inferential statistics	73
4.9.1 Correlational Analysis	73
4.9.2 Linear Regression Analysis	74
4.9.2.1 Predictability potential of budgeting on quality of financial reports	74
4.9.2.2 Predictability potential of general ledger management on quality of financial reports	75
4.9.2.3 Predictability potential of cash management on quality of financial reports.....	77
4.9.2.4 Multiple Regression Analysis	78
4.10 Discussion of findings.....	80
4.10.1 The adoption of IFMS in budgeting and the quality of financial reports at Kasese District Local Government.	80
4.10.2 The adoption of IFMS in general ledger management and the quality of financial reports at Kasese District Local Government.....	81
4.10.3 The adoption of IFMS in cash management and the quality of financial reports at Kasese District Local Government.....	82
4.10.4 Multiple regression: Combined predictive potential of IFMS adoption in budgeting, general ledger and cash management on quality of financial reports.	83
4.11 Conclusion	83
CHAPTER FIVE:SUMMARY, CONCLUSION AND RECOMMENDATIONS	85
5.1 Introduction.....	85
5.2 Summary of findings.....	85
5.2.1 The adoption of IFMS in budgeting and the quality of financial reports at Kasese District Local Government.	86
5.2.2 The adoption of IFMS in general ledger management and the quality of financial reports at Kasese District Local Government.....	86
5.2.3 The adoption of IFMS in cash management and the quality of financial reports at Kasese District Local Government.....	87

5.3 Conclusions.....	88
5.4 Recommendations.....	89
5.5 Areas for further research.	90
5.6 Limitations to the study and the mitigation measures	91
REFERENCES.....	93
APPENDIX 1: SURVEY QUESTIONNAIRE	105
Appendix 2: Krejice and Morgan sample determination table (1970).	113

LIST OF TABLES

Table 3.1: Population size.....	43
Table 3.2: Sample size determination and selection.....	43
Table 4.3: Validity Test	53
Table 4.4: Reliability Test.....	53
Table 4.5: Descriptive statistics on background information of respondents.....	55
Table 4.6: Quality of financial reports at Kasese local government.....	58
Table 4.7: IFMS adoption in budgeting at Kasese district local government.....	62
Table 4.8: IFMS adoption in general ledger management at Kasese district	66
Table 4.9: IFMS adoption in cash management at Kasese district local government	70
Table 4.10: Correlation Results on Relationship between study Variables.....	73
Table 4.11: Predictability potential of IFMS adoption in budgeting on quality of financial reports	74
Table 4.12: Predictability potential of IFMS adoption in general ledger management on quality of financial reports.....	76
Table 4.13: Predictability potential of IFMS adoption in cash management on quality of financial reports	77
Table 4.14: Combined predictability potential of Integrated Financial Management Systems adoption in budgeting, general ledger management and cash management on quality of financial reports	78

LIST OF FIGURES

Figure 1.1: Conceptual framework showing the relationship between IFMS adoption and quality of financial reports	13
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LIST OF ABBREVIATIONS AND ACRONYMS

CAO:	Chief Administrative Officer
DLG:	District Local Government
EAC:	East African Community
ERP:	Enterprise Resource Planning
EY:	Ernst & Young
IFAC:	International Federation of Accountants
IFMS:	Integrated Financial Management Institute
IFRS:	International Financial Reporting Standards
IASC:	International Accounting Standards Committee
IASB:	International Accounting Standards Board
IPSAS:	International Public Sector Accounting Standards
IPSASB:	International Public Sector Accounting Standards Board
IS:	Information Systems
ICT:	Information and Communication Technology
IT:	Information Technology
KDLG:	Kasese District Local Government
MDAs:	Ministries, Departments, and Agencies
MoLG:	Ministry of Local Government
NEPAD:	New Partnership for Africa's Development
OECD:	Organisation for Economic Cooperation and Development
OPM:	Office of the Prime Minister
PAYE:	Pay as You Earn
PFMA:	Public Finance Management Act
PWC:	PriceWaterhouseCoopers
RBV:	Resource-Based View
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for Social Sciences
TAM:	Technology Acceptance Model
TTF:	Task-Technology Fit
SEC:	Securities Exchange
VIF:	Variance Inflation Factor

ABSTRACT

The purpose of this study was to examine the relationship between Integrated Financial Management Systems (IFMS) adoption and the quality of financial reports in Local Governments, with Kasese District Local Government as the case study. The study focused on Budgeting, General Ledger Management, and Cash Management because they are the key IFMS modules that handle financial planning, recording, control, and reporting, which directly affect financial report quality. The study aimed to examine the relationship between IFMS adoption in budgeting, general ledger management, and cash management and the quality of financial reports. A cross-sectional survey research design was adopted, incorporating both quantitative and qualitative approaches. Data were collected from a sample of 89 respondents using structured questionnaires and interview guides. While the linear regression findings revealed that IFMS adoption in budgeting had a positive, and statistically significant influence on the quality of financial reports (unstandardised coefficient $B = 0.647$; standardised Beta = 0.680; $p = 0.000 < 0.01$), IFMS adoption in general ledger management significantly influenced the quality of financial reports ($\beta = 0.666$; Beta = 0.704; $p = 0.000 < 0.01$) and IFMS adoption in cash management positively and significantly predicted the quality of financial reports ($\beta = 0.597$; Beta = 0.649; $p = 0.000 < 0.01$), multiple regression analysis revealed that IFMS adoption in Budgeting, General Ledger Management, and Cash Management jointly explained 54.2% of the variation in the quality of financial reports (Adjusted $R^2 = 0.542$). The model was statistically significant at the 1% level ($F = 35.722$, $p = 0.000$). However, individually, IFMS adoption in both General Ledger Management ($\beta = 0.305$, $p = 0.023$) and Cash Management ($\beta = 0.243$, $p = 0.013$) had a positive and significant influence on the quality of financial reports at 5% level of significance, while IFMS adoption in Budgeting ($\beta = 0.224$, $p = 0.081 > 0.05$) showed a positive but insignificant influence. Therefore, the first null hypothesis is accepted because IFMS adoption in Budgeting has an insignificant influence in the multiple regression while the second and third hypotheses are rejected because IFMS adoption in both general ledger management and cash management have a positive and significant influence on the quality of financial reports in the multiple regression. The study concluded that IFMS adoption significantly enhances the quality of financial reports in local governments by improving accuracy, transparency, and timeliness through real-time processing, automated approvals, and integrated reporting. It recommends enhancement of budgeting process, targeted training of finance staff, and integration of all IFMS modules, strong top management support, and alignment of district financial practices with IFMS capabilities. The study further recommends implementation of a structured framework for the regular monitoring and evaluation of IFMS performance across modules to ensure continuous improvement and system effectiveness.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Across the globe, governments are increasingly leveraging Information and Communication Technology (ICT) to enhance public financial management and improve the quality of financial reports. Recent studies indicate that digital public finance systems such as the Integrated Financial Management System (IFMS) have significantly improved fiscal transparency, expenditure control, and efficiency in public service delivery across several countries (Diamond & Khemani, 2023; Swanepoel & Mukwende, 2024). The World Bank (2022) and the International Monetary Fund (2024) emphasise that successful adoption of IFMS contributes to timely and reliable financial reports, especially when supported by adequate institutional capacity and governance structures.

In Africa, many governments including Kenya, Ghana, and South Africa have adopted IFMS as part of broader public financial management (PFM) reforms aimed at improving accountability and decision-making (Aryani, 2023). However, despite the potential benefits, challenges such as limited technical skills, system downtime, and resistance to change have constrained optimal system utilisation in some developing countries (Okello & Wambua, 2021).

In Uganda, local governments play a central role in the decentralisation policy framework, mandated to plan, budget, and implement development programs within their jurisdictions. Effective financial reporting at this level is essential for ensuring transparency, accountability, and informed decision-making in the use of public resources (Ministry of Local Government (MoLG, 2020). Nevertheless, local governments continue to experience

challenges such as delayed reporting, inaccurate records, weak internal controls, budget overruns, and limited human resource capacity (Auditor General, 2023; Tumwebaze, 2019).

To address these shortcomings, the Government of Uganda introduced the Integrated Financial Management System (IFMS) as part of its wider PFM reforms to automate and integrate budgeting, accounting, procurement, and reporting functions (Ministry of Finance, Planning and Economic Development (MoFPED, 2019). The system is intended to enhance the accuracy, consistency, and timeliness of financial information by reducing manual processes and enabling real-time data sharing across departments (World Bank, 2022).

According to the International Public Sector Accounting Standards Board (IPSASB, 2020), quality financial reports should demonstrate accuracy, completeness, relevance, reliability, understandability, comparability, and timeliness. Despite the full rollout of IFMS in Ugandan local governments, there remains uncertainty about its actual impact on the quality of financial reports.

This study, therefore, seeks to examine the relationship between IFMS adoption on the quality of financial reports, taking Kasese District Local Government (KDLG) as a case study. IFMS serves as the independent variable, while the quality of financial reports is the dependent variable. This chapter presents the background to the study, problem statement, purpose, objectives, research questions, hypotheses, conceptual framework, significance, justification, scope, and operational definitions.

1.2 Background to the study

This section is presented by examining the historical, theoretical, conceptual, and contextual backgrounds related to the study

1.2.1 Historical background

The quality of financial reports has undergone a significant evolution globally, rooted in early 20th-century efforts to promote transparency, protect investors, and foster accountability in financial disclosures (Di Chiacchio et al., 2024). Landmark legislations such as the United States' Securities Act of 1933 and the Securities Exchange Act of 1934 laid the foundational regulatory framework to combat fraudulent financial practices and standardise corporate reporting (SEC, 2023). These reforms set a precedent for the institutionalisation of quality assurance mechanisms in financial reporting, including the establishment of independent audit committees and standardised accounting principles. Over time, technological innovations such as digital accounting systems, cloud-based platforms, and blockchain technologies further transformed the processes of report preparation and dissemination. These developments improved the timeliness, accuracy, and comparability of financial statements, thereby enhancing stakeholders' trust in reported information (Deloitte, 2021; PwC, 2020).

Across Africa, the demand for high-quality financial reports has been driven by the need to enhance public financial management and reduce fiscal mismanagement (Okech & Ogola, 2023). Countries such as Ghana and Nigeria have registered notable progress in strengthening financial report quality through IFMS adoption, particularly in central government institutions where compliance with international financial reporting standards (IFRS) and transparency benchmarks has improved markedly (World Bank, 2022; IFAC, 2020). However, challenges persist, including limited technical capacity, inconsistent data quality, and resistance to system reforms, which continue to affect the completeness and reliability of reports.

In the East African context, regional efforts spearheaded by institutions such as the East African Community (EAC) and the New Partnership for Africa's Development (NEPAD)

initiative have emphasised the harmonisation of financial reporting frameworks and the implementation of IFMS to support sound public financial governance. Countries like Kenya, Rwanda, and Tanzania have made strides in adopting IFMS platforms, resulting in enhanced accuracy and accountability in financial reports at both national and sub-national levels (OECD, 2021). These systems have facilitated real-time tracking of financial transactions and provided decision-makers with timely data for strategic planning. Nonetheless, the full potential of IFMS in enhancing financial report quality is often undermined by inadequate infrastructure and fragmented data collection mechanisms, especially in local government settings (Ugwu et al., 2024).

Uganda has progressively aligned its financial reporting systems with international standards, primarily through the Ministry of Finance, Planning and Economic Development (MoFPED, 2018). The country's adoption of the ICT began in the early 2000s as a means to improve transparency, accountability, and the reliability of financial information in the public sector. Subsequent rollouts to various government entities, including local governments, were intended to address persistent weaknesses in financial reporting such as delayed submissions, inconsistencies, and errors in expenditure tracking. Nationally, the adoption of IFMS in 2018 in local governments has led to observable improvements in the quality of financial reports reflected in better audit outcomes, reduced variances in budget execution, and improved stakeholder confidence in government financial data (KPMG, 2022; EY, 2023). However, disparities in system utilisation and technical proficiency among local government units have limited these gains. Therefore, this study seeks to examine the relationship between integrated financial management systems adoption and the quality of financial reports in Local Governments in Uganda taking Kasese District as the case study.

1.2.2 Theoretical background

The theoretical foundation of the study was based on Institutional Theory and the DeLone and McLean Information Systems Success Model.

The Institutional Theory was by W. Richard Scott (2001) and offers a vital framework for analysing how public organisations respond to external pressures and conform to broader institutional expectations. Building upon foundational contributions by Meyer and Rowan (1977) and DiMaggio and Powell (1983), Scott refined and structured the theory by introducing three key pillars that shape organisational behavior: the regulative, normative, and cultural-cognitive elements. These pillars represent distinct yet interrelated mechanisms through which institutions seek legitimacy, stability, and continued survival. Scott's model emphasises that organisations adapt not just to function effectively, but to meet societal expectations of appropriateness and legitimacy.

The theory contends that organisations exist within a complex web of social and institutional environments that influence their structure, practices, and decision-making processes. The regulative pillar encompasses legal frameworks and compliance obligations; the normative pillar includes professional values and social norms; and the cultural-cognitive pillar refers to the shared mental models and ingrained beliefs that guide behavior (Scott, 2001). Together, these forces compel organisations to adopt similar strategies, not necessarily because they are optimal, but because they are perceived as legitimate by peers, regulators, and stakeholders. As a result, institutional isomorphism where organisations converge on similar practices is a common outcome, particularly in public sectors under strong institutional influence.

The assumptions underlying Institutional Theory highlight that organisations strive for legitimacy rather than merely focusing on technical efficiency. Changes in organisational behavior are often triggered more by external demands than internal strategies (Scott, 2001).

For example, public institutions such as local governments may adopt IFMS despite limited internal capacity, simply to comply with mandates from central government, meet donor expectations, or align with best practices observed in peer institutions. This explains why local governments like Kasese District have adopted IFMS as part of broader reforms intended to enhance financial reporting, accountability and gain institutional credibility.

The DeLone and McLean Information Systems Success Model originally developed in 1992 to unify diverse approaches in assessing information systems (IS) performance. Drawing on over 180 empirical studies, the model identified six interrelated components of IS success: system quality, information quality, use, user satisfaction, individual impact, and organisational impact (DeLone & McLean, 1992). Recognising the evolution of technology and feedback from scholars, the model was revised in 2003 to include service quality, consolidate the impacts into a broader construct of "net benefits," and clarify the interdependencies among variables (DeLone & McLean, 2003). This update reinforced the model's dynamic nature and adaptability to changing technological contexts.

The revised model suggests that system quality, information quality, and service quality collectively influence user satisfaction and intention to use, which in turn affect the net benefits of the system. These benefits may manifest as improved decision-making, operational efficiency, and enhanced service delivery. The cyclical feedback loop between net benefits, satisfaction, and continued use makes the model responsive and applicable across diverse organisational settings (DeLone & McLean, 2003). It is particularly relevant for evaluating systems like IFMS in public institutions, where user experience and system utility must translate into broader organisational performance gains.

The key assumptions of the model include the multidimensionality of information systems success and the central role of user engagement in mediating the relationship between system

attributes and outcomes. Petter, DeLone, and McLean (2008) emphasise that success cannot be captured by a single metric, as different stakeholders may perceive system value differently based on their roles and expectations. The model's flexibility allows it to incorporate emerging technologies and varied usage environments. In public sector applications, such as IFMS adoption in Kasese District, the model helps assess technical performance, user satisfaction, and broader financial reporting improvements in a structured and evidence-based manner.

Applying this model at the Kasese District Local Government would help in assessing whether the adoption of IFMS led to tangible improvements in quality of financial reports and whether users are satisfied with its performance. It would further explore whether the intended benefits such as timely reporting and reduced financial mismanagement materialised.

The combined use of Institutional Theory and the DeLone and McLean Information Systems Success Model offers a robust and holistic framework for analysing the adoption of IFMS and its influence on quality of financial reports in Kasese District Local Government. Institutional Theory provides a socio-organisational lens to understand why IFMS was adopted, focusing on external pressures such as government mandates, donor expectations, and professional norms (Scott, 2001) while, the DeLone and McLean model assesses how effectively the system performs once adopted, including dimensions such as system reliability, user satisfaction, and the quality of financial reports produced (DeLone & McLean, 2003). Together, these theories allow for a comprehensive evaluation from institutional motivations to technical and user-level outcomes making them ideal for exploring the relationship between IFMS adoption and the quality of financial reports in the public sector like Kasese District Local Government.

This theoretical integration reveals that adoption does not guarantee success. Organisations may conform to institutional expectations without necessarily achieving internal effectiveness. There remains a gap in empirical research that explores how institutional pressures influence or moderate the outcomes of system performance.

1.2.3 Conceptual background

The concept of an Integrated Financial Management System emerged in the 1980s and 1990s as governments sought to modernize their financial operations through information and communication technologies. IFMS is defined as a computerised system that integrates key public financial management functions including budgeting, accounting, and reporting into a single platform to enhance efficiency and transparency (World Bank, 2025; MEFMI, 2023).

Integrated Financial Management System refers to comprehensive software solutions that integrate and automate financial processes within an organisation (Coglianese, 2019). It represents a pivotal advancement in organisational finance, integrating diverse financial functions into a unified platform aimed at enhancing efficiency, accuracy, and transparency in financial reporting. IFMS encompass various modules such as budgeting, accounting, procurement, and reporting, consolidating disparate financial processes into a cohesive framework (Al-Khoury & McCarthy, 2020). In this study, FMS was examined through its level of integration in three core functional areas: budgeting, general ledger, and cash management.

On the other hand, the concept of quality of financial reports has evolved significantly, particularly within the context of public sector accountability and governance. Historically, financial reporting in governments was viewed merely as a compliance function that focused on bookkeeping and annual audits. However, reforms in the 1990s and 2000s

emphasised the qualitative attributes of financial information, aligned with global frameworks such as the IPSAS.

Quality of financial reports refers to the accuracy, completeness, and relevance of financial information presented in a company's reports (Barth, Cahan, & Chen, 2019). It ensures that stakeholders, like investors and creditors, have reliable data to make informed decisions.

The International Federation of Accountants (IFAC) and the IPSAS Board (2020) outline key qualitative characteristics of high-quality financial reports as: relevance, faithful representation, timeliness, understandability, comparability and verifiability. However, in this study, the quality of financial reports was assessed based on three key attributes: understandability, relevance, and reliability.

The link between IFMS adoption and quality of financial reports is rooted in the system's ability to reduce errors, enforce real-time data capture, and improve access to financial data. IFMS facilitates automated generation of financial reports, thus minimising manual errors and improving data integrity (World Bank, 2021). According to Iravonga et al. (2023), effective implementation and utilization of IFMS enhances financial transparency, improves the timeliness of financial reports, and supports evidence-based decision-making in public sector entities.

1.2.4 Contextual background

The quality of financial reports in Uganda's Local Governments (LGs) has been a focal point of efforts to enhance transparency and accountability in public financial management. According to a study by the Uganda Bureau of Statistics (UBOS), financial report quality within LGs is critical in fostering good governance, improving service delivery, and building public trust (UBOS, 2022). In particular, Uganda's Public Finance Management

Act (PFMA) 2015 has been a significant step towards improving financial accountability, mandating local governments to adopt specific standards for financial reporting (MoFPED, 2020).

The Uganda Local Government Finance Commission (ULGFC) oversees and supports the preparation of financial reports in the local government systems. Local governments are required to prepare budgets and financial statements according to standardized formats set by MoFPED, ensuring consistency in reporting (MoFPED, 2022). However, various local governments in Uganda, including Kasese District Local Government (KDLG), have faced challenges in adhering to these financial reporting standards. For example, a 2021 audit of KDLG revealed discrepancies in the reporting of revenue collections and expenditure, with some discrepancies attributed to weak internal control systems (Auditor General Report, 2021).

Kasese District Local Government implemented IFMS to enhance the quality of their financial reports (Ministry of Local Government, 2018). However, according to the Auditor General Report, 2019; Auditor General Report, 2021; Auditor General Report, 2022, newly recruited staff experienced delays in getting on to the payroll while some retirees delayed in receiving their pension funds, whereas some employees received over payments of Salary and gratuity, others were underpaid, PAYE was not deducted from political leaders' gratuity, loan installments were irregularly deducted, some expenditures were charged on the wrong budget lines, whereas there was an under absorption of funds in the year ending 30th June 2022, there was an over absorption in the year ending 30 June 2020 and the delays in submission of quarterly reports to OPM & MoFPED among others. The anomalies raise concerns about the effectiveness of IFMS in enhancing the quality of financial reports. This

study examined the relationship between the adoption of IFMS and the Quality of financial reports at Kasese District Local Government.

1.3 Statement of the Problem

The Government of Uganda, through the Ministry of Finance, Planning and Economic Development (MoFPED) mandated the adoption of IFMS across all local governments as a legal and strategic measure to enhance the accuracy, timeliness, and efficiency of public financial reports (MoFPED, 2015). IFMS is expected to improve the quality of financial reports by automating financial processes, reducing manual errors, and ensuring timely, accurate, and standardised reporting. In principle, the system should enhance the reliability and usefulness of financial information for decision-making.

However, despite this legal and policy directive, Kasese District Local Government continues to experience persistent deficiencies in the quality of its financial reports.

Empirical evidence from the Auditor General's Reports (2021–2024) reveals recurring issues that undermine the effectiveness of IFMS in achieving its intended objectives. These include frequent mischarges of expenditure to incorrect budget lines, which compromise the understandability and classification accuracy of financial reports. In addition, delays in submitting financial reports to MoFPED and the Office of the Prime Minister (OPM), significantly affecting the timeliness and relevance of financial information for policy and managerial decision-making. Persistent shortfalls in local revenue collection further diminish the completeness and reliability of the reports, limiting its value for planning and forecasting.

The reliability of financial reports is further called into question by notable discrepancies in payroll management and statutory deductions. These include cases of overpayments and

underpayments in staff salaries, as well as inaccuracies in the remittance of statutory obligations. For example, the district recorded an overpayment of UGX 1,495,951 in staff salaries during the FY 2020/21

In addition, significant variances were observed in the utilisation of budgeted figures. The district registered an over-expenditure of UGX 289,702,328 and under-absorption of UGX 6,349,941,923 during the 2021–2022 fiscal years (Auditor General Reports, 2021; 2022).

These deficiencies collectively indicate that the quality of financial reports at Kasese District Local Government remains weak, characterised by persistent gaps in understandability, relevance, and reliability despite full IFMS adoption.

Accordingly, this study seeks to examine the effect of IFMS adoption on the quality of financial reports in Kasese District Local Government particularly in terms of understandability, relevance, and reliability.

1.4 Purpose of the study

The purpose of the study was to examine the relationship between integrated financial management systems adoption and the quality of financial reports in Local Governments in Uganda taking Kasese District as the case study.

1.5 Specific Objectives

- i. To examine the relationship between adoption of IFMS in budgeting and the Quality of financial reports at the Kasese District Local Government
- ii. To examine the relationship between adoption of IFMS in general ledger management and the Quality of financial reports.
- iii. To examine the relationship between adoption of IFMS in cash management and the Quality of financial reports.

1.6 Hypotheses of the Study

H₀₁: There is no significant relationship between the adoption of IFMS in budgeting and the quality of financial reports at Kasese District Local Government

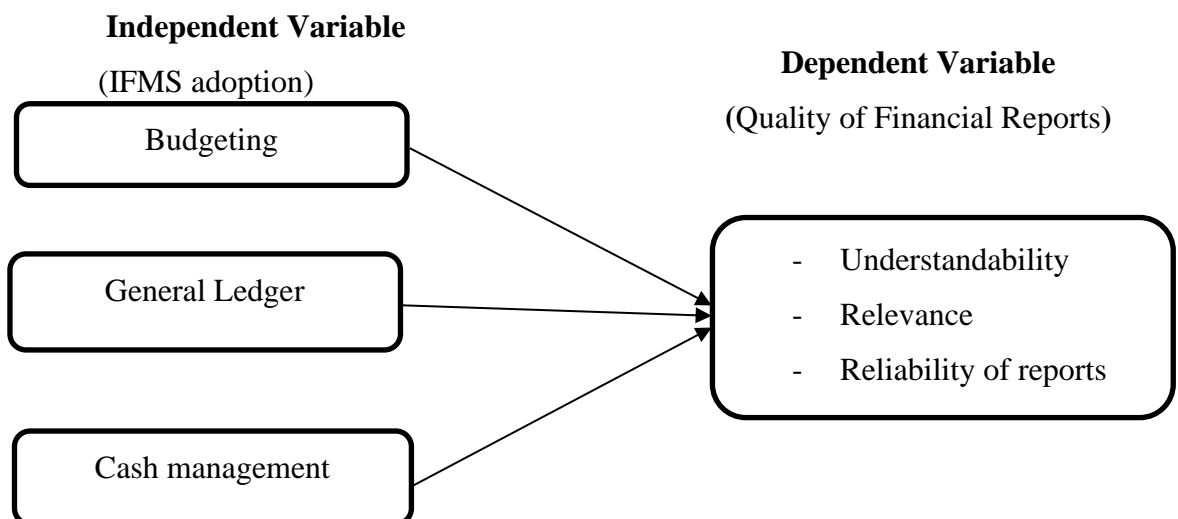
H₀₂: There is no significant relationship between adoption of IFMS in general ledger management and the quality of financial reports.

H₀₃: There is no significant relationship between adoption of IFMS in cash management and the quality of financial reports.

1.7 Conceptual Framework

This shows the graphic representation of the variables under study. It shows the linkages between adoption of selected IFMS modules and quality of financial reports. IFMS is the independent variable while quality of financial reports is the dependent variable.

Figure 1.1: Conceptual framework showing the relationship between IFMS adoption and quality of financial reports



Source: IFMS Modules adopted from IFMS study report (MOFPED, April 2015) and qualitative characteristics of financial reports adopted from IPSASI (IFAC, 2022), (Adopted with modification)

The conceptual framework of this study is grounded in the functionality of the Integrated Financial Management System (IFMS) and its influence on the quality of financial reports. IFMS is conceptualized as the independent variable, while the quality of financial reports is the dependent variable. According to Akidi, Okuna & Mwesigwa (2024), IFMS comprises core modules such as budgeting, general ledger, and cash management, which collectively enhance the efficiency, accuracy, and transparency of public financial management.

The budgeting module supports the formulation and execution of budgets in a more structured and timely manner, the general ledger module ensures accurate recording and consolidation of financial transactions, and the cash management module improves liquidity control and expenditure tracking (Akidi, Okuna & Mwesigwa, 2024). These modules are expected to enhance financial discipline and provide reliable data for reporting and decision-making.

The quality of financial reports in this framework is assessed using qualitative characteristics outlined by the IPSASB, including understandability, relevance, and reliability (IPSASB, 2023). These attributes reflect the extent to which financial information is clear, useful for decision-making and free from material error or bias.

This framework highlights the interaction between the technical capabilities of IFMS and the qualitative outcomes of financial reporting. It posits that effective adoption and use of IFMS modules can lead to improved financial report quality, thereby promoting transparency, accountability, and informed decision-making in local government operations (Iravonga et al., 2023).

1.8 Justification of the study

The study is justified by the need to address ongoing challenges within Uganda's IFMS framework. Despite its intended benefits of enhancing efficiency, accountability, and transparency in financial management, issues such as financial fraud, delayed payments, and inaccuracies in budgetary and accounting submissions persist among IFMS users. Investigating the relationship between specific IFMS modules and the Quality of financial reports will provide crucial insights into enhancing the system's effectiveness. Additionally, the study aims to highlight successful instances where well-designed IFMS modules have effectively mitigated issues like excessive payments, fraud, and theft, thus contributing to the overall improvement of financial reporting practices in Uganda.

1.9 Significance of the study

The findings of this study carried profound implications for policymakers, particularly in shaping policies aimed at promoting the adoption and effective utilisation of Integrated Financial Management Systems (IFMS). IFMS will integrate diverse financial processes and data into a cohesive system, potentially enhancing the accuracy, timeliness, and reliability of financial reports across local governments. Policymakers will maximise these insights to refine existing regulatory frameworks or develop new policies designed to foster IFMS adoption.

For Kasese District Local Government, the findings of the study will provide crucial direction on maximizing the benefits of IFMS in financial reporting practices. By pinpointing specific areas where IFMS adoption can yield substantial improvements such as reducing reporting errors, enhancing financial operational transparency, and optimizing budgetary allocations, Local government finance officers can apply the findings to improve financial processes, reduce errors, optimize budget allocations, and strengthen compliance

with regulatory standards. Auditors gain knowledge on how IFMS adoption affects financial reporting quality, enabling more effective auditing and risk assessment.

IFMS developers and implementers can refine system design, functionality, and training to better meet the needs of local governments, promoting wider adoption and improved system performance. This approach will not only enhance operational efficiency but also reinforce accountability and compliance with regulatory standards.

Furthermore, the study will enrich the academic discourse on IFMS within the public sector by expanding the existing knowledge base. It will shed light on how IFMS shapes financial reporting practices at local governments, offering insights into its mechanisms and potential impacts on governance structures and performance. This scholarly inquiry will stimulate further research into best practices for implementing and evaluating IFMS, thereby advancing theoretical understanding and practical applications in public administration. By fostering academic interest, the study will enhance scholarly comprehension of IFMS's role in transforming financial management practices and governance in the public sector.

1.10 Scope of the study

1.10.1 Content scope

The study specifically examined the relationship between adoption of Integrated Financial Management System (IFMS) and the Quality of financial reports within Kasese District Local Government. It concentrated on evaluating the Budgeting, General Ledger, and Cash Management modules of IFMS, focusing particularly on the understandability, relevance, and reliability aspects of Quality of financial reports. Given that IFMS is currently implemented only at the district and municipality levels, with town councils yet to adopt it, the study focused exclusively on the district local government. It compared financial reports

prepared before the adoption of IFMS with those generated through IFMS, providing insights into how the system impacts the Quality of financial reports in these contexts.

1.10.2 Geographical scope

The study was conducted at the Kasese District Local Government offices, located in Western Uganda. Kasese District encompasses 14 Town Councils and one Municipality. Geographically, the district is situated between latitudes 0° 12'S and 0° 26'N, and longitudes 29° 42'E and 30° 18'E.

KDLG manages funds from central government transfers, locally raised revenues, and development partners. It has adopted the IFMS, including the budgeting, general ledger, and cash management modules, which support planning, recording, and reporting of financial transactions.

The district, under the leadership of the Chief Administrative Officer (CAO) as the District Accounting Officer, comprises departments such as Finance, Internal Audit, Planning, Production and Marketing, Health, Education, and Administration. The Finance Office and Internal Audit are central to budget execution, general ledger and cash management, internal controls, and financial reporting which are key functions of IFMS operations. Together, these departments form a coordinated system for generating and reporting financial information. This makes the district an appropriate focus for examining the relationship between IFMS adoption and quality financial reports.

The District Local Government was selected because it operates under IFMS and represents typical local governments in Uganda that experience recurring deficiencies such as mischarges of expenditure to incorrect budget lines, delays in submitting financial reports, and discrepancies in payroll management and statutory deductions. The district was also

chosen for its accessibility and the availability of key financial management personnel, which facilitated efficient data collection. Furthermore, the absence of prior research on IFMS adoption in the district makes it a relevant case for generating insights to inform financial management improvements. These factors collectively justify its selection as the study area.

1.10.3 Time scope

The study covered the period from 2013 to 2016 (pre-IFMS adoption) and 2019 to 2022 (post-IFMS adoption) in Kasese District. The pre-adoption period provided a baseline of reporting under the previous system, while the post-adoption period reflected reporting after full IFMS implementation, allowing assessment of changes in the quality of financial reports associated with IFMS adoption. The research activities, including planning, data collection, and analysis, were conducted between January and March 2025.

1.1 1 Operational definitions

Integrated Financial Management System: Software solution integrated with national and local government financial operations to improve financial accountability and transparency.

Qualitative characteristics: These are essential attributes that make the information provided in financial reports useful to users.

Quality financial reports: Refer to financial statements that present information which is relevant, reliable, understandable, complete, timely, and compliant with applicable accounting standards and regulations (IASB, 2018).

Financial Reports: These are written records that provide financial data on an organisation's performance.

Quality of financial reports: It is reliability, relevance, understandability, timeliness, verifiability, and faithful representation of financial statements when delivering information on prospects and performance.

Understandability: This is the degree to which the information is presented clearly and easily for readers to understand. Financial reports are considered understandable when they are organized and presented in a way that makes it easy for readers with a basic understanding of accounting and business to easily interpret and use the information.

Relevance: This is the degree to which the financial data can affect the users' decisions. Financial statements are said to be relevant if they deliver timely, relevant, and valuable information that supports stakeholders in making more informed financial decisions.

Reliability: This refers to the information's capacity to fairly portray what it claims to represent and is free from bias and substantial error.

1.12 Chapter Conclusion

This chapter provided an overview of the study, including the background, problem statement, purpose, general and specific objectives, research questions, hypotheses, conceptual framework, justification, significance, scope, and operational definitions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter conducted a thorough review of existing literature, extracting insights and synthesising findings from previous studies, academic journals, surveys, and research projects. The initial section of this chapter delves into theoretical concepts that formed the foundation of the study. Subsequent sections present an overview of empirical studies, showcasing contributions from various scholars and authors related to the research objectives. The chapter concluded by identifying gaps in the literature and providing a summary of the findings.

2.2 Theoretical Review

The study was guided by two theories of Institutional Theory and Delone and Mclean Information Systems Success Model.

2.2.1 Institutional Theory

This study is anchored in Institutional Theory, which provides a compelling framework for understanding organisational behavior in public sector environments, particularly where reforms are externally driven. Institutional Theory, as developed by Scott (2001, 2008), argues that organisations exist within broader social, legal, and cultural systems that shape their practices. The theory identifies three interrelated pillars regulative, normative, and cultural-cognitive that serve as mechanisms through which institutions exert pressure on organisations to behave in ways considered legitimate or appropriate.

In the context of public financial management reforms, such as the adoption of IFMS in Ugandan local governments, Institutional Theory is particularly relevant. The regulative pillar encompasses formal rules and mandates, such as directives from the Ministry of Finance. The normative pillar includes professional standards and donor expectations promoting transparency and accountability. The cultural-cognitive pillar refers to shared beliefs and assumptions about what constitutes modern or effective governance (Scott, 2001). These elements jointly create an environment in which conformity, rather than internal capability, becomes the driving force behind the adoption of systems like IFMS.

However, despite its strengths, Institutional Theory has been critiqued for its emphasis on conformity and isomorphism at the expense of urgency, innovation, and resistance (Mutuku & Osoro, 2023). By focusing heavily on how organisations conform to external norms, the theory underrepresents the capacity of local actors to resist, reinterpret, or adapt reforms to suit their specific contexts. This is particularly relevant in decentralised settings like Uganda, where local governments implement systems such as IFMS symbolically to meet compliance requirements, rather than substantively integrating them into their financial management practices.

Additionally, institutional theory has been described as descriptive rather than predictive, offering limited insight into the effectiveness or impact of adopted reforms. For example, while it explains why IFMS is adopted, it may not fully capture whether the system has improved financial reports quality.

Institutional Theory tends to overlook how internal capabilities, incentives, and resource constraints interact with external pressures. This creates a risk of oversimplifying complex adoption decisions as mere reactions to institutional environments, thereby neglecting important organisational heterogeneity.

Despite these critiques, the theory remains highly relevant for this study, especially given the nature of public financial management reforms in Uganda. Regulative pressures from the Ministry of Finance, normative influences from professional accounting bodies and international donors, and mimetic forces from peer local governments collectively explain the adoption of IFMS in Kasese District Local Government. These institutional pressures often illustrate how legitimacy-seeking behavior, rather than strategic alignment or technical readiness, often drives reform adoption in the public sector.

In conclusion, Institutional Theory provides a useful framework for understanding externally driven reforms, such as IFMS adoption in Ugandan local governments. By highlighting regulative, normative, and cultural-cognitive pressures, the theory explains how legitimacy-seeking behavior, rather than internal capability, influenced Kasese District's adoption of IFMS. Despite being descriptive and limited in predicting reform effectiveness, it remains relevant for this study by framing the institutional forces that shaped financial management practices. Anchoring the research in this theory allows for a clear interpretation of how external pressures affected both IFMS adoption and the quality of financial reports.

2.2.2 DeLone and McLean Information Systems Success Model

The DeLone and McLean Information Systems (IS) Success Model, first introduced in 1992 and later updated in 2003, remains one of the most influential frameworks in evaluating the effectiveness of information systems. The original model proposed six interrelated dimensions of IS success: system quality, information quality, use, user satisfaction, individual impact, and organisational impact (DeLone & McLean, 1992). In response to feedback and evolving technological trends, the revised model integrated service quality and consolidated impact measures into a single construct called net benefits (DeLone & McLean, 2003). This updated framework suggests a causal relationship whereby quality

constructs influence user satisfaction and intention to use, which then affect the net benefits realised from the system.

The DeLone and McLean model is grounded in the assumption that IS success is multidimensional and context-dependent. Petter, DeLone, and McLean (2008) emphasised that no single metric can adequately capture the success of an IS, and the causal relationships among the constructs may be dynamic or bidirectional in practice. For example, user satisfaction may not only result from system use but also reinforce it, creating a feedback loop.

One of the core strengths of the DeLone and McLean Information Systems (IS) Success Model is its multidimensional and integrative structure, enables a comprehensive assessment of information system effectiveness across technical, user, and organisational dimensions. This feature is applicable to the adoption of IFMS in local governments, where implementation challenges extend beyond technology to include user engagement and institutional performance. It recognises the interconnectedness of constructs, acknowledging that user satisfaction and system use can reinforce each other in feedback loops (Petter, DeLone, & McLean, 2008). Moreover the inclusion of user satisfaction and intention to use enables analysis of staff perceptions and their willingness to meaningfully engage with the system beyond mere compliance in mandatory-use settings. The net benefits construct further aligns with the goals of IFMS implementation, such as improved financial reporting, transparency, and accountability. Also, the model's recognition of feedback loops between system use and user satisfaction reflects real-world dynamics, where increased satisfaction can promote more effective use, and vice versa. This adaptability makes the model suitable for public sector contexts like local governments, where the success of IFMS depends on

both the technical robustness of the system and the human and institutional capacity to sustain its use

However, despite its conceptual richness, the model is subject to critique. Its treatment of “use” as a proxy for success may not hold in environments where system use is compulsory. In contexts such as public sector institutions in developing countries use may reflect compliance rather than acceptance or satisfaction. Al-Kofahi et al. (2025) further criticised the model’s limited consideration of contextual and socio-political factors such as digital literacy, institutional weaknesses, and political interference that are pertinent in low-income countries. The model assumes a level of technological and organizational maturity that may not exist in many public sector environments. It overlooks barriers such as low digital literacy, lack of infrastructure, institutional inertia, and political interference, which can significantly mediate or distort the impact of information systems in practice. This concern is relevant in public sector contexts such as local governments in developing countries, where these barriers play a significant role in realizing the real effect of IFMS.

Ikenyei and Haggerty (2024) challenged the DeLone and McLean Information System Success Model for conflating process variables such as system use with outcome variables like user satisfaction, arguing that the relationships among constructs are not strictly linear or causal. This concern is particularly relevant in public sector contexts such as local governments in developing countries, where system use is often mandatory and therefore increased usage does not necessarily translate into higher satisfaction or improved performance. The model assumes a level of technological and organisational maturity that may not exist in many public sector environments.

In examining the adoption of IFMS in Kasese District Local Government, the DeLone and McLean model provides a comprehensive theoretical lens. The dimension of system quality guides the analysis of the IFMS platform's reliability, interoperability, and ease of use. Information quality frames the evaluation of the financial reports generated by the system, particularly regarding their accuracy, timeliness, and relevance. Service quality is pertinent in assessing the level of technical support and capacity-building offered to users. The constructs of user satisfaction and intention to use are important in understanding how local government staffs interact with the system and how it affects their work. Finally, the model's emphasis on net benefits aligns well with the study's aim to assess improvements in quality of financial reports.

In conclusion, while the model provides useful insights into system success, its applicability in local governments must be contextualised. Public sector environments are often characterised by constrained resources, mandatory system use, limited digital literacy, and political or institutional challenges that can influence both system adoption and outcomes. Therefore, while the model's constructs remain relevant, they must be interpreted with an awareness of the broader socio-political and institutional realities in which local governments operate.

2.3 Conceptual Review

2.3.1 Adoption of IFMS in budgeting.

The adoption of Integrated Financial Management Systems (IFMS) in budgeting represents a significant evolution in financial management practices, particularly in both public and private sector organisations. IFMS refers to comprehensive software solutions that integrate various financial functions into a unified framework, facilitating seamless budgeting processes alongside other financial operations. These systems typically encompass modules

for budget preparation, approval, monitoring, and reporting, streamlining the entire budget lifecycle (Devaraj & Kohli, 2019). IFMS offers organisations a centralised platform where budget-related activities can be conducted efficiently, ensuring accuracy, transparency, and compliance with financial regulations.

IFMS adoption in budgeting involves the implementation of software applications and technologies aimed at automating and integrating budgeting processes. Furthermore, IFMS facilitates better coordination among departments or units involved in budgeting activities, leading to improved collaboration and communication. Overall, the adoption of IFMS in budgeting reflects a strategic investment in modernizing financial management practices, driving efficiency, and enhancing decision-making capabilities within organisations.

2.3.2 Adoption of IFMS in general ledger management.

The use of Integrated Financial Management Systems in general ledger management creates a significant change in how entities keep and report on their financial information (Akidi et al., 2024). The general ledger is the primary storage of information about financial transactions that make up the IFMS core books. All transactions that are entered into the system are posted through the general ledger. A standardised chart of accounts requires that all transactions are recorded in the general ledger and the relevant subsidiary ledgers. This recorded data forms the basis for all reports and the financial statements.

IFMS encompasses sophisticated software solutions designed to consolidate and streamline general ledger functions within a unified platform, enabling seamless transaction processing, journal entries, and financial reporting (Adediran & Smith, 2021). At its core, the adoption of IFMS in general ledger management involves the deployment of integrated software applications and modules aimed at optimising financial data management processes.

Organisations leverage IFMS to automate routine ledger tasks, eliminate manual errors, and enhance data accuracy and integrity (Makkar & Nkanga, 2020).

2.3.3 Adoption of IFMS in Cash Management

The adoption of IFMS in cash management represents a pivotal advancement in financial technology, aimed at optimizing the management and control of cash flows within organisations. IFMS in cash management involves the implementation of integrated software solutions designed to streamline cash handling processes, monitor liquidity positions, and optimize cash utilisation. These systems offer a comprehensive suite of functionalities, including cash forecasting, bank reconciliation, and treasury management, enabling organisations to efficiently manage their cash resources in real-time (Srivastava et al., 2020).

The adoption of IFMS in cash management entails the deployment of technology-driven solutions to automate and streamline cash-related workflows and transactions. IFMS platforms offer robust features such as cash pooling, cash concentration, and cash forecasting, allowing organisations to optimize their cash positions and maximize returns on idle cash balances (Prasad & Khuntia, 2021). Moreover, IFMS facilitates seamless integration with other financial modules, such as general ledger, accounts payable, and receivable, ensuring data accuracy, consistency, and real-time visibility into cash movements across the organisation. Through the adoption of IFMS in cash management, organisations can enhance their financial controls, mitigate liquidity risks, and improve overall cash flow management efficiency.

2.4 Quality of financial reports

The quality of financial reports refers to the degree to which financial statements accurately and transparently represent an organisation's financial position, performance, and cash flows. High-quality financial reports provide relevant, reliable, and timely information that enables stakeholders to make informed decisions about the entity's economic activities and financial health (Apostolou et al., 2019). Key attributes of quality financial reports include understandability, relevance, reliability and comparability. These reports adhere to established accounting principles and regulatory requirements, presenting financial information in a clear, concise, and understandable manner. Quality financial reports foster trust and confidence among investors, creditors, regulators, and other stakeholders, contributing to the efficient functioning of capital markets and the overall credibility of the organisation. According to a report by Ministry of Finance, Planning and Economic Development (MoFPED, 2020), some of the key financial reports generated by IFMS include; Statement of Financial Performance, Financial Position and Cash Flows.

Ensuring the Quality of financial reports is essential for promoting transparency, accountability, and integrity in financial reporting practices. Quality financial reports enable stakeholders to assess the financial performance and prospects of an organisation accurately, facilitating investment decisions, credit assessments, and regulatory compliance (Acharya et al., 2020). To achieve high-quality financial reports, organisations must implement robust internal controls, adhere to relevant accounting standards and regulatory requirements, and maintain effective governance structures. Additionally, leveraging advanced technologies such as IFMS can enhance the accuracy, reliability, and timeliness of financial reporting processes, further improving the Quality of financial reports (Srivastava et al., 2020).

2.5 Empirical Review

The empirical review of this study explores the correlation between the IFMS within budgeting procedures and the resultant Quality of financial reports. Through a comprehensive examination of empirical studies conducted from 2019 to 2023, this review sheds light on the ramifications of IFMS adoption on the standard of financial reports within organisational frameworks in accordance to the study objectives. The analysis offers valuable insights into the dynamic interplay between IFMS adoption and its consequential effects on the efficacy and reliability of financial reports.

2.5.1 The relationship between adoption of IFMS in budgeting and the Quality of financial reports.

Garcia et al. (2023) employed a quantitative research design to explore the impact of IFMS adoption on nonprofit organisations. The researchers analysed financial data before and after IFMS implementation to assess changes in budget accuracy and financial report quality. The results demonstrated significant improvements in these areas following IFMS adoption, with nonprofit organisations reporting more transparent and accurate budgeting processes and financial reports showing marked improvements in detail and compliance. (United States)

Jiang and Liu (2023) conducted a qualitative case study examining the impact of IFMS adoption on budgeting processes and financial report quality in a specific industry sector. The study explored the experiences of a single organisation before and after IFMS implementation, revealing significant improvements in budget accuracy and financial report reliability. The findings emphasized the importance of organisational readiness and change management strategies in achieving successful IFMS adoption. (China)

In the United Kingdom, Smithson and Brown (2023) conducted a longitudinal analysis of IFMS adoption trends and their effects on budgeting processes and financial report quality across multiple organisations over a decade. Utilising a mixed-methods approach, including quantitative data analysis and qualitative interviews, the study identified evolving patterns of IFMS usage and their impact on financial management practices. The longitudinal analysis provided valuable insights into the long-term effects of IFMS adoption on organisational performance. The findings revealed that continuous IFMS usage led to progressive improvements in budget formulation, monitoring accuracy, and financial report quality, providing key insights into the long-term organisational benefits of IFMS adoption.

In India, Patel and Gupta (2023) conducted a survey study examining the factors influencing the successful implementation of IFMS and its impact on budgeting processes and financial report quality in a specific industry sector. Utilizing a quantitative research design, the study surveyed a large sample of organisations and analysed the data using regression analysis and structural equation modeling. The findings identified key success factors, such as top management support and user training, which significantly influenced the outcomes of IFMS adoption.

A qualitative study in China by Wang and Zhang (2022) focused on IFMS adoption in higher education institutions, employing a qualitative research design to explore stakeholder perceptions and experiences. The study conducted in-depth interviews with university administrators, finance officers, and relevant personnel to gain insights into the effects of IFMS adoption on budgeting processes and financial report quality. The results highlighted that IFMS adoption facilitated superior budgetary control and financial reporting in higher education institutions, with stakeholders reporting fewer instances of budget overruns and

misallocations, and financial reports exhibiting heightened comprehensiveness and accuracy.

In a broad meta-analysis conducted in India, Patel et al. (2022) conducted a comprehensive meta-analysis synthesising the overall effect sizes of IFMS on budgeting processes and financial report quality across diverse organisational contexts. Employing advanced statistical techniques, the meta-analysis revealed a significant positive effect of IFMS adoption on both budget accuracy and financial report reliability. The findings underscored the universal benefits of IFMS in refining budgeting and financial reporting practices across industries.

In South Korea, Kim and Park (2022) conducted a qualitative investigation to explore the challenges and opportunities associated with IFMS adoption in nonprofit organisations. Utilizing in-depth interviews and focus groups with key stakeholders, the study examined the unique contexts and requirements of nonprofit financial management. The qualitative investigation revealed the importance of flexibility and customization in IFMS implementation to accommodate the diverse needs of nonprofit organisations and enhance budgeting processes and financial report quality.

Kim et al. (2019) conducted a longitudinal study spanning five years to assess the long-term effects of IFMS adoption on budgeting processes and financial report quality within manufacturing firms. Utilizing a quantitative research design, the study found a sustained improvement in budget accuracy and financial report reliability post-IFMS adoption. The integration of IFMS streamlined budgeting workflows and enhanced data accuracy, leading to more informed decision-making and improved financial transparency. (South Korea)

Chen et al. (2019) examined the influence of IFMS implementation on budgeting and Quality of financial reports in SMEs using a mixed-methods research design. Their study combined qualitative interviews with quantitative analysis of financial data to provide a comprehensive understanding of the effects of IFMS adoption. The results revealed that SMEs experienced significant improvements in budget accuracy and Quality of financial reports post-IFMS implementation. SMEs reported more accurate and timely budgets, with financial reports exhibiting enhanced clarity, accuracy, and compliance with accounting standards. (China)

2.5.2 The relationship between adoption of IFMS in general ledger management and the Quality of financial reports.

Kim and Park (2023) conducted a comprehensive survey research study to gauge the perceptions of IFMS users regarding its influence on financial report quality across various organisational contexts. Through quantitative analysis of survey responses collected from a diverse sample of organisations, the study unveiled a strong positive correlation between IFMS adoption in general ledger management and perceived enhancements in financial report accuracy and transparency. These survey findings shed light on the subjective experiences of IFMS users and their interpretations of its effects on financial reporting practices. (South Korea)

In China, Zhou et al. (2023) designed an experimental study to explore the causal relationship between IFMS adoption and financial report quality in a controlled organisational setting. Employing a randomized controlled trial design, the researchers introduced IFMS in one group while maintaining a control group without IFMS integration. The findings unveiled a significant improvement in financial report accuracy and

completeness in the IFMS group, offering robust evidence of the affirmative impacts of IFMS adoption in general ledger management.

Garcia et al. (2023) further investigated the effects of IFMS adoption on financial report quality in nonprofit organisations. Through quantitative analysis of financial data, the study found significant enhancements in financial report accuracy and completeness following IFMS implementation in general ledger management. Nonprofit organisations reported improved transparency and reliability in financial reporting practices, fostering greater stakeholder confidence and support. (Spain)

In Vietnam, Nguyen and Tran (2022) conducted a qualitative case study examining the implementation intricacies and success factors associated with IFMS adoption in general ledger management within a specific industry sector. Through exhaustive interviews with key stakeholders and thorough analysis of organisational documents, the study identified crucial factors such as organisational culture, change management strategies, and vendor support as pivotal determinants of IFMS effectiveness. The insights gleaned provided valuable guidance for successful IFMS implementation and its consequential impact on financial report quality.

Wang and Zhang (2022) focused their research on the higher education sector, exploring the impact of IFMS adoption on financial report quality in universities. Employing qualitative research methods, the study revealed that IFMS integration in general ledger management facilitated more efficient data management and reporting processes. Universities reported increased accuracy and detail in financial reports, enabling better resource allocation and decision-making. (China)

Smith et al. (2021) extended the investigation to the public sectors of five countries, including Canada, India, South Africa, Brazil, and Malaysia, examining the effects of IFMS adoption on financial report quality across multiple countries. Through surveys, interviews, and financial data analysis, the study demonstrated significant improvements in financial report accuracy and compliance following IFMS integration in general ledger management. Public sector entities reported enhanced transparency and accountability in their financial reporting practices, contributing to improved governance and public trust.

In a cross-industry study in the United Kingdom, Patel and Khan (2021) provided cross-industry insights into the impact of IFMS adoption on financial report quality across various sectors. Utilizing quantitative analysis of survey data collected from organisations in manufacturing, services, and healthcare industries, the study unveiled uniform enhancements in financial report accuracy and transparency following IFMS integration in general ledger management. These findings underscored the universal benefits of IFMS adoption in refining financial reporting practices across industries. (India)

Johnson and Lee (2020) explored the impact of IFMS adoption on financial report quality in large private corporations. Utilizing quantitative analysis, the researchers found that IFMS implementation in general ledger management resulted in notable enhancements in financial report accuracy and compliance. By optimizing data handling and reporting processes, large corporations were able to produce more transparent and reliable financial reports, improving stakeholder trust and regulatory compliance. (United States)

Focusing on SMEs in Singapore, Tan et al. (2020) conducted a longitudinal study focusing on medium-sized enterprises (SMEs) to assess the sustained effects of IFMS adoption on financial report quality. Through meticulous analysis of financial data spanning five years pre- and post-IFMS implementation, the study revealed a consistent improvement in

financial report accuracy and completeness. The integration of IFMS in general ledger management was found to streamline processes and bolster data integrity, resulting in progressively more reliable financial reports over time.

Chen et al. (2019) conducted a mixed-methods study focusing on SMEs to investigate the influence of IFMS adoption on financial report quality. Their research revealed that IFMS integration in general ledger management led to significant improvements in financial report accuracy and completeness. Through streamlined processes and enhanced data management capabilities, SMEs were able to produce more reliable and timely financial reports, thereby enhancing transparency and decision-making. (Taiwan)

2.5.3 The relationship between adoption of IFMS in cash management and the Quality of financial reports.

In addition, a Zambian case study by Mumba and Chileshe (2023) focused on the implementation of IFMS in Zambian local governments. The researchers conducted in-depth interviews with finance officers and analysed financial reports before and after IFMS adoption. The case study findings indicated that IFMS implementation led to notable improvements in cash management efficiency, which was reflected in the higher Quality of financial reports. The study emphasized the role of IFMS in providing real-time visibility into cash transactions and balances, which facilitated more accurate and transparent financial reporting.

A quantitative study by Agyemang and Frimpong (2023) examined the relationship between IFMS adoption and Quality of financial reports in Ghanaian local governments. Using regression analysis on data collected from financial reports and surveys, the study found a positive correlation between IFMS implementation and improvements in financial reporting accuracy and timeliness. The researchers attributed these improvements to enhanced cash

management capabilities, such as automated reconciliation and real-time cash position tracking, which reduced errors and improved financial data accuracy. (Ghana)

Lastly, a multi-country analysis by Brown, Smith, and Jones (2023) compared the effects of IFMS adoption on cash management and Quality of financial reports across various African countries. The study utilised a mixed-methods approach, combining quantitative financial data with qualitative interviews. The findings indicated that countries with higher levels of IFMS adoption experienced greater improvements in cash management efficiency and financial report quality. The researchers noted that successful IFMS implementation required strong institutional support, adequate training, and continuous system upgrades to adapt to evolving financial management needs. (Multiple African Countries)

A survey conducted in Kenya by Ochieng and Wanyonyi (2022) investigated the perceptions of finance professionals regarding the impact of IFMS on cash management and financial reporting in the Kenyan public sector. The survey results revealed that a majority of respondents believed that IFMS adoption had significantly improved cash management practices, leading to more accurate and timely financial reports. The respondents highlighted the system's ability to integrate various cash management functions, such as budgeting, payment processing, and reconciliation, as a key factor contributing to improved quality of financial reports.

Further, a qualitative study by Kamau and Njuguna (2022) explored the experiences of finance officers in Kenyan parastatals with IFMS implementation. Through in-depth interviews, the study revealed that IFMS adoption had significantly streamlined cash management processes, leading to more accurate and timely financial reporting. Finance officers reported that the integration of budgeting, cash flow management, and payment processing within a single system reduced manual errors and improved data consistency.

However, the study also highlighted challenges such as resistance to change and the need for continuous training and support to maximize the benefits of IFMS. (Kenya)

In a longitudinal study, Nyangweso and Kibet (2021) examined the long-term effects of IFMS on quality of financial reports in the Tanzanian public sector. The study tracked financial reporting metrics over a five-year period, comparing data before and after IFMS adoption. The results showed sustained improvements in financial report quality, particularly in terms of accuracy and completeness. The authors attributed these improvements to enhanced cash management processes enabled by IFMS, such as automated reconciliation and real-time cash monitoring, which reduced discrepancies and improved data integrity in financial reports. (Tanzania)

In a study focused on the impact of IFMS on public sector audit outcomes, Mensah and Aboagye (2021) evaluated the audit reports of Ghanaian ministries, departments, and agencies (MDAs). The researchers found that the implementation of IFMS led to a decrease in the number of audit queries related to cash management. This was attributed to the system's real-time monitoring capabilities and automated financial controls, which enhanced the integrity and reliability of financial data. The study concluded that improved cash management through IFMS contributed to higher quality financial reports, which facilitated more effective auditing processes. (Ghana)

A study by Mbabazi and Mugisha (2020) explored the impact of IFMS on cash management in Ugandan public sector entities. The researchers utilised a mixed-methods approach, combining quantitative data from financial reports with qualitative insights from interviews with finance officers. The findings indicated that the adoption of IFMS significantly improved cash flow forecasting and liquidity management, which, in turn, enhanced the accuracy and reliability of financial reports. This improvement was attributed to the real-

time tracking and reporting capabilities of IFMS, which minimized errors and omissions in financial statements. (Uganda)

Bello and Yusuf (2020) conducted a comparative study on the financial reporting practices of Nigerian state governments before and after IFMS adoption. By analysing financial statements and conducting interviews with state finance officers, the study found that IFMS significantly enhanced the accuracy and timeliness of financial reports. The system's integrated cash management functionalities enabled more efficient budget execution and expenditure tracking, reducing the incidence of fiscal discrepancies and unauthorized spending. The researchers noted that the transparency and accountability afforded by IFMS also improved stakeholder confidence in financial reports. (Nigeria)

Mwaura and Ngugi (2019) conducted a quantitative analysis to assess the effect of IFMS on Quality of financial reports in Kenyan county governments. The study analysed financial data from various counties before and after the implementation of IFMS. The results demonstrated a marked improvement in the timeliness and accuracy of financial reports post-implementation. The researchers concluded that IFMS facilitated better cash management practices by providing more accurate and timely information on cash positions, which was crucial for preparing precise financial statements. (Kenya)

2.6 Literature gaps

A review of the literature on Integrated Financial Management System (IFMS) adoption and quality of financial reports reveals several gaps that this study seeks to address, relating to context, theory, scope, measurement, and empirical evidence.

Most studies have been conducted in developed economies, with limited research in African contexts, particularly within Ugandan local governments, where institutional frameworks,

capacity levels, and infrastructure differ significantly. This contextual gap underscores the need for localised research to understand IFMS implementation in decentralised governance.

Theoretical studies have applied either Institutional Theory or the DeLone and McLean Information Systems Success Model in isolation, limiting understanding of how institutional pressures interact with system success factors to influence the quality of financial reports. Integrating these perspectives provides a more comprehensive analytical framework.

Finally, empirical research often treats IFMS adoption as a single process, overlooking its core functional areas such as budgeting, general ledger management, and cash management and limiting insight into their individual contributions. Furthermore, studies frequently use broad success indicators rather than specific quality dimensions, such as understandability, reliability and relevance, creating a measurement gap.

2.7 Chapter Conclusion

This chapter reviewed the theoretical and empirical literature on Integrated Financial Management System (IFMS) adoption and the quality of financial reports, highlighting how IFMS can improve accuracy, reliability, timeliness, and compliance in financial reporting. It also examined key theoretical frameworks, including Institutional Theory and the DeLone and McLean Information Systems Success Model, and the main functional components of IFMS, such as budgeting, general ledger management, and cash management.

Despite these insights, several gaps remain. Research in the African context, particularly within Ugandan local governments, is limited, creating a contextual gap. There is a theoretical gap in integrating institutional pressures with system success factors, a scope gap in examining individual IFMS components, a measurement gap due to the lack of standardized quality indicators, and an empirical gap stemming from the reliance on cross-

sectional or qualitative data rather than longitudinal evidence. Addressing these gaps is essential for understanding the impact of IFMS on the quality of financial reports and forms the foundation for the current study, which aims to provide a context-specific, theoretically informed and empirically robust analysis.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter provided a description of how the study was conducted. It included research design, study population, sample size, sampling techniques, data collection methods, data collection instruments, data analysis and presentation, and ethical considerations.

3.2 Research design

According to Mwita (2025), a research design is the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions. In this study, a single-case study design, focusing exclusively on Kasese District, was adopted to provide an in-depth understanding of IFMS adoption and its influence on the quality of financial reports within a real-life institutional context.

To complement a case study framework, a cross-sectional survey design was employed. It involves the collection of data at a single point in time from a sample that is representative of a larger population. This design was selected for its efficiency in collecting representative data within limited time and resource constraint (Tuck et al., 2024). It also allows for the examination of the relationships between variables and the description of patterns within the population without the need for repeated observations over time.

Furthermore, the study employed both quantitative and qualitative research approaches. The quantitative approach enabled the collection and statistical analysis of measurable data, identifying relationships and patterns between variables. The qualitative approach complemented this by providing descriptive insights from finance internal auditor staff, and IFMS users, explaining the practical experiences, and perceptions underlying the numerical findings (Kawar et al., 2024). By utilizing a mixed-method approach, the study allowed for

triangulation, which helped to balance the limitations of each approach with the strengths of the other, thereby reducing the risk of bias that may result from relying on a single type of data.

3.3 Study population

The study population involved district staff from several departments, including Finance & Accounts (17), Internal Audit (2) and user departments (103). The selection targeted key personnel within these departments who had pertinent knowledge and information concerning the Integrated Financial Management System.

In the adoption of IFMS, User Departments, Finance and Accounts, and Internal Audit interact in a structured and interdependent manner. User Departments initiate financial activities by preparing requisitions, work plans, and accountabilities, which are submitted to the Finance and Accounts Department for processing. Finance and Accounts verify, enter, and approve transactions in IFMS, ensuring compliance with approved budgets and financial regulations. Internal Audit independently reviews these transactions and system-generated reports to assess their accuracy, compliance, and the effectiveness of internal controls. This interaction makes the three departments key sources of reliable data for the study, as they collectively generate, process, and validate financial information within IFMS, thereby providing credible evidence on its influence on the quality of financial reports in Kasese District Local Government.

Table 3.1: Population size

Department	Population
Finance & Accounts	17
Internal Audit	2
User departments	103
TOTAL	122

Source: Kasese District Local government human resource records (2020)

3.4 Sample size

According to Krejcie and Morgan (1970), the sample size for a given population can be determined using a specific formula designed to ensure that the sample is representative of the population within a certain margin of error and confidence level. For a population size (N) and desired confidence level (usually 95%), the sample size (n) was determined using the krejcie and Morgan table (1970).

Table 3.2: Sample size determination and selection

Department	Population	Selected size	Sampling technique
Finance & Accounts	17	17	Census
Internal Audit	2	2	Census
User departments	103	74	Purposive
TOTAL	122	93	

Source: Krejcie and Morgan (1970)

Based on the sample size determination table, a sample size of 93 respondents was selected from a total population of 122 respondents. This sample size is calculated to ensure that the study maintains a high level of accuracy and representativeness. Consequently, 93 respondents were utilised in the study to provide reliable and valid data.

3.5 Sampling technique

In this single-case study of Kasese District, participants were selected to provide information rich insights rather than statistical representativeness. Purposive sampling was

used to select key informants, such as senior finance officers, accountants, and auditors, for their direct experience with IFMS processes. Simple random sampling was applied to staff involved in routine financial reporting to capture a wider range of perspectives and minimise bias. The selection of respondents within the district was intended solely as a means of collecting data from different categories of informants, rather than as separate units of analysis. Combining these methods allowed the study to collect both expert insights and general staff views, enhancing the depth and validity of the findings.

3.5.1 Purposive sampling

Purposive sampling, also known as judgmental or selective sampling, is a non-probability sampling technique where the researcher selects participants based on specific characteristics or criteria. This method is particularly useful when the researcher needs to focus on particular subsets of a population that are most likely to provide relevant and insightful information (Tajik et al., 2024). Purposive sampling was employed to ensure that the most knowledgeable and relevant individuals were included. Specifically, the study targeted key personnel from various departments within the district, including Finance & Accounts, and Internal Audit. This entailed selecting specific individuals from the population based on criteria or judgment rather than randomly selecting them. Purposive sampling was used for heads of departments.

3.5.2 Simple random sampling

Simple random sampling is a foundational method in probability sampling, ensuring that each member of a population has an equal likelihood of being selected for inclusion in a study (Ahmed et al., 2024). In the specific context of the study, this approach was applied to guarantee that every potential participant among the targeted population of district staff is afforded an unbiased opportunity to be part of the sample. Simple random sampling was

essential to ensure that the sample accurately represents the entire population of district staff involved in IFMS adoption, enabling future generalizations about this broader group. Furthermore, this method effectively reduced researcher bias in participant selection, thereby significantly enhancing the objectivity and validity of the study findings. Through the random selection of participants, the study confidently applied statistical tests and analyses, which were crucial for drawing reliable conclusions regarding the relationships between IFMS adoption variables and metrics of financial report quality based on robust statistical validity. Simple random sampling was used for the rest of the staff in each department excluding heads of departments.

3.6 Data collection methods

3.6.1 Questionnaire survey

A questionnaire survey method is defined as a method of data collection involving the use of standardised sets of questions administered to a sample of individuals or groups, typically through written or electronic means, to gather information about their attitudes, beliefs, behaviors, or other characteristics of interest (Cohen et al., 2025). The questionnaire was meticulously designed to gather quantitative data. It included inquiries about various aspects related to IFMS adoption, such as the extent of implementation, perceived enhancements in financial reporting accuracy, user satisfaction with the system, encountered challenges, and suggestions for improvement.

3.6.2 Interviews

The interview method is a qualitative data collection technique where a researcher conducts structured or semi-structured conversations with participants to gather detailed insights into their perspectives, experiences, and opinions on specific topics (Corwin & Harper, 2024). Interviews were employed as a primary method to complement the quantitative data

obtained through questionnaire surveys. Focused interviews were undertaken with key respondents from critical departments such as Finance & Accounts and Internal Audit, pivotal to the study. These interviews aimed to gather comprehensive insights into participants' roles, experiences, and perspectives regarding IFMS adoption and its influence on quality of financial reports.

3.6.3 Documentary review

Documentary review is defined as a method of data collection that involves the systematic examination and analysis of existing documents, records, reports, and other materials relevant to the research topic (Kutsyuruba, 2023). In the context of the study, documentary review was employed alongside questionnaire surveys and interviews to provide a comprehensive understanding of the research topic. Various types of documents pertinent to the study were systematically reviewed, encompassing policy documents concerning IFMS implementation, pre- and post-adoption reports and internal audit reports. These documents, sourced from departments actively engaged in IFMS implementation like Finance & Accounts, IT, and procurement units and office of the auditor general, were thoroughly examined. The focus was on extracting crucial information such as timelines for implementation, budget allocations, encountered challenges, and achieved outcomes, thereby providing comprehensive insights into the historical context, implementation strategies, and performance evaluations of IFMS within district-level public sector entities.

3.7 Data collection Instruments:

3.7.1 Questionnaire

The questionnaire was structured to gauge respondents' perceptions and experiences using a 5-point Likert Scale. The questionnaire began with demographic questions to capture respondent characteristics such as job role, years of experience in financial management,

and familiarity with IFMS. Following this, specific statements were formulated to assess perceptions related to IFMS adoption and its impact on Quality of financial reports. Respondents rated each statement on a scale from 1 (Strongly disagree) to 5 (Strongly agree).

3.7.2 Interview guide

The structured interview guide encompassed specific areas which were vital to the research objectives, including participants' involvement in the IFMS implementation process, challenges encountered, strategies for overcoming these challenges, observations on improvements in financial reporting accuracy and timeliness due to IFMS adoption, and recommendations for enhancing future implementations.

3.7.3 Document review checklist

Documentary review involved the utilisation of external and internal sources and documents to support the conclusions and position of the study. It involved conceptualising, utilising and evaluating the reviewed records. The reviewed documents helped evaluate how IFMS adoption influences the quality of financial report. They include; financial reports, external audit reports, published and unpublished reports from MoFPED and development partners like UASID. This instrument gave insights into the extent of application of IFMS and the extent to which it enhances the quality of financial reporting at Kasese district local government.

3.8 Validity and Reliability of research instruments

3.8.1 Validity

The validity of the research instruments was evaluated by reviewing the relevance of the questions through expert judgment. Before data collection, the instruments were discussed

with the supervisors and thereafter two research experts were requested to review the items used in the questionnaire. These research experts provided feedback on whether the items in the questionnaire were relevant (R) or irrelevant (IR) to the study variables and effectively aligned with the research objectives. Subsequently, the researcher calculated the Content Validity Index (CVI), which was determined by dividing the number of items considered relevant (R) by the participants by the total number of items in the instrument,

$$CVI = \frac{\text{Items rated relevant}}{\text{Total number of items}}$$

3.8.2 Reliability

Reliability measures the consistency of an instrument in capturing data (Saunders et al., 2019). Cronbach's Alpha Coefficient was used to test internal consistency. A pilot study was conducted with 15 respondents. Data was analysed with SPSS version 23 to compute Cronbach's Alpha values. Constructs with alpha coefficients of 0.70 or above, as suggested by Nunnally (1978), were considered reliable; items below this threshold were revised.

3.9 Data Analysis and presentation.

3.9.1 Quantitative data analysis

Quantitative data collected through the administered questionnaires were accurately entered into SPSS Ver. 23 for systematic analysis. Prior to analysis, rigorous data cleaning and validation procedures were implemented to ensure data accuracy and reliability. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were computed to summarise the central tendencies and distributions of key variables pertinent to IFMS adoption and financial report quality among district staff.

Following descriptive analysis, inferential statistical methods were employed to explore relationships and predictive associations among the study variables. Correlation analysis assessed the strength and direction of relationships between variables. Regression analysis further expounded predictors of financial report quality, evaluating factors such as user satisfaction with IFMS functionalities, encountered implementation challenges, and organisational support for IFMS adoption. The outcomes of these analyses were presented methodically using tables and concise narrative descriptions. Interpretation of findings emphasized significant outcomes, practical implications, and actionable recommendations aimed at refining IFMS implementation strategies to enhance Quality of financial reports within district-level public sector entities.

3.9.2 Qualitative Data Analysis

Content analysis played a crucial role in examining qualitative data gathered through interviews in the study. Thematic coding systematically categorized interview responses into recurring themes pertaining to IFMS adoption processes, challenges encountered, benefits realised, and recommendations for improvement. This method facilitated the identification of common patterns and variations in participants' perceptions and experiences related to IFMS adoption and its relationship with quality of financial reports.

3.10 Ethical Consideration

Ethical considerations are foundational in research involving human participants, particularly in studies examining sensitive topics such as the IFMS adoption and its relationship with the Quality of financial reports in public sector entities.

Confidentiality was rigorously upheld throughout the study to safeguard the privacy of participants. All participant information and responses were anonymised during data analysis and reporting stages to prevent any possibility of identifying individual respondents. Access to collected data was restricted to authorized research team members only, ensuring that participant identities remain confidential and protected.

Informed consent was diligently sought from all participants prior to their involvement in the study. Clear and comprehensive information was provided regarding the purpose, procedures, potential risks, and benefits of participating in the research. Participants were informed of their right to withdraw from the study at any point without repercussion. Written consent was obtained from each participant, affirming their voluntary participation and understanding of their role in the study. The consent process prioritized transparency and respect for participants' autonomy, ensuring that they were fully informed and empowered to make informed decisions about their involvement.

To uphold academic integrity and prevent plagiarism, the researcher adhered strictly to ethical guidelines in the conduct and reporting of the study. Proper citation practices were meticulously followed to acknowledge all sources of information, including literature reviews, participant responses, and data analyses. Direct quotes and paraphrased information were accurately attributed to their original sources, thereby avoiding misrepresentation and ensuring due credit to the contributors of scholarly work. By maintaining these ethical standards, the study aimed to uphold the dignity and rights of participants while ensuring the credibility and reliability of its findings within the academic and research community.

3.11 Chapter Conclusion

This chapter provided a comprehensive overview of the research methodology, including the study's design, target population, and the determination of an appropriate sample size. It also detailed the sampling techniques, data collection methods, and instruments used to gather reliable and valid data. The chapter further addressed the data analysis procedures and methods of presenting findings, ensuring clarity and precision in the interpretation of results. Ethical considerations were thoroughly discussed to maintain research integrity.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents the analysis, interpretation, and presentation of the data collected in line with the objectives of the study. The purpose of this chapter is to provide empirical evidence to address the research questions through systematic examination of the collected data. Both quantitative and qualitative data was analysed and interpreted to provide meaningful insights into the research problem.

The data was organised and presented thematically or according to the research objectives, using tables and descriptive narratives. Statistical tools were used to analyse quantitative data, while qualitative responses were interpreted using thematic analysis to highlight key patterns and views. The findings in this chapter are discussed objectively to reflect the extent to which they answer the study's research questions or test the stated hypotheses.

It begins with the descriptive statistics, highlighting the demographic characteristics of the respondents, and then proceeds to present the results based on the study objectives, which included examining the relationship between adoption of IFMS in budgeting and the quality of financial reports, the relationship between adoption of IFMS in general ledger management and the quality of financial reports and the relationship between adoption of IFMS in cash management and the quality of financial reports at Kasese District Local Government.

4.2 Validity and Reliability of research instruments

4.2.1 Validity

The Content Validity Index (CVI) was computed based on expert evaluation of the relevance of each item.

Table 4.3: Validity Test

Item	Number of Items	Relevant	Irrelevant	CVIs
Budgeting	08	07	01	0.88
General Ledger Management	08	06	02	0.75
Cash Management	06	05	01	0.83
Quality of Financial Reports	08	07	01	0.88

Source: Primary Data (2025)

As shown in Table 4.3, all the sections of the instrument recorded CVI values above 0.70, indicating that the instrument was valid for the study as recommended by (Amponsah et al., 2020). Items rated as irrelevant were reviewed and refined to improve clarity and alignment with the study objectives.

4.2.2 Reliability

The reliability of the instrument was evaluated using Cronbach's Alpha. The results presented in Table 4.4 show that all constructs had alpha coefficients above 0.70, confirming that the instrument was reliable.

Table 4.4: Reliability Test

Item	Number of Items	Cronbach's Alpha (α)
Budgeting	08	0.901
General Ledger Management	08	0.913
Cash Management	06	0.894
Quality of Financial Reports.	08	0.903

Source: Primary Data (2025)

The results demonstrate satisfactory internal consistency across all constructs, indicating that the instrument was dependable for data collection.

4.3 Response rate

Among the 93 targeted participants, 89 successfully completed and returned their questionnaires, while 5 participated as key informants in interviews, yielding a response rate of 95.7%. This exceeds the 70% benchmark widely recognised as reliable for drawing valid conclusions, as asserted by scholars such as Ericson et al., (2023). The quantitative data from the 89 respondents was systematically presented in tabular form, while qualitative insights from key informants was analysed thematically and substantiated with verbatim quotes.

4.4 Background information of respondents

In this section, respondents' background information was gathered, focusing on key demographic factors such as gender, marital status, age, department, length of service, and education level. The data collected provides a foundational understanding of the participants' profiles, offering insights into the diversity and composition of the study sample. The results of the demographic analysis are summarised and presented in Table 4.5 for further reference and interpretation.

Table 4.5: Descriptive statistics on background information of respondents

Bio Data Information	Category	Frequency	Percentage
Gender	Male	62	69.7%
	Female	27	30.3%
	Total	89	100%
Marital Status	Married	66	74.2%
	Single	21	23.6%
	Divorced	2	2.2%
	Total	89	100%
Age Bracket	20-25 Years	16	18%
	26-35 Years	25	28.1%
	36-45 Years	31	34.8%
	46-55 Years	17	19.1%
	Total	89	100%
Department	Finance and accounts	17	19.10%
	Internal audit	2	2.25%
	User departments	70	78.65%
	Total	89	100%
Period Of Service	Less Than 5 Years	31	34.8%
	6 to 10 Years	27	30.3%
	7 to 12 Years	15	16.9%
	More Than 12 Years	16	18.0%
	Total	89	100%
Highest Level Of Education	Diploma	17	19.1%
	Degree	37	41.6%
	Masters	14	15.7%
	Post Graduate	21	23.6%
	Total	89	100%

Source: Primary Data, 2025

The study revealed that male employees represented 69.7% of the participants, while female employees accounted for 30.3%. This gender disparity suggests that male employees are more predominant in technical and leadership roles within KDLG. Despite this imbalance, the inclusion of female respondents ensured that the perspectives of women were represented in the study, contributing to a more holistic understanding of the district’s governance. The

findings indicate a need for further efforts to address gender equity in leadership and decision-making processes at KDLG.

A significant proportion of participants were married (74.2%), followed by single employees (23.6%) and a small number of divorced employees (2.2%). This distribution suggests that married employees, likely with a greater sense of career stability, were more engaged in the study. Their participation likely reflects their vested interest in long-term career development and institutional policies. In contrast, the lower participation of single and divorced employees points to potential differences in their career attachment, which could influence their engagement in governance-related studies.

The study showed that employees in the 36-45 age group had the highest participation rate (34.8%), followed by those aged 26-35 years (28.1%). This trend suggests that mid-career employees, who are likely more established in their roles, are more actively involved in the governance and policy-making processes at KDLG. The relatively lower participation of younger employees (18%) may reflect their limited exposure to the internal workings of the district. However, the involvement of older employees (19.1%) ensured that the study captured valuable perspectives from those with extensive experience within the organisation.

Finance and accounts departments had 19.10% staff participation, internal audit (2.25%) and user departments had 78.65% staff participation. User departments typically include a wide range of operational units (e.g., Health, Education, Works, Procurement, ICT, Administration, planning and others) that interact regularly with the IFMS for budget execution, requisitions, and reporting. This naturally results in a higher number of staff being involved compared to the more centralized Finance and Internal Audit units.

The study found that employees with less than five years of service were the most represented group (34.8%), followed by those with 6-10 years of service (30.3%). This suggests that newer employees, potentially still adjusting to the organisational culture, were more willing to participate in the study. The inclusion of employees with over 12 years of service (18%) added a historical perspective to the findings, providing valuable insights into the long-term operational challenges and institutional knowledge within KDLG. The diversity in years of service enriched the study, capturing both the experiences of newer employees and those with extensive tenure.

The study revealed that the majority of respondents held degree qualifications (41.6%), followed by postgraduate education (23.6%). The higher levels of educational attainment among participants suggest that more educated employees were more inclined to engage in the study. Their involvement likely reflects a greater capacity for critical analysis of governance issues and policy implementation. The representation of employees with diplomas (19.1%) and master's degrees (15.7%) ensured that the study was informed by a range of perspectives, reinforcing the relevance of education in shaping engagement with organisational development.

4.5 Quality of financial reports at Kasese District Local Government

This section presents the descriptive statistics on Quality of financial reporting. The analysis is based on respondents' perceptions and statistical findings, highlighting the strengths and areas for improvement in the quality of financial reports at the district.

Table 4.6: Quality of financial reports at Kasese local government

	N	Minimum	Maximum	Mean	Std. Deviation
Financial reports are accurate and free from material misstatements.	89	1	5	4.36	.869
Financial reports are compliant with international accounting standards and local regulations.	89	1	5	4.27	.809
Financial reports are timely and enable prompt decision-making by stakeholders.	89	2	5	4.28	.812
Financial reports are understandable.	89	2	5	4.27	.780
Financial reports are customized to meet the specific needs of various users.	89	2	5	4.18	.886
Financial reports are verified to maintain their integrity.	89	1	5	4.15	.820
Financial reports are consolidated from different departments and units, providing a holistic view of the financial status.	89	2	5	4.26	.716
Financial reports are compared over different periods to aid in performance evaluation.	89	1	5	4.21	.832
Valid N (listwise)	89				

Source: Primary Data, 2024

IFMS ensures that financial reports are accurate and free from material misstatements.

The mean score of 4.36 indicates that respondents strongly agreed that the Integrated Financial Management System (IFMS) ensures financial report accuracy and minimizes material misstatements. The standard deviation of 0.869 suggests moderate variation in responses, indicating that while most respondents acknowledged the IFMS's role in accuracy, some had slightly differing views. This implies that IFMS implementation has largely enhanced financial accuracy, but improvements may still be needed in certain areas.

IFMS generates financial reports that are compliant with international accounting standards and local regulations

With a mean of 4.27, the data suggests that most respondents agreed that the IFMS ensures compliance with international accounting standards and local regulations. The standard deviation of 0.809 signifies moderate variability in perceptions, implying that while compliance is generally achieved, some users may have concerns regarding certain regulatory requirements.

IFMS produces timely financial reports, enabling prompt decision-making by stakeholders

The mean score of 4.28 suggests a strong agreement that the IFMS supports timely financial reporting, which facilitates better decision-making. A standard deviation of 0.812 indicates some level of variability in responses, implying that while timeliness is generally ensured, occasional delays in reporting may still exist.

IFMS generates financial reports that are understandable

A mean score of 4.27 reflects broad agreement that IFMS enhances financial transparency through clear data presentation. The standard deviation of 0.780 suggests relatively low variability in responses, meaning that most respondents consistently viewed IFMS as an effective tool for improving financial transparency.

IFMS supports the generation of customised financial reports to meet the specific needs of various users.

With a mean of 4.18, respondents generally agreed that the IFMS allows for customized financial reporting to meet the needs of management, auditors, and regulators. However, the standard deviation of 0.886 indicates a slightly higher variation in responses, suggesting that some users might experience challenges in tailoring reports to their specific requirements.

IFMS supports verification of financial reports to maintain their integrity

The mean of 4.15 demonstrates that most respondents agreed that IFMS ensures data validation and verification to maintain financial report integrity. However, the standard deviation of 0.820 shows moderate variation, indicating that some respondents might perceive gaps in validation procedures.

IFMS supports consolidation of financial reports from different departments and units.

A high mean score of 4.26 suggests that IFMS effectively consolidates financial reports across departments, providing a holistic view of the government's financial position. The relatively low standard deviation of 0.716 implies strong agreement among respondents, reinforcing the system's efficiency in report consolidation.

IFMS facilitates the comparison of financial reports across different periods to aid in performance evaluation

The mean score of 4.21 indicates a strong consensus that the IFMS aids in trend analysis and performance evaluation by enabling financial comparisons across different periods. The standard deviation of 0.832 suggests some level of variability, implying that while IFMS generally supports historical comparisons, there may be occasional inconsistencies in its application.

During interviews, various members of staff specifically in the accounts and finance and internal audit departments at the district provided additional context on the relationship between Integrated Financial Management Systems and the Quality of financial reports.

One participant stated on how the Quality of financial reports has changed since the adoption of IFMS that;

“...Since the adoption of IFMS, the quality of financial reports has improved significantly. The system ensures that financial data is captured accurately and in

real time, reducing errors and inconsistencies. Reports are now more reliable, timely, and compliant with financial reporting standards.” (FIN01)

Another respondent noted that;

“...Yes, IFMS has made financial reports clearer and more structured. The system automatically generates financial statements in a standardised format, making it easier to present and interpret financial information. This has improved decision-making and accountability within the district.” (FIN02)

Another highlighted that;

“...Yes, the reliability of financial reports has greatly improved. IFMS ensures that financial data is consistently recorded and reconciled, minimizing discrepancies. With real-time updates and automated processes, financial reports are now more accurate and trustworthy, which enhances financial transparency and accountability.” (FIN03)

4.6 IFMS adoption in budgeting at Kasese district local government.

The first objective aimed to examine the relationship between adoption of IFMS in budgeting and the Quality of financial reports at Kasese District Local Government. Data analysis employed a Likert scale comprising five levels of responses. A mean score ranging from 1.00 to 1.80 indicated strong disagreement, while a score of 1.81 to 2.60 signified disagreements. Scores between 2.61 and 3.40 denoted neutrality, those from 3.41 to 4.20 indicated agreement, and scores from 4.21 to 5.00 reflected strong agreement. The descriptive statistics obtained from this analysis are presented in Table 4.7.

Table 4.7: IFMS adoption in budgeting at Kasese district local government

	N	Minimum	Maximum	Mean	Std. Deviation
IFMS facilitates the consolidation of annual budgets across all departments.	89	1	5	4.26	.873
IFMS supports multi-year budgeting to assist in long-term financial planning.	89	2	5	4.33	.780
IFMS supports tools for scenario analysis to evaluate the financial impact of different budget proposals.	89	1	5	4.24	.905
IFMS allows for real-time monitoring of budget performance against actual expenditures.	89	1	5	4.36	.829
IFMS facilitates reallocation of budgets in response to changing financial conditions.	89	2	5	4.38	.776
IFMS supports decentralisation of Budgeting processes to enable individual departments to manage their budgets effectively	89	1	5	4.15	.995
IFMS supports tools for performance-based budgeting to link resource allocation with outcomes	89	2	5	4.30	.775
IFMS supports automated budget approval workflows to streamline the review and approval process.	89	1	5	4.25	.933
Valid N (list wise)	89				

Source: Primary Data, 2024

The IFMS facilitates the consolidation of annual budgets across all departments.

The high mean score of 4.26 and low standard deviation of 0.873 suggest that the IFMS is generally perceived as effective in supporting the preparation and consolidation of annual budgets across various departments in the local government. The consistency in responses reflects a shared understanding among respondents that the IFMS facilitates the preparation and consolidation of annual budgets across all departments.

The IFMS supports multi-year budgeting to assist in long-term financial planning

A mean score of 4.33 and a standard deviation of 0.780 indicate strong agreement regarding the effectiveness of the IFMS in supporting multi-year budgeting. This suggests that the system is valuable for long-term financial planning and forecasting, enhancing the ability to predict and allocate resources for future needs.

IFMS supports tools for scenario analysis to evaluate the financial impact of different budget proposals

With a mean of 4.24, respondents largely agreed that the IFMS supports scenario analysis, allowing users to assess the financial consequences of various budget proposals. The standard deviation of 0.905 shows slightly higher variability, implying that while most find the feature useful, some may encounter challenges in conducting financial impact evaluations.

IFMS supports real-time monitoring of budget performance against actual expenditures

A mean score of 4.36 indicates that respondents widely recognised the IFMS's role in real-time budget tracking and monitoring, ensuring efficient financial management. The standard deviation of 0.829 suggests moderate variation, meaning that while the feature is effective, some users may find discrepancies in tracking actual expenditures.

IFMS facilitates reallocation of budgets in response to changing financial conditions

With the highest mean score of 4.38, respondents strongly agreed that the IFMS enables flexible budget adjustments and reallocations in response to evolving financial needs. The standard deviation of 0.776 suggests a consistent agreement among respondents, highlighting the system's adaptability to financial changes.

IFMS supports decentralisation of budgeting processes to enable individual departments to manage their budgets effectively

The mean score of 4.15 reflects agreement that the IFMS facilitates decentralized budgeting, allowing departments' greater autonomy in managing financial resources. However, the relatively high standard deviation of 0.995 suggests significant variability in responses, indicating that while the system is beneficial, some departments may still face challenges in effectively utilizing decentralized budgeting features.

IFMS supports tools for performance-based budgeting to link resource allocation with outcomes.

A mean score of 4.30 suggests strong agreement that the IFMS integrates performance-based budgeting, aligning financial resource allocation with key performance objectives. The standard deviation of 0.775 indicates a relatively uniform perception of the system's effectiveness in supporting performance-driven financial planning.

IFMS supports automated budget approval workflows to streamline the review and approval process.

The mean of 4.25 suggests a strong consensus that the IFMS enhances automated budget approval workflows, reducing administrative delays in budget approval processes. However, the standard deviation of 0.933 indicates some variability, suggesting that while the automation feature is generally effective, some users may still encounter inefficiencies in approval workflows.

4.7 IFMS adoption in general ledger management at Kasese District Local Government

The second objective aimed to examine the relationship between adoption of IFMS in general ledger management and the quality of financial reports at Kasese District Local Government. Data analysis employed a Likert scale comprising five levels of agreement. A mean score

ranging from 1.00 to 1.80 indicated strong disagreement (very low agreement), while a score of 1.81 to 2.60 signified disagreements (low disagreement). Scores between 2.61 and 3.40 denoted neutrality (moderate agreement), those from 3.41 to 4.20 indicated agreement (agreement), and scores from 4.21 to 5.00 reflected strong agreement (very high agreement).

During interviews, various members of staff at the district provided additional context on the adoption of Integrated Financial Management Systems adoption in Budgeting.

One respondent stated;

“...we have implemented IFMS across all departments involved in financial management, which has streamlined our budgeting process. It has allowed for more accurate financial planning, monitoring, and reporting, with real-time access to financial data for all stakeholders. The system has been fully integrated with other administrative functions, ensuring better alignment between budget allocations and actual expenditures.” (FIN01)

Another highlighted on how budgeting has improved with the adoption of IFMS;

“...It has enhanced transparency, accuracy, and accountability in the budgeting process by providing a unified platform for budget preparation, approval, and monitoring. With IFMS, we are able to track the budget throughout its lifecycle, ensuring that resources are allocated effectively and efficiently. The system also reduces human errors and delays, thus improving the timeliness and effectiveness of the budgeting process”. (AUD01)

One of the participants mentioned that;

“...Yes, the adoption of IFMS has greatly improved the allocation of expenditures across budgeted activities. The system enables better tracking and monitoring of expenditures, ensuring that funds are allocated according to the priorities outlined in the budget. It also facilitates adjustments in real time, allowing us to reallocate resources efficiently in response to emerging needs. Overall, IFMS has contributed to a more balanced and strategic allocation of resources, ensuring that funds are spent in line with our objectives and priorities”. (FIN01)

Table 4.8: IFMS adoption in general ledger management at Kasese district local government

	N	Min	Max	Mean	Std. Deviation
IFMS maintains a comprehensive chart of accounts to support detailed financial reporting	89	2	5	4.42	.781
IFMS automates the posting of financial transactions to the general ledger in real-time.	89	2	5	4.26	.791
IFMS supports multi-dimensional reporting by enabling the use of cost centers, projects, and other accounting dimensions.	89	2	5	4.28	.769
IFMS allows the creation of budget entries directly within the general ledger	89	1	5	4.11	.885
IFMS facilitates the generation of financial statements.	89	2	5	4.19	.810
IFMS supports the reconciliation of general ledger accounts with subsidiary ledgers	89	2	5	4.18	.847
IFMS supports transaction history tracking	89	1	5	4.22	.997
IFMS allows for creation and management of budget entries within the general ledger	89	1	5	4.16	.851
Valid N (listwise)	89				

Source: Primary Data, 2024

IFMS maintains a comprehensive chart of accounts to support detailed financial reporting.

The mean score of 4.42 indicates that respondents generally agreed that the local government's Integrated Financial Management System (IFMS) had maintained a comprehensive chart of accounts to facilitate detailed financial reporting. The standard deviation of 0.781 shows that the responses were relatively consistent with minimal variation around the mean. This suggested a general consensus among participants regarding the strength of the IFMS in supporting detailed financial reporting functions.

IFMS automates the posting of financial transactions to the general ledger in real-time.

A mean value of 4.26 reflected that respondents agreed that the IFMS had automated the posting of financial transactions to the general ledger in real-time. The standard deviation of 0.791 revealed moderate variability in the responses, suggesting that while the majority of participants acknowledged the effectiveness of the real-time posting feature, there was some degree of divergence in opinions, likely due to differing experiences or expectations. The result suggests that real-time automation of financial transaction postings is a positive feature of the IFMS, enhancing operational efficiency. However, the moderate variability in responses highlights potential challenges or inconsistencies in user experience, possibly pointing to technical issues or the need for further user training.

IFMS supports multi-dimensional reporting by enabling the use of cost centers, projects, and other accounting dimensions.

The mean score of 4.28 indicates that respondents agreed the IFMS allowed for multi-dimensional reporting, including features like cost centers and projects. The standard deviation of 0.769 shows that most people agreed, but there was still some variation in opinions. This implies that multi-dimensional reporting is a significant feature of the IFMS, but the variation in responses may suggest that some users find it difficult to use or have not fully utilised its potential.

IFMS allows for the creation of budget entries directly within the general ledger

The average score of 4.11 indicates that respondents generally agreed the IFMS allowed for the creation of budget entries within the general ledger. However, the higher standard deviation of 0.885 suggests that some people were unsure or had concerns about this feature. This implies that while the system's budget management feature is viewed positively overall, the variability in responses indicates that some users may have faced difficulties or

challenges with it. This could imply a need for further refinement or support to ensure smoother integration of budget management within the system.

IFMS facilitates the periodic closing of accounting periods and the generation of financial statements.

The mean score of 4.19 shows that respondents agreed the IFMS helped with the periodic closing of accounting periods and the creation of financial statements. The standard deviation of 0.810 suggests that while most people agreed, there was some difference in how people felt about this feature. This implies that the periodic closing feature is generally viewed positively, but the variability suggests that some users may find the process complicated or face challenges in completing it efficiently.

IFMS supports the reconciliation of general ledger accounts with subsidiary ledgers and other financial records.

With a mean score of 4.18, respondents agreed that the IFMS helped with reconciling the general ledger and subsidiary ledgers. The standard deviation of 0.847 shows that while most people agreed, some responses varied, indicating that some people might have had issues with this feature. This implies that the reconciliation feature is mostly viewed positively, but the variation suggests that improvements could be made to ensure the process is seamless for all users. It may be beneficial to address any specific challenges that users face with reconciliation.

IFMS supports transaction history tracking to ensure transparency and accountability.

The mean score of 4.22 suggests that respondents generally agreed that the IFMS supports audit trails and transaction history tracking. However, the higher standard deviation of 0.997 shows that there was more variation in opinions, indicating some people may have had concerns about the effectiveness of these tools. This implies that while most users

acknowledged the presence of audit trail and transaction history tools, the higher variation in responses suggests that some users may find these tools difficult to use or unreliable.

IFMS allows for the creation and management of budget entries directly within the general ledger.

The mean score of 4.16 shows that most respondents agreed the IFMS allowed the creation and management of budget entries directly within the general ledger. The standard deviation of 0.851 suggests that some people were not fully convinced or had different views on how well this feature worked. This implies that as most of the respondents agreed to the statement. The variability in responses indicates that some users may struggle with this feature, suggesting that refinements or additional support may be needed.

During interviews, various members of staff at the district provided additional context on the adoption of IFMS adoption in general ledger management. One respondent stated;

“...At Kasese District Local Government, IFMS has been fully adopted in general ledger management. The system is integrated into our financial processes, allowing for automated recording and classification of transactions. It has replaced most manual processes, ensuring that financial records are updated in real time and minimizing errors in ledger entries.” (FIN02)

Another highlighted on how the adoption of IFMS has improved general ledger management;

“...The adoption of IFMS has improved general ledger management by enhancing accuracy, efficiency, and accountability. It provides real-time access to financial records, ensuring that transactions are properly recorded and reconciled. The system has also improved audit trails, making it easier to track financial activities and comply with regulatory requirements.”(FIN03)

One of the participants mentioned that;

“...Despite its benefits, IFMS has some limitations. One challenge is the need for continuous system updates and technical support, which can sometimes delay financial processes. Additionally, network failures or system downtime can affect

access to the general ledger, causing operational delays. Some staff members also require ongoing training to fully utilise all IFMS features.”(FIN04)

4.8 IFMS adoption in cash management at Kasese district local government.

The third objective aimed to study how the adoption of IFMS in cash management affects the Quality of financial reports at Kasese District Local Government. Data analysis employed a Likert scale comprising five levels of agreement. A mean score ranging from 1.00 to 1.80 indicated strong disagreement (very low agreement), while a score of 1.81 to 2.60 signified disagreements (low disagreement). Scores between 2.61 and 3.40 denoted neutrality (moderate agreement), those from 3.41 to 4.20 indicated agreement (agreement), and scores from 4.21 to 5.00 reflected strong agreement (very high agreement).

Table 4.9: IFMS adoption in cash management at Kasese district local government

	N	Min	Max	Mean	Std. Deviation
IFMS handles multi-currency accounts and transactions	89	2	5	4.15	.847
IFMS sets up reference data for Bank Accounts	89	2	5	4.13	.842
IFMS monitors overdraft balances against set limits.	89	2	5	4.25	.758
IFMS controls the processing of check payments within a user-defined range of check numbers for each account.	89	2	5	4.21	.832
IFMS prepares reconciliation statements	89	2	5	4.18	.820
IFMS facilitates the processing and printing of checks	89	1	5	3.89	.970
Valid N (listwise)	89				

Source: Primary Data, 2024.

IFMS handles multi-currency accounts and transactions

The mean score of 4.15 suggests that, on average, respondents agree that the IFMS is effective in handling multi-currency accounts and transactions. The relatively high mean indicates general satisfaction with the system’s ability to manage multicurrency financial

transactions. The standard deviation of 0.847 indicates moderate variability in responses, meaning that while most respondents agree, there is some variability in perceptions, possibly due to specific use cases or technical limitations in certain contexts.

IFMS sets up reference data for bank accounts

The mean score of 4.13 suggests that respondents generally agree that the system effectively sets up reference data for bank accounts, approval limits, exchange rates, and check number ranges. The standard deviation of 0.842 reflects slight variability in opinions, suggesting that while the majority is satisfied, there may be occasional instances where the system does not meet expectations. Overall, the relatively low deviation indicates broad consensus about the system's effectiveness in this function.

IFMS monitors overdraft balances against set limits.

The mean score of 4.25 indicates strong agreement that the IFMS effectively monitors overdraft balances. This shows that respondents view this feature as a key strength of the system. The standard deviation of 0.758 is relatively low, suggesting that there is a high level of consistency in how respondents perceive the system's performance in managing overdrafts. The low variability implies that the feature is reliably performing its intended function.

IFMS controls the processing of check payments within a user-defined range of check numbers for each account

A mean of 4.21 suggests that respondents generally agree that the IFMS is effective in controlling check payments within user-defined check number ranges. The standard deviation of 0.832 indicates moderate variability, implying that while the system is generally viewed as effective, there may be instances where users encounter challenges, which could be related to system configuration or specific account setups.

IFMS prepares reconciliation statements for accounts with reference to the book balance and un-cleared items

The mean score of 4.18 indicates that respondents agree that the IFMS is effective in preparing reconciliation statements, which is crucial for maintaining financial accuracy. The standard deviation of 0.820 is slightly higher than the previous examples, suggesting a moderate level of variability in responses. This may imply that while most users find the feature helpful, there could be occasional discrepancies or challenges related to the reconciliation process.

IFMS facilitates the processing and printing of checks

The mean score of 3.89 suggests that while the IFMS does facilitate check processing and printing, respondents are less satisfied with this feature compared to others, indicating some dissatisfaction or room for improvement. The higher standard deviation of 0.970 reflects greater variability in opinions, suggesting that there are inconsistent experiences with this functionality. Some users may have encountered difficulties, which points to potential areas for system enhancement or more detailed user training.

During interviews, various members of staff at the district provided additional context on the adoption of Integrated Financial Management Systems adoption in cash management. One respondent mentioned on the adoption of IFMS in cash management;

“...IFMS has been fully integrated into cash management at Kasese District Local Government. The system enables us to track cash inflows and outflows in real time, ensuring proper allocation of financial resources and reducing the risk of cash mismanagement.”(FIN01)

Another noted on how cash management has improved with the adoption of IFMS that;

“...Yes, cash management has significantly improved with the adoption of IFMS. The system has enhanced transparency in cash transactions, ensuring that all payments and receipts are properly recorded. It has also minimized errors and delays in processing financial transactions.”(FIN04)

4.9 Inferential statistics

Inferential statistics played a vital role in this research by identifying relationships between variables and assessing the predictive power of the independent variable on changes in the dependent variable.

4.9.1 Correlational Analysis

A Pearson correlation analysis was conducted using SPSS Version 23 to examine the relationship between IFMS adoption in budgeting, general ledger management, cash management and the Quality of financial reports.

Table 4.10: Correlation Results on Relationship between study Variables

Items	B	GLM	CM	QFR
Budgeting	1			
General Ledger Management	.831**	1		
Cash Management	.672**	.706**	1	
Quality of financial reports	.680**	.704**	.649**	1

**** Correlation is significant at the 0.01 level (2-tailed).**

The Pearson correlation results in the table indicate a moderate and statistically significant positive relationship between IFMS adoption in Budgeting (B) and Quality of Financial Reports (QFR) with a correlation coefficient of .680** ($p < 0.01$). This suggests that improvements in budgeting practices are strongly associated with the Quality of financial reports. Furthermore, the data reveals a strong positive correlation between IFMS adoption in General Ledger Management (GLM) and the quality of Financial Reports (.704** and $p < 0.01$), which is also statistically significant. This correlation underscores the importance of well-maintained general ledger systems in ensuring the reliability and accuracy of financial reports. Equally, the adoption of IFMS in Cash Management (CM) shows a moderate

positive correlation with the Quality of Financial Reports ($r = .649^{**}$), indicating that efficient handling of cash transactions enhances the reliability of financial reports. These findings imply that adoption of IFMS in budgeting practices, general ledger management and cash management collectively enhances the quality of financial reports

4.9.2 Linear Regression Analysis

This study employed linear regression analysis to evaluate the degree to which Integrated Financial Management Systems adoption in budgeting, general ledger management and cash management served as a predictor for Quality of Financial Reports

4.9.2.1 Predictability potential of budgeting on quality of financial reports

The study analysed how Integrated Financial Management Systems adoption in budgeting predicts quality of financial reports and the results were presented in table 4.11 below.

Table 4.11: Predictability potential of IFMS adoption in budgeting on quality of financial reports

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.476	.324		4.555	.000
Budgeting	.647	.075	.680	8.652	.000
Model Summary					
R Square	.462				
Adjusted R Square	.456				
ANOVA^b					
F	74.855				
Sig. (P)	.000				

Source: Researcher's data analysis using SPSS version 23

From table 4.11 above, the regression analysis indicates that the adoption of IFMS in budgeting accounts for 45.6% of the variance in the quality of financial reports (Adjusted R Square = .456), while the remaining 54.4% of the variance is explained by other factors not included in this study. The validity of the model is confirmed by the significant F-value ($F = 74.855$, $P = .000 < .01$), indicating that the regression model is a good fit and reliably predicts the quality of financial reports. Furthermore, the adoption of IFMS in budgeting has a strong positive and significant influence on the quality of financial reports. The unstandardised coefficient, $B = .647$ implies that for every unit change in budgeting resulting from IFMS adoption, the quality of financial reports is expected to change by .647 units. This suggests that the adoption of IFMS in budgeting plays a critical and measurable role in enhancing the quality of financial reporting. The standardised coefficient, Beta of .680 confirms the strength of this relationship, confirming budgeting as a key predictor. The high t-value of 8.652 ($p = .000 < .01$) demonstrates that this influence is not due to chance and is statistically significant.

4.9.2.2 Predictability potential of general ledger management on quality of financial reports

The study analysed how integrated financial management systems adoption in general ledger management predicts quality of financial reports and the results are presented in table 4.12 below.

Table 4.12: Predictability potential of IFMS adoption in general ledger management on quality of financial reports

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.431	.309		4.639	.000
General Ledger Management	.666	.072	.704	9.237	.000
Model Summary					
R Square	.495				
Adjusted R Square	.489				
ANOVA^b					
F	85.327				
Sig. (P)	.000				

Source: Researcher's data analysis using SPSS version 23

From the table 4.12 above, the regression analysis indicates that general ledger management accounts for 48.9% of the variance in the quality of financial reports (Adjusted R Square = .489), while the remaining 51.1% of the variance is explained by other factors not included in this model. The validity of the model is confirmed by a highly significant F-value (F = 85.327, (P = .000 < .01), indicating that the regression model is a good fit and reliably predicts the quality of financial reports. Furthermore, general ledger management has a strong, positive, and statistically significant influence on the quality of financial reports. The unstandardised coefficients, B = .666, implies that for every one-unit change in general ledger management resulting from adoption in IFMS, the quality of financial reports is expected to change by .666 units, holding other factors constant. This shows that effective general ledger management is a critical and measurable contributor to improving financial reporting quality. The standardised Beta coefficient of .704 confirms the strong relationship, suggesting that general ledger management is a major predictor of the quality of financial reports. The high t-

value of 9.237 ($P = .000 < .01$) confirm that this influence is statistically significant and not due to random variation.

4.9.2.3 Predictability potential of cash management on quality of financial reports

The study analysed also how integrated financial management systems adoption in cash management predicts quality of financial reports and the results are presented in table 4.13 below.

Table 4.13: Predictability potential of IFMS adoption in cash management on quality of financial reports

Regression Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.779	.314		5.660	.000
Cash Management	.597	.075	.649	7.960	.000
Model Summary					
R Square	.421				
Adjusted R Square	.415				
ANOVA^b					
F	63.356				
Sig. (P)	.000				

Source: Researcher's data analysis using SPSS version 23

From the table 4.13 above, the regression analysis indicates that the adoption of IFMS in cash management accounts for 41.5% of the variance in the quality of financial reports (Adjusted R Square = .415), while the remaining 58.5% of the variance is explained by other factors not included in this study. The validity of the model is confirmed by a significant F-value ($F = 63.356$, $P = .000 < .01$), indicating that the regression model is a good fit and reliably predicts the quality of financial reports. Furthermore, cash management has a strong, positive, and

significant influence on the quality of financial reports. The unstandardised coefficient B = .597, which implies that for every unit change in cash management, the quality of financial reports is expected to change by .597 units. This suggests that the adoption of IFMS in cash management plays a substantial and measurable role in enhancing the quality of financial reporting. The standardised Beta coefficient of .649 highlights the substantial contribution of cash management to the quality of financial reports. The t-value of 7.960 ($p = .000 < .01$) confirms that this relationship is statistically significant and reliable.

4.9.2.4 Multiple Regression Analysis

This study employed multiple regression analysis to evaluate the degree to which Integrated Financial Management Systems adoption in budgeting, general ledger management and cash management combined served as a predictor for Quality of Financial Reports.

Table 4.14: Combined predictability potential of Integrated Financial Management Systems adoption in budgeting, general ledger management and cash management on quality of financial reports

Coefficients^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.998	.318		3.135	.002		
	Budget	.224	.127	.235	1.769	.081	.294	3.398
	General Ledger Management	.305	.132	.322	2.313	.023	.269	3.717
	Cash Management	.243	.096	.264	2.530	.013	.478	2.091
Model Summary								
R Square		= .558						
Adjusted R Square		= .542						
ANOVA^a								
F-Value = 35.722 (P-value = .000 ^b)								

From the regression analysis summarized in Table 4.14, the model indicates that the adoption of IFMS in budget, general ledger management, and cash management collectively accounts for 54.2% of the variance in the quality of financial reports (Adjusted $R^2 = .542$), while the remaining 45.8% of the variance is explained by other factors not included in this study. The validity of the model is supported by a significant F-value ($F = 35.722$, $P = .000 < .01$), demonstrating that the regression model is a good fit and reliably predicts the quality of financial reports.

Regarding the individual coefficients, the results indicate that the Budget variable has a positive but statistically insignificant influence on the quality of financial reports. The unstandardized coefficient $\beta = .224$ indicates that for every unit increase in IFMS adoption in budgeting, the quality of financial reports is expected to increase by .224 units. However, the influence is not statistically significant ($t = 1.769$, $p = .081 > .05$), suggesting that the influence of IFMS adoption in budgeting on the quality of financial reports is weak and may be influenced by other factors. In contrast, General Ledger Management exhibits a positive and statistically significant influence. The unstandardized coefficient $\beta = .305$ implies that a one-unit increase in IFMS adoption in general ledger management is associated with a .305 unit increase in the quality of financial reports. This association is statistically significant ($t = 2.313$, $p = .023 < .05$). Similarly, Cash Management shows a positive and statistically significant influence. The unstandardized coefficient $\beta = .243$ indicates that for every unit increase in IFMS adoption in cash management, the quality of financial reports is expected to increase by .243 units. This influence is statistically significant ($t = 2.530$, $p = .013 < .05$).

Collinearity Statistics show that tolerance values range from .269 to .478 and all Variance Inflation Factor (VIF) values are below 5 (ranging from 2.091 to 3.717), confirming that there is no multicollinearity problem among the predictors. This means that each independent

variable contributes uniquely to the model. A tolerance below 0.1 and VIF values above 5-10 are considered indicative of serious multicollinearity, so the observed values suggest no multicollinearity exists (Kim et al., 2019).

In summary, the results demonstrate that General Ledger Management and Cash Management are significant determinants of financial reporting quality, whereas the Budget component, though positive, does not significantly influence quality of financial reports. Overall, the findings suggest that the effective adoption and use of Integrated Financial Management System (IFMS) components considerably improve the quality of financial reports in the organization

4.10 Discussion of findings

4.10.1 The adoption of IFMS in budgeting and the quality of financial reports at Kasese District Local Government.

The findings reveal that the adoption of the Integrated Financial Management System (IFMS) has a significant impact on enhancing budgeting processes at Kasese District Local Government, particularly in areas such as multi-year planning, scenario analysis, real-time expenditure tracking, and budget reallocation. The findings imply that the adoption of IFMS in budgeting significantly improves the quality of financial reports in Kasese District Local Government by enhancing accuracy, transparency, and efficiency in financial planning and expenditure tracking. These results align with Devaraj and Kohli (2019) who emphasize that IFMS integrates various financial functions, thereby streamlining budgeting processes and improving efficiency.

The study further demonstrates a moderate positive correlation ($r = 0.680$, $p < 0.01$) between IFMS adoption in budgeting and Quality of financial reports. The positive relationship observed in the current study is consistent with findings from Kim et al. (2019), Chen et al.

(2019), and Johnson and Lee (2020), who reported similar improvements in budgeting and quality of financial reports following IFMS adoption. However, challenges related to top management support, user training, and system integration, as highlighted by Patel et al. (2022), suggest that the success of IFMS adoption may be contingent on effective implementation and context-specific factors.

4.10.2 The adoption of IFMS in general ledger management and the quality of financial reports at Kasese District Local Government.

The findings reveal a strong positive correlation between the adoption of IFMS in general ledger management and the quality of financial reports. The findings from Kasese District Local Government regarding the adoption of the Integrated Financial Management System (IFMS) align with the broader literature on the effectiveness and challenges associated with general ledger management. The system's success in automating real-time financial transactions and maintaining a comprehensive chart of accounts supports the assertions of Adediran and Smith (2021), who emphasize IFMS's role in consolidating general ledger functions. However, the variability in user experiences, particularly in multi-dimensional reporting and budget entries, reflects the challenges noted by Makkar and Nkanga (2020), who highlight difficulties in fully utilizing advanced features such as automation and reporting capabilities.

While reconciliation of general ledger accounts with subsidiary ledgers is generally well-received, the challenges some users face mirror the complexities identified by both Adediran and Smith (2021) and Makkar and Nkanga (2020) in managing these processes. The findings further are consistent with studies by Chen et al. (2019) and Johnson and Lee (2020), which similarly report improvements in financial reporting accuracy and reliability post-IFMS

adoption. However, collectively these results corroborate existing literature, affirming the critical role of IFMS adoption in enhancing the quality of financial reports.

4.10.3 The adoption of IFMS in cash management and the quality of financial reports at Kasese District Local Government.

As noted by Srivastava et al. (2020), the Integrated Financial Management System (IFMS) streamlines cash management processes by integrating key functionalities such as cash forecasting, bank reconciliation, and treasury management, which align with the positive perceptions expressed by respondents regarding multi-currency account management and liquidity monitoring. Prasad and Khuntia (2021) further emphasize the benefits of cash pooling, concentration, and forecasting, which are similarly reflected in respondents' improved control over cash positions. However, while existing literature underscores IFMS's role in enhancing financial controls and minimizing idle cash, the findings of the current study reveal some variability in user satisfaction, particularly concerning check processing, suggesting that certain cash management functions may still encounter operational challenges.

The study findings which show that IFMS adoption in cash management a strong positive relation with the Quality of financial reports is in conformity with majority of the literature that typically suggests a positive correlation between IFMS adoption and improvements in Quality of financial reports. For instance, Mwaura and Ngugi (2019), Mbabazi and Mugisha (2020) and Bello and Yusuf (2020) highlighted that IFMS adoption led to more accurate, timely, and reliable financial reports, primarily due to enhanced cash management practices such as real-time tracking, cash flow forecasting, and automated reconciliation. Similarly, Nyangweso and Kibet (2021) and Agyemang and Frimpong (2023) found that IFMS adoption improved financial reporting accuracy by reducing manual errors, while Mensah and

Aboagye (2021) observed fewer audit queries related to cash management. The present analysis, with a Pearson correlation of 0.649, $P < 0.01$ suggests that IFMS adoption in cash management leads to improvements in quality of financial reports.

4.10.4 Multiple regression: Combined predictive potential of IFMS adoption in budgeting, general ledger and cash management on quality of financial reports.

The multiple regression analysis showed that Budget, General Ledger Management, and Cash Management collectively influence the quality of financial reports, explaining 54.2% of the variation (Adjusted $R^2 = 0.542$) and being significant at the 1% level ($F = 35.722$, $p = 0.000$).

General Ledger Management ($\beta = 0.305$, $p = 0.023$) and Cash Management ($\beta = 0.243$, $p = 0.013$) had positive and significant influence at 5% level, highlighting their critical role in ensuring accurate, reliable, and timely financial reports. In contrast, Budgeting ($\beta = 0.224$, $p = 0.081$) had a positive but insignificant influence at 5% level, suggesting its influence on quality of financial reports is weaker, possibly due to implementation challenges.

Collinearity diagnostics indicated no multicollinearity among the predictors (tolerance = 0.269–0.478; VIF = 2.091–3.717) (Kim et al., 2019), confirming that each component independently contributes to the model. Overall, the findings emphasize the importance of strengthening General Ledger and Cash Management practices within IFMS to enhance financial reporting quality, while budgeting processes may require additional support to achieve significant impact.

4.11 Conclusion

This chapter provided a comprehensive analysis of the data collected, with a focus on descriptive statistics, inferential analysis, and qualitative insights. The linear regression analysis findings highlight the significant influence of IFMS adoption in budgeting, general

ledger management and cash management on quality of financial reports at Kasese District Local Government with all the individual predictors statistically significant at 99% level of confidence. The inferential statistics confirmed a strong positive relationship between budgeting and quality of financial reports. Linear regression analysis further revealed that IFMS adoption in budgeting positively predicts quality of financial reports. The system's adoption in general ledger management and cash management showed a strong positive relationship.

However, the results of the multiple regression analysis show that IFMS adoption in Budgeting, General Ledger Management, and Cash Management jointly have a significant influence on the quality of financial reports, with General Ledger and Cash Management contributing most strongly, while budgeting has a positive but weaker influence.

Accordingly, the null hypotheses stating that there is no significant relationship between IFMS adoption in general ledger management and cash management and the quality of financial reports are rejected, while the null hypothesis that there is no significant relationship between IFMS adoption in budgeting and quality of financial reports is accepted even though budgeting shows a positive and significant influence when analysed individually.

These findings affirm that IFMS is a valuable tool in strengthening public financial management. However, the system's effectiveness is contingent upon proper implementation, system reliability, and ongoing user capacity building. Strengthening these areas will further improve the understandability, relevance and reliability of financial reports not only in local government entities but also in the wider public sector.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a synthesis of the study by summarising the key findings, discussing them in relation to the research objectives, existing literature, and theoretical framework, drawing conclusions, and making appropriate recommendations. It builds on the data presented in chapter four and reflects on the implications of the findings.

The chapter begins with a brief summary of the study findings followed by a detailed discussion of the findings, highlighting how they align with or differ from previous studies and theoretical expectations. The discussion provides insights into the meaning and significance of the results within the context of the research problem.

The chapter further presents the conclusions drawn from the study, directly linked to the specific research objectives or questions. Finally, based on the conclusions, practical and policy-oriented recommendations are provided, and suggestions for further research are outlined to guide future investigations in the field.

This structured approach aims to integrate the findings and emphasise their implications for both future research and practical application in the field.

5.2 Summary of findings

The summary of findings presents a concise overview of the results from the study, highlighting the key findings and addressing the research objectives.

5.2.1 The adoption of IFMS in budgeting and the quality of financial reports at Kasese District Local Government.

The findings reveal that the (IFMS significantly enhances budgeting processes within local governments by facilitating multi-year planning, scenario analysis, real-time expenditure tracking, and budget reallocation in Kasese District Local Government. The consistently high mean scores indicate strong consensus on the system's effectiveness, while the moderate standard deviations suggest some variations in user experiences, particularly in decentralized budgeting and automated approval workflows. While the correlation results reveal a moderate positive correlation ($r = .680$, $p < .01$) between the adoption of the Integrated Financial Management System (IFMS) in budgeting and the quality of financial reports, the linear regression reveal a strong positive and significant influence confirmed by the standardised coefficient, $Beta = .680$ and $P=.000 < 0.01$. However, the multiple regression results indicate that though the influence of IFMS adoption in budgeting on the quality of financial reports is positive, it is statistically insignificant ($\beta = 0.224$, $p = 0.081 > 0.05$) when considered alongside other components. This influence can further be enhanced by proper training for staff to maximise system utilisation, improving customization to meet the specific needs of the users and conducting regular monitoring and evaluation to address gaps.

5.2.2 The adoption of IFMS in general ledger management and the quality of financial reports at Kasese District Local Government.

The correlation findings reveal a strong positive and statistically significant positive correlation between the adoption of IFMS in general ledger management and the Quality of financial reports, with a Pearson correlation coefficient, $r = .704$. A standardised coefficient of $Beta = .704$ suggests a strong positive impact. The t-value of 9.237, ($P = .000 < .01$) confirms the strong positive level of significance. The results indicate that the independent variable has a meaningful impact at 99% level of significance. Both linear and multiple

regression indicate that IFMS adoption in general ledger management has a positive, and statistically significant influence on the quality of financial reports with beta values of $\beta = .666$ and $\beta = .305$ respectively.

5.2.3 The adoption of IFMS in cash management and the quality of financial reports at Kasese District Local Government

The findings indicate that respondents generally agree on the effectiveness of IFMS in preparing reconciliation statements, though there is some variability in user experiences. While the majority of respondents are satisfied with these features, the processing and printing of checks received lower satisfaction, reflecting potential areas for improvement. The analysis indicates that the adoption of IFMS in cash management has a strong positive and statistically significant influence on the quality of financial reports, as evidenced by a Pearson correlation of $r = 0.649$. A standardised coefficient of beta of $.649$ and a high t-value of 7.960 ($p = .000 < .01$) suggests that the impact is statistically insignificant. Thus, the adoption of IFMS in cash management has a significant influence on the quality of financial reports, confirming the null hypothesis. Both linear and multiple regression indicate that IFMS adoption in cash management has a positive, and statistically significant influence on the quality of financial reports with beta values of $\beta = .597$ and $\beta = .243$ respectively.

5.2.4 Multiple regression: Combined influence of IFMS adoption in budgeting, general ledger and cash management on quality of financial reports.

The multiple regression analysis showed that Budget, General Ledger Management, and Cash Management collectively influence financial reporting quality, explaining 54.2% of the variation (Adjusted $R^2 = 0.542$) and significant at the 1% level ($F = 35.722$, $p = 0.000$). General Ledger Management ($\beta = 0.305$, $p = 0.023$) and Cash Management ($\beta = 0.243$, $p = 0.013$) had positive and significant influence at the 5% level, while Budgeting ($\beta = 0.224$, $p =$

0.081) had a positive but insignificant influence. These results highlight the critical role of General Ledger and Cash Management in enhancing the accuracy, reliability, and timeliness of financial reports.

5.3 Conclusions

The study concluded that there is no significant relationship between IFMS adoption in budgeting and the quality of financial reports because IFMS adoption in budgeting does not have a statistically significant influence when considered alongside other IFMS components. While budgeting shows a positive influence individually, its influence is relatively weaker compared to General Ledger and Cash Management in the combined model.

The study also concluded that the adoption of IFMS in General Ledger Management significantly enhances the quality of financial reports and therefore the null hypothesis that there is no significant relationship between IFMS adoption in General Ledger Management and the quality of financial reports is rejected because it has a statistically significant positive influence on the quality of financial reports in the multiple regression analysis. This positive influence is attributed to IFMS features such as real-time automated posting of transactions, a comprehensive chart of accounts, multi-dimensional reporting, integrated budget entries, financial statement generation, account reconciliation, and transaction history tracking. These capabilities ensure accuracy, completeness, and timeliness in financial data management, thereby strengthening the reliability of financial reporting. This implies that organisations aiming to improve financial reporting quality should invest in strengthening their general ledger functions through IFMS, as this fosters greater financial accuracy, transparency, and accountability, which are essential for informed decision-making and effective financial governance.

The study further concluded that the adoption of IFMS in Cash Management significantly contributes to the enhancement of quality of financial reports and therefore the null hypothesis that there is no significant relationship between IFMS adoption in cash management and the quality of financial reports is rejected because it has a statistically significant positive influence on the quality of financial reports in the multiple regression analysis. Its influence is driven by IFMS functionalities such as handling multi-currency transactions, setting up and managing bank account data, monitoring overdraft limits, controlling cheque payment processes, facilitating check printing, and preparing bank reconciliation statements. These features enable efficient cash flow oversight, improve transactional accuracy, and support timely financial reporting. This implies that to achieve high-quality financial reports, organisations should adopt and effectively utilise IFMS in cash management processes, as this promotes accurate cash handling, reduces financial risks, and ensures transparency in the management of liquid assets like cash.

Therefore, The null hypotheses for IFMS adoption in General Ledger Management and Cash Management are rejected, because both components have a statistically significant positive influence on the quality of financial reports in the multiple regression analysis, while the null hypothesis for IFMS adoption in budgeting is accepted because it does not have a statistically significant influence in the multiple regression. This indicates that effective management of ledger accounts and cash operations under IFMS adoption contributes meaningfully to improving the understandability, reliability, and relevance of financial reports.

5.4 Recommendations

It is strongly recommended that organisations, especially in the public sector, should strengthen budgeting processes by prioritising full-scale adoption and proper utilisation of IFMS in their budgeting processes, providing targeted training for finance staff, fully

integrating budgeting modules within IFMS, and conducting regular monitoring and evaluation to address gaps. Budget information should be actively used in decision-making, and clear accountability mechanisms should be established to ensure effective implementation and performance.

Organisations should invest in enhancing their general ledger management by integrating IFMS capabilities, particularly focusing on real-time transaction posting, multi-dimensional reporting, and automated financial statement generation. Strengthening these areas will significantly improve the credibility and reliability of financial reports, which is vital for sound financial governance.

To ensure accurate and transparent financial reporting, it is recommended that organisations adopt IFMS for managing cash operations. Particular attention should be given to leveraging features like multi-currency transaction handling, bank reconciliation automation, and payment control mechanisms, as these enhance cash flow efficiency and reduce the risk of mismanagement of funds.

5.5 Areas for further research.

Evaluating the long-term effectiveness of IFMS in enhancing financial management practices: While this study indicates the positive impact of IFMS on budgeting and Quality of financial reports, further research could assess the long-term sustainability of these improvements. Future studies could investigate whether the adoption of IFMS leads to sustained enhancements in financial transparency, accountability, and overall financial management practices within local governments, particularly in the context of changing fiscal policies and budgetary constraints.

Examining the effect of regulatory and institutional pressures on implementation of IFMS in public sector entities:

Institutional theory highlights how regulatory and institutional pressures influence organisational behavior, yet their impact on effective implementation of IFMS remains underexplored. Investigating these pressures offers a valuable opportunity to understand the external factors shaping IFMS success, filling a notable gap in public sector digital transformation research.

Assessing the influence of user training and capacity building on IFMS performance:

Since variability in user satisfaction has been noted, particularly in cash management functions, further research could examine the role of user training and capacity building in enhancing the effectiveness of IFMS. Understanding the best practices for training programs could shed light on how to ensure users fully utilise the system's capabilities, thereby improving quality of financial reports.

Evaluating the effect of institutional and technical support on IFMS success: Given the challenges related to system implementation and integration, future research could explore how organisational commitment and technical support contribute to the successful adoption of IFMS. Such studies could identify key support mechanisms that enhance the effectiveness of IFMS and lead to improvements in quality of financial reports in local governments.

5.6 Limitations to the study and the mitigation measures

Busy schedules of the respondents: Because of the busy schedule of the respondents with office roles, they were not having enough time to respond to the questionnaires and the interviews. However, this was mitigated by explaining to the respondents the usefulness of the research and how it was likely to benefit the district local Government in the bid to

improve the implementation and adoption of IFMS. The researcher also engaged the respondents in their free time like lunch and break hours.

Non-disclosure of the required information: Respondents at first decides not to disclose the required information out fear for their identity. However, this was resolved by promising them confidentiality as the questionnaire does not indicate the name of the respondent and assuring them that the research is only for academic purposes.

Time constraint: The study was conducted over a short period of time and thus could have missed out on the long-term effect of the implementation and adoption of IFMS on the Quality of financial reports.

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APPENDIX 1: SURVEY QUESTIONNAIRE

Dear Respondent, the researcher is a student of Kyambogo University pursuing a Master's Degree in Business Administration. As a partial fulfillment for the award of this degree, the researcher is carrying out a research study to examine the relationship between Integrated Financial Management System adoption and the quality of financial reports in local government using Kasese district as a case study. You have been randomly or purposively selected to take part in this research, and all the responses given will be treated with utmost confidentiality. Please take time to answer by ticking the most appropriate alternative.

SECTION ONE: BACKGROUND INFORMATION.

1. What is your Gender?

- ii. Male
- iii. Female

2. What is your marital status?

- i. Married
- ii. Single
- iii. Divorced

3. What is your age bracket?

- i. 20-25 years
- ii. 26-35 years
- iii. 36-45 years
- iv. 46- 55 years

4. Which Department do you work in?

5. For how long have you served in Kasese local government?

- i. Less than 5 years
- ii. 6 to 10 years
- iii. 7 to 12 years
- iv. More than 12 years

6. What is your highest level of education?

- i. Diploma
- ii. Degree
- iii. Masters
- iv. Postgraduate Diploma
- v. Others specify.....

NOTE: From Section two to section five, please use the following Likert scale to help you check or tick the response that best describes you.

SA=Strongly Agree=5, A=Agree = 4, NS=Not Sure=3, DA=Disagree=2 & SD=Strongly Disagree=1

SECTION TWO: Integrated financial management system (IFMS) adoption in budgeting at Kasese District Local Government.

Items	SA	A	NS	DA	SD
1. IFMS facilitates the preparation of annual budgets across all departments.					
2. IFMS supports multi-year budgeting to assist in long-term financial planning and forecasting.					
3. IFMS provides tools for scenario analysis to evaluate the financial impact of different budget proposals.					
4. IFMS allows for real-time tracking and monitoring of budget performance against actual expenditures.					
5. IFMS facilitates the adjustment and reallocation of budgets in response to changing financial conditions.					
6. IFMS allows for the decentralisation of budgeting processes, enabling individual departments to manage their budgets more effectively.					
7. IFMS includes tools for performance-based budgeting to link resource allocation with outcomes.					
8. IFMS offers automated budget approval workflows to streamline the review and approval process.					

SECTION THREE: Integrated financial management system (IFMS) adoption in general ledger management at Kasese District Local Government.

Items	SA	A	NS	DA	SD
1. IFMS maintains a comprehensive chart of accounts to support detailed financial reporting.					
2. IFMS automates the posting of financial transactions to the general ledger in real-time.					
3. IFMS supports multi-dimensional reporting by enabling the use of cost centers, projects and others					
4. IFMS allows for the creation and management of budget entries directly within the general ledger.					
5. IFMS facilitates the periodic closing of accounting periods and the generation of financial statements.					
6. IFMS supports the reconciliation of general ledger accounts with subsidiary ledgers					
7. IFMS provides tools for audit trail and transaction history tracking					
8. IFMS allows for the creation and management of budget entries directly within the general ledger.					

SECTION FOUR: Integrated financial management system (IFMS) adoption in cash management at Kasese District Local Government.

ITEMS	SA	A	NS	DA	SD
1. IFMS handles multi-currency accounts and transactions.					
2. IFMS sets up reference data for bank accounts					
3. IFMS monitors overdraft balances against set limits.					
4. IFMS controls the processing of check payments within a user-defined range of check numbers for each account.					
5. IFMS prepares reconciliation statements for accounts with reference to the book balance and un-cleared items.					
6. IFMS facilitates the processing and printing of checks.					

SECTION FIVE: Quality of financial reports at Kasese Local Government.

ITEM	SA	A	NS	DA	SD
1. IFMS ensures that financial reports are accurate and free from material misstatements.					
2. IFMS generates financial reports that are compliant with international accounting standards and local regulations.					
3. IFMS produces timely financial reports, enabling prompt decision-making by stakeholders.					
4. IFMS enhances the transparency of financial reports through clear and understandable presentation of financial data.					
5. IFMS supports the generation of customized financial reports to meet the specific needs of various users					
6. IFMS includes robust data validation and verification processes to maintain the integrity of financial reports.					
7. IFMS allows for the consolidation of financial reports from different departments and units, providing a holistic view of the local government's financial status.					
8. IFMS facilitates the comparison of financial reports over different periods					

INTERVIEW GUIDE

Greetings dear respondent,

The researcher is a student of Kyambogo University, offering a Master's of Business Administration. As part of the requirements for the program, the researcher is undertaking a research study to examine the relationship between Integrated Financial Management Systems adoption and the quality of financial reports at the District Local Governments of Uganda, taking a case of Kasese District. In order to assist the researcher complete his academic work and graduate, he requests that you voluntarily engage in this research by answering the questions in this interview guide. your identity will remain undisclosed and you are under no obligation to reveal your names anywhere during this interview guide.

SECTION ONE: BACKGROUND INFORMATION.

1. What is your Gender?

- i. Male
- ii. Female

2. What is your marital status?

- i. Married
- ii. Single
- iii. Divorced

3. What is your age bracket?

- i. 20-25 years
- ii. 26-35 years
- iii. 36-45 years
- iv. 46- 55 years

4. Which Department do you work in?

5. For how long have you served in Kasese local government?

- i. Less than 5 years
- ii. 6 to 10 years
- iii. 7 to 12 years
- iv. More than 12 years

6. What is your highest level of education?

- i. Diploma
- ii. Degree
- iii. Masters
- iv. Postgraduate Diploma
- v. Others specify.....

SECTION ONE: Integrated Financial Management Systems adoption in Budgeting

- 2. To what extent has IFMS been adopted in budgeting?
- 3. How has budgeting improved with the adoption of IFMS?
- 4. Do you think adoption of IFMS has improved the allocation of expenditures across the budgeted activities?

SECTION TWO: Integrated Financial Management Systems adoption in general ledger management

- 1. To what extent has IFMS been adopted in general ledger management?
- 2. How has the adoption of IFMS improved general ledger management?
- 3. What are the possible limitations of IFMS in general ledger management?

SECTION THREE: Integrated Financial Management Systems adoption in Cash Management

- 1. To what extent has IFMS been adopted in cash management?
- 2. Has cash management improved with the adoption of IFMS?
- 3. How has the adoption of IFMS improved cash management?

SECTION FOUR: Quality of financial reports

- 1. How has Quality of financial reports changed since the adoption of IFMS?
- 2. Does the adoption of IFMS support presentation of clear and concise financial reports?
- 3. Has the reliability of financial reports improved with IFMS adoption?

Thank you for your cooperation

Appendix 2: Krejcie and Morgan sample determination table (1970).

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	26	140	103	340	181	1000	276	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is Population Size
 "S" is Sample Size.