INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS) AND FINANCIAL PERFORMANCE OF TORORO DISTRICT

BY

MUTEBI NATHAN

REG.NO

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DECLARATION

I, **MUTEBI NATHAN**, hereby declare that the work presented in this report is my original piece and confirm to the best of my knowledge that it has never been submitted either in part or in full for publication or award of a degree in any other institution.

I therefore present it for the award of Master's Degree in Business Administration of Kyambogo University.

Signature .....

Date.....12/07/2021.....

APPROVAL

This is to certify that this dissertation titled; "***Integrated Financial Management System (IFMIS) and Financial Performance of Tororo District.*** Has been submitted under my approval.

Signed:.....

Date:19/01/2021

DR. SSENDAGIRE DOROTHY

PRINCIPAL SUPERVISOR

Signed:.....

Date:30/1/2021

NAME DR. GERALD KASIGWA.

SECOND SUPERVISOR

DEDICATION

This work is dedicated to God Almighty who has made it possible for me to carry out this research and who always sees me through all the challenges that come my path and to my family who supported and encouraged me to study.

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I first of all thank the Almighty God for giving me life and good health to go through this program.

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LIST OF ABBREVIATIONS

BOU: Bank of Uganda

CIMA: Chartered of Management Accountants

DFID: Department for International Development

DPs: Development partners

EFMP: Economic and Financial Management Program

EFT: Electronic Fund Transfer

EU : European Union

FINMAP: Financial Management Program

FMA: Financial Management Assessment

FMR: Financial Management Reform

GDP: Gross Domestic Product

GOU: Government of Uganda

IFMS: Integrated Financial Management Information Systems

IMFADB: International Monetary Fund- Africa Development Bank

IPPS: Integrated Personnel and Payroll System

MDAs : Ministry and Departmental Agencies

MDALGs: Ministry and Departmental Agencies and Local Governments

MMDAs: Ministry Departments and Agencies

MoFPED: Ministry of Finance, Planning and Economic Development

MTE: Midterm Expenditure

MTEF : Medium Term Expenditure Framework

OAG: Office of the Auditor General

OPM: Office of the Prime Minister

PAF: Poverty Action Fund

PEFA: Public Expenditure and Financial Accountability

PFM: Public Financial Management

PPDA: Public Procurement and Disposal of Public Assets

PSIDP: Parliamentary Strategic Investment and Development Plan

SE: Staff Efficiency

ABSTRACT

This study examined the effect of integrated financial management information system (IFMIS) on performance of Tororo district local government. The objectives of the study were: to assess how the application of integrated financial management information systems (IFMIS) in financial planning has affected the performance of Tororo District Local Government; to analyze how the use of integrated financial management systems (IFMS) in budgeting has affected the performance in Tororo District Local Government; to establish how use of integrated financial management systems (IFMS) in financial reporting and accountability has affected performance of Tororo District Local Government.

The study had a high average response rate of 77 % (r=175) of the respondents who answered the questionnaires and key informants interviewed. Only 23 % (nr=52) did not respond to the questionnaires. The majority of the respondents were aged 36-45 years which represents 56 (31.72%) followed by those between 26-35 years accounted for 54 (30.84%) and 46-55 years accounting to 39 (22.47%), and 20-25 years accounting to 26 (14.98%) of the population who responded to the questionnaires and interview guide. The study revealed that implementation of IFMIS in planning had a positive effect on performance with a regression coefficient of 0.769a. This depicts a strong linear effect of IFMIS in planning on performance. The effect is significant at 0.002. Capacity and training (4.58), and the resistance and acceptance (4.4) of IFMIS adoption both have positive significant effect on performance with mean values of 3.554 and 3.4122 respectively. This implies that the use of IFMIS in planning had highly affected the financial performance of Tororo district local government. From table 4.11, (96.6%) of the respondents agreed that efficient use of IFMIS in budgetary management acts as a tool for measuring performance. The model summary showed that adjusted R^2 is 0.5201. This indicated that 0.5201 variance of budgeting is a good predictor of performance of Tororo district local government. Since adjusted R^2 is 0.5201 adoptions of IFMIS in budgeting suggest that there is a moderate effect on financial performance. Financial reporting and accountability did not have strong effect on performance with regression coefficient R^2 0.172 and adjusted R^2 0.156 implying it was not a good predictor of performance since it only explained a 15.6% variation and other factors contribute 84.4%.

CHAPTER ONE
INTRODUCTION

1.1 Introduction

The study examined the effect of integrated financial management system on performance of local governments in Uganda, a case study of Tororo district local government. In Uganda, the financial management of local governments is generally dominated by conditions of corruption and financial resource scarcity since they have limited opportunities for generating funds but are faced with ever increasing agenda of programs and activities on which such funds could be spent (Diamond and Khemani, 2012). However, financial performance can be improved through raising and allocation of financial resources, planning and controlling these resources to attain the stated goals by incorporating integrated financial management systems. The design of the IFMS is based on a centralized architecture which enables central processing and storage of financial transactions as noted by Tumusiime (2014). All processing takes place centrally at the server in the data center of the Ministry of Finance in Kampala. Ministries, agencies and local governments (MALGs) are connected to the Data Centre over a Wide Area Network (WAN) from the central government.

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. For example, scandals in the Office of the Prime Minister where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services prompted several donor governments to suspend budget support to Uganda in 2012 as noted by Tumusiime (2014). In response to this and other challenges, the government initiated an integrated financial management system to further strengthen public financial management and improve public service delivery (National Consultative Budget, FY 2014/2015). It is from this view, that this study was interested to investigate how effective are the integrated financial management

system to the performance of local governments a case study of Tororo district local government.

This chapter covered the background to the study, the statement of the problem, purpose of the study, objectives of the study, research questions, conceptual framework, significance of the study, justification of the study, scope of the study (geographical, time scope, and content scope) and the operational definitions.

1.2 Background to the study

The background to this study was structured as historical background, theoretical background conceptual background and contextual background.

1.2.1 Historical Perspective

Integrated information systems (IFMIS) have taken center stage in changing organizations. Today, IFMIS are found in several organizational operations including production, marketing, communication, procurement, and logistics, besides having greatly influenced present living. It is now not easy to visualize life without computers, the internet, e-mail, e-business, e-learning, mobile phones and much more. Modern enterprises largely depend on ICT for gathering and distribution of data and information.

Since the late 1990s and 2000, the Government of Uganda (GoU) adopted and implemented reform policies aimed at addressing financial discipline, transparency and achieving value for money (Ministry of Finance, Planning and Economic Development (2014). During the period, major reform areas included; decentralization, devolution, restructuring and down-sizing amongst others (World Bank, 2002 2003). Similarly, Tumusiime (2004) proposed for speeding up the reform process, which includes fiscal discipline, procurement, accountability,

and human resources. Nevertheless, in the recent past, there have been some cases of financial mismanagement reported in ministries, local governments and government agencies (Office of Auditor General Report, 2012). The commonly reported mismanagement involves; abuse of financial system by staff (Office of the Prime Minister Report, 2012; Ministry of Public Service, 2012). During this period, the Auditor General considered the government performance as dismal (OAG, 2013). The Implementation of the Integrated Financial Management System (IFMS) was motivated by the Ugandan Government's desire to improve efficiency in budget preparation, execution and financial reporting (Semakula and Muwanga, 2012).

> *However, finding from Tororo district local government has shown that, the above government initiative had not been fully achieved. The finding from table 4.7 in chapter four (4) revealed that the use of IFMIS in financial reporting was behind schedule while 33% believed that it was on no course; (36.6%) believed that IFMIS was unsuccessful while 9.7% believed that it was not successful. However, 41.10% strongly believed that transparency had been achieved while 40.1 % believe that IFMIS had not improved economic governance. 47% believed that it had not reduced corruption while 42.2% believed that IFMIS provided sufficient information for decision making*

The above finding in table 4.7 disagreed with the new public management model grants government Ministries the powers, rights and responsibility to develop policies and implement them (Semakula and Muwanga, 2012).

> *The IFMIS department in Tororo district local government was not able to set policies and had little responsibility in the implementation of IFMIS since they are frequently coming to central government at ministry of finance department of IFMIS to get advice on how the IFMIS to be fully implemented.*

The mandate to serve the public with the proper use of IFMIS and to grant powers, rights and responsibilities, demands public accountability for the actions, decisions and results of the public sector entity (Anwar, 2007) should belong to the district officials but not the central government. According to Semakula and Muwanga (2012), since 2003, the IFMS in Uganda has been extended across all 22 ministries and 25 central government agencies; in

addition, the IFMS has also been implemented in most local Governments with plans to extend it all districts as part of IFMS implementation.

The implementation of the IFMS has enabled the Government to address many of the fiduciary issues faced prior to 2003 (Semakula and Muwanga, 2012) and it has led to: greater expenditure control and discipline in budget management as a result of improved oversight and enforcement of internal controls; a reduction in the time taken to process payments; improvement in account reconciliation; and more accurate and reliable financial reporting.

> *"The above literature agrees with the finding from table 4.11 where 170 (97%) of the respondents agreed that efficient use of IFMIS in budgetary management acts as a tool for measuring performance, and 6 (3)% were not sure and there was none who disagreed. This implies that efficient use of IFMIS in budgetary management acts as a tool for measuring performance in terms of reporting and accountability where resources are well allocated, monitored and well evaluated"*

The government of Ugandan revived the civil service reforms once again in the late 1990s as well, with the public service reform Program, a new commitment to pay reform, and efforts to introduce performance management mechanisms (Andrews and Bategeka, 2013). Once again, these efforts were at the vanguard of reforms in Africa, where few countries were seriously considering introducing a results focus in government (Andrews 2005) and Uganda's expenditure tracking efforts were also novel at this time, and have since become a 'best practice' across Africa with the use of IFMIS.

According to Chene and Hodess (2009) IFMIS provide an integrated computerized financial package to enhance the effectiveness and transparency of public resource management by computerizing the budget management and accounting system for a government and that it consists of several core sub-systems which plan, process and report on the use of public resources. The scope and functionality of IFMIS can vary across countries, but sub-systems normally include accounting, budgeting, cash management, debt management and related

core treasury systems, in addition to these core subsystems, some countries have chosen to expand their IFMIS with non-core sub-systems such as tax administration, procurement management, asset management, human resource and pay roll systems, pension and social security systems and other possible areas seen as supporting the core modules (Chene and Hodess, 2009).

The scale of IFMIS may also vary and be limited to specific country-level institutions such as the Ministry of Finance, however, IFMIS is generally meant to be used as a common system across government institutions, including in the more ambitious schemes for departments and local governments (Chene and Hodess, 2009). The integration of IFMIS across the board ensures that all users adhere to common standards, rules and procedures, with the view to reducing risks of mismanagement of public resources (Chene and Hodess, 2009).

1.1.2 Theoretical Background

The determinant of integrated financial management systems (IFMS) has generally been based on three theories: Mata theory, agency and transaction cost economics theory. However, this study was guided by Meta theory of integrated financial management systems. According to Mauldin, L.V. Ruchala and Reneau and Grabski (1987) agreed that the internal and external environment and production technology are two primary categories of variables to be considered in choosing an accounting information system (AIS).

Empirically Gul and Chia (1994) examine the meta theory as a result of both internal and external environmental factors (organizational interdependence, decentralization, and perceived environmental uncertainty) and choice of an accounting information system (AIS) such as information scope, timeliness, aggregation, and integration. The general conclusion

from these studies is that greater organizational interdependence, decentralization, and perceived environmental uncertainty are factors associated with either a greater perceived need for more sophisticated accounting information system (AIS) or higher firm performance with more sophisticated AIS. Other Meta theory analysis noted by (Chong, 1996) includes the role of production technology and task variables in assessing the performance and satisfaction with management accounting system (MAS).

The Meta theory is particularly important in this study because it helped the researcher to understand how integrated financial management systems (IFMIS) have enhanced the performance of Tororo district local government (Uyar & Ali, 2017). Basing on the current environment of rapid technological developments; many business articles seem to imply that all organizations should adopt the latest technology yet empirical findings suggest that this could be counter-productive. Hence, this study is interested to investigate how this theory can be applicable in local government accounting mainstream system like in Tororo district local government.

1.1.3 Conceptual Background

Integrated Financial Management Information Systems usually refers to computerization of public expenditure management processes including budget formulation, budget execution, and accounting with the help of a fully integrated system for financial management of the line ministries and other spending agencies (Diamond & Khemani, 2006); the full system should secure integration and communication with other relevant information systems. Furthermore, integrated financial management information system is sometimes erroneously interpreted as describing a system that can capture all the functional processes, and the relevant financial flows, within public expenditure management. However, the complexity of information systems within the government sector is, to a large extent, due to the multiplicity of functions

and policy areas. While financial management is that managerial activity which is concerned with the planning and controlling of financial resources. There is also Planning, directing, monitoring, organizing and controlling of the non-monetary resources (Husnan & Pudjiastuti, 2006).

There are three guiding characteristics for a well-designed IFMIS, namely, it is a management tool; it should provide a wide range of non-financial information; and it is a system. The Tanzanian government introduced an Integrated Financial Management System (IFMS) in ten selected ministries, departments, and agencies. Under this system, a central server was placed at the treasury (in the Office of the Accountant General (AG)) to which users were connected by dedicated network. Also work stations were provided for each of the MDAs from which they could access the system. Each managing director agent (MDA) had its own database held in the omnibus database in the central server. MDA's transactions automatically update the database in real time, and thus the general ledgers reflect the real position of balances at any particular point.

The above literature did not agree with the finding from interview from one of the procurement officers in Tororo district local government who noted that;

> *The functionality of an IFMIS system did not have basic general ledger accounting application to a comprehensive system covering budgeting, accounts receivable or payable, cash management, internal control, financial reporting and accountability system. The application of IFMIS did not include all the accounting tools. Hence, it was difficult to roll out all the applications in Tororo district local government*

Expectedly, there are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence, credibility of the budget through greater comprehensiveness and transparency of information, improved budget

planning and execution by providing timely and accurate data for budget management and decision making (Chene & Hodess, 2009). IFMIS allow a more standardized and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data and also allow for the decentralization of financial functions and processes under the overall control of the Ministry of Finance, force financial discipline, decrease operating costs by reducing administrative tasks and civil servants' workload (Chene & Hodess, 2009).

In addition, IFMIS also seek to strengthen the efficiency of financial controls by making comprehensive, reliable and timely financial information available to the Auditor General, parliament, investigative and prosecutorial agencies like Inspector General of Government (IGG),police Criminal Investigation Department (CID), etc., as they improve accounting, recording and reporting practices through the provision of timely and accurate financial data, a standardized integrated financial management reporting system and an upgraded computerized accounting system (Chene & Hodess, 2009) and when they work well, they make bank reconciliation automatic and allow a closer monitoring of outstanding bills and cash in bank accounts.

> *The above literature is not supported with the finding in chapter four, table 4.11 through questionnaire survey where 1.8% of the respondents strongly disagreed that through IFMIS, they are able to reconcile transactions data in real-time and give adequate reports in Tororo district local government.*

Integrated Financial Management Information System (IFMS): Is a fiscal tool for government that bundles all financial management functions into one suite of applications. It is an Information Technology (IT) based budgeting and accounting system designed to assist the government entities on how to plan budget requests, spend their budgets, manage and report on their financial activities, and deliver services to the public more efficiently, effectively and

economically (Diamond & Khemani, 2006). IFMS operates on a common structure and platform that will enable improved compatibility and consistency of fiscal and financial information, reduces governments overall investment in the development of expensive accounting systems in each government entity (Diamond & Khemani, 2006); one of the basic features of the IFMS is the ability to interface with a number of existing and planned automated systems such as the Integrated Personnel Payroll Data (IPPD) and Government Payments Solution (G-pay).

1.1.4 Contextual Background

The study analyzed the effect of Integrated Financial Management Information System on performance of Local Governments (LGs) in Uganda using Tororo District as a case study. Financial management in LGs is concerned with ensuring funds are available when needed and that they are obtained and used in the most efficient and effective way to benefit the citizens. This was enforced by MFPED through Financial and Accounting Regulations and (Accounting Manual, 2015) to help local governments and all entities to ably raise and allocate financial resources to various planned activities so as to promote effective, efficient and timely service delivery to the public, ensure proper accountability in organizations and ensure effective assessment through the scorecard initiative at the end of the financial year.

However, the situation in local government is still having poor accountability with a score of 1/3 according to budgeting and planning scorecard initiative used for LG accountability due to unfavorable allocation, misappropriation, mismanagement and diversion of financial resources as evidenced in the statement of income and expenditure for three FYs (2011/12, 2013/14&2014/15 (3%, 8% & 26%) respectively. Much as there is an upward trend in performance, it is still below the average hence poor accountability and delays in service

delivery to the community. It is upon this background that the researcher thought of finding out how the above problems lead to poor performance and eventually poor accountability in Tororo Local Government and yet financial information systems has been introduced and the expected results would have been better performance.

> *From documentary review, the finding revealed that with the use of IFMIS, Tororo District annually prepares an integrated Budget Framework Paper covering all the sectors that where decentralized. By law all Local Governments are supposed to hold a Budget Conference where various issues are debated on and developments are made. It is this requirement, which prompted Tororo District to develop a comprehensive Budget Framework Paper for the financial year 2017/2018 (Local Government Budget Framework Paper, 2017/2018).*

The Budget Framework Paper for the financial year 2017/2018 allocations include; recurrent non-wage expenditure (30.1%), Domestic development (16.02%) and donor (2.05%). Compared to the expenditure allocations for the previous financial year overall planned recurrent expenditure decreased by 5.7% due removal of gratuity allocations while planned development expenditure increased by 0.41% due to increase in Donor Development Grant allocation to the district.

However, the district faces a number of implementation challenges in the finance department that include; (i) there is generally low revenue collection in the district due to minimal revenue bases and (ii) the staffing levels at the lower local governments are inadequate hence requiring frequent use of staff from other departments to fill in the gaps. For instance, by the end of quarter one the department had received Shs 184,968,000 against an annual budget of Shs 1,209,866,000 being 61% budget performance for the quarter and 15% budget performance for the year. By the end of the 1st quarter the department had spent Shs 129,813,000 representing 43% performance in the quarter and 11% budget performance in the year. By the end of the quarter the department had Shs 55,155,000 unspent (Local Government Budget Framework Paper, 2017/2018). Also under the council sector 20% of the

previous performance cannot adequately cater for all the council activities, in the production sector Limited advisory services to farmers & programs coordination at LLG, the lack of some staff in the department is affecting service delivery, for instance, senior agricultural officer.

According to (MoFPED study report, 2015) the IFMS is based on the Oracle E-Business suite IT package. It automates processes required by the Public Finance and Accountability Act 2003 and the Local Government Act 1997. The modules currently in operation by oracle are: (i) Oracle Public Sector Financials/General ledger system: which is used to: enter and post journals, budget inquiries, opening of budget year, funds inquiries, others Issuance of a Grant of Credit by the Auditor General, Issuance of the Ministers Warrant by the Accountant General, Issuance of Cash limits by the Budget Directorate, Preparation of the Accounting Warrants by the Votes, Initiation and Approval or re-allocations and generation of management reports; (ii) Receivables module: This system is used to; Enter customers, enter and approve invoices and to enter receipts. It also used to enter bank charges and bank transfers and the generation of receivables reports; (iii) Purchasing module: This system is used to create suppliers on the system, prepare purchase requisitions, and approve purchase requisitions, enter and approve purchase orders and finally enter purchase receipts; (iv) Payables module: This system is used to; create supplier invoices from supplier information, approve invoices, make payments, make prepayments (to employees or suppliers) and generate payables reports and (v) Cash management module: This system is used to; create bank accounts, it also used to enter/ upload bank statements and to perform automatic bank account reconciliations. As a way of improving on the system, the Fixed Asset Management module has been introduced. This is being piloted in Votes of; Ministry of Agriculture Animal Industry and Fisheries (MAAIF), Uganda Industrial Research Institute (UIRI), Ministry of Finance, Planning and Economic Development (2017), Ministry of Health

(MoH), Ministry of Energy and Mineral Development (MEMD), Judicial Service Commission (JSC), Office of the Prime Minister (2018), Ministry of Gender, Labor and Social Development (MGLSD), and Ministry of East African Affairs (MEACA).

1.2 Statement of the Problem

Financial management in local government (LGs) is concerned with ensuring funds are available when needed and that they are obtained and used in the most efficient and effective way to benefit the citizens (MFPED, 2015). With the introduction of integrated financial management systems (IFMIS) in April 2015, processing payments was streamlined and made faster, allocation and control of financial resources was simplified since budgets were drawn and submitted to line managers on time and work plans were adhered and financial records were well monitored by the qualified staff from the central systems (Advocate Coalition for Development and Environment (ACODE) policy research report series, 2017).

Despite the above initiative by the public finance management reforms in 2015, the situation in local government is still poor in regards to accountability and service delivery. According to (Auditor General reports, 2015/2016 & 2016/2017) about 67% of the budget has been misappropriated in local government and yet the purpose of the reforms is to create a sound public finance management system that supports aggregate control, prioritization, accountability and efficiency in the management of public resources and the delivery of services. The reports from the Ministry of Finance Planning and Economic Development (2016) noted that there have been increasing allegations of financial fraud among IFMS users, delayed payments to service providers, low absorption of funds, delayed procurement of services and persistent inefficiency of inaccurate, untimely, inappropriate budget and accounting information even after the introduction of the IFMS in local governments in Uganda.

This situation is worst in Tororo district. In particular, there have been continuous irregularities in payments such overpayments of salaries and payments to non-existent staff (Auditor General's on Tororo for financial year ended 30th June, 2016). Despite the meticulous planning, maintaining the IFMS has posed challenges in Tororo district local government. These include: high staff turnover, requiring continuous skills development; recurrent costs covering, licenses, technical support and the maintaining of equipment (Auditor Generals reports, 2016 & 2017). Despite the government effort to streamline budget implementation using IFMS, Tororo district still faces a number of implementation challenges in the finance department that include; (i) low revenue collection in the district due to minimal revenue bases and (ii) the staffing levels at the lower local governments are inadequate hence requiring frequent use of staff from other departments to fill in the gaps. For instance, by the end of quarter one the department had received Shs 184,968,000 against an annual budget of Shs 1,209,866,000 being 61% budget performance for the quarter and 15% budget performance for the year.

It is against these problems that the study analysed the effect of Integrated Financial Management Information System on performance of Local Governments in Tororo District as a case study.

1.3 Purpose of the Study

To examine the effect of Integrated Financial Management Information System on performance of Local Governments in Uganda using Tororo District as a case study.

1.4 Specific Study Objectives

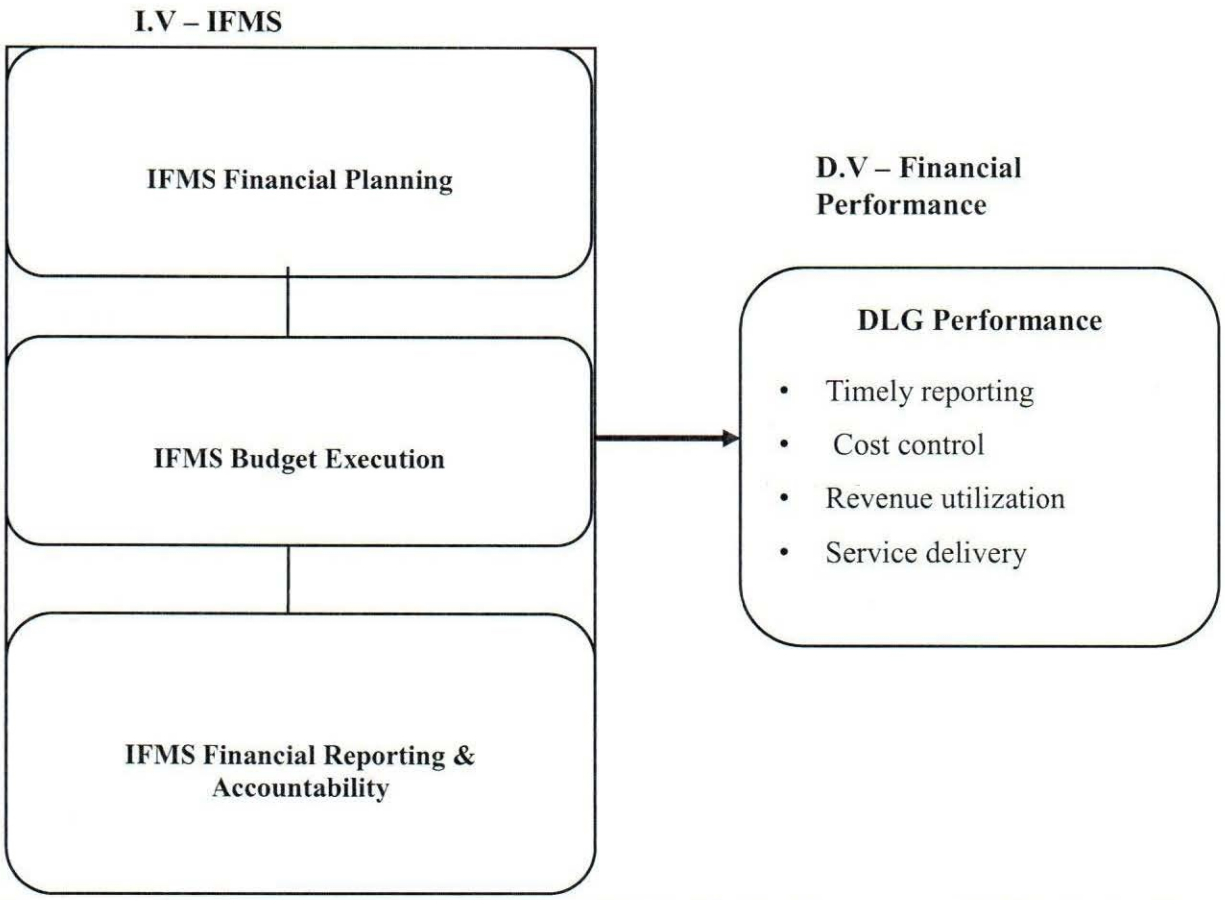
1. To investigate how the use of IFMS in Financial Planning affect the performance of Tororo District local government.

2. To assess how the use of IFMS in Budgeting execution activities affect the performance of Tororo District local government in Uganda.
3. To explore how the use of IFMS in financial reporting and accountability affect the performance of Tororo District, Uganda.

1.5 The Research Questions

1. To what extent does the use of IFMS in Financial Planning affect the performance of Tororo District, local government?
2. How does the use of IFMS in Budgeting execution activities affect the performance of Tororo District local government in Uganda?
3. How does the use of IFMS in financial reporting and accountability affect the performance of Tororo District, Uganda?

1.7 The Conceptual Framework



Source: Adapted from literature review (DfID (2011), Public Finance Act (2015); National Audit Act (2008); Oghentho (2003)). Miranda, & Keefe, (2008). Integrated financial management systems: Assessing.pp.45 (modified by the researcher

Figure 1 Conceptual Framework for IFMS and Staff Performance

This sub section outlines the conceptual framework of the study and provides a discussion of the main areas of focus. It shows the link between the independent variable and the dependent variable in regards to Tororo district local government performance on the use of IFMS. From the conceptual framework above, the independent variable is Integrated Financial Management System which affects the dependent variable Staff performance in many ways including processes of planning, drawing budgets, recoding, procurement, payment, monitoring public expenditures and effective use of public resources but however there are intervening variables to the study like the culture of the staff, the commitment of the

staff and the top management support(Chief Administrative Officer and Heads of Departments), government policies, laws and regulations including the Local Government Act , Local government Finance and Accounting Regulations 2007,Local Government Accounting Manual 2007.

1.8 Scope of the study

1.8.1 Geographical scope

The study was conducted at the headquarters of Tororo District, eastern Uganda. The main focus was on the staff in the departments of Administration, Finance, Education, Production, Works, Community Based services, Audit committee members, Health, Council and Statutory Bodies, Planning Unit, Procurement and Internal Audit in the District. This is because they are directly involved in management of both financial and non-financial aspects of the district.

1.8.2 Time Scope

This research covered the period between 2015-2018 financial years of operation. This is because it was within these years that Tororo District has been implementing the integrated financial management information systems and no any study has investigated the effect of IFMS on the local district performance of Tororo. This study is intended to add to this knowledge gap.

1.8.3 Content Scope

The study examines the effect of IFMS on performance of in local governments in Uganda using Tororo district as a case study. The independent variable is Integrated financial management information system (with variables such as financial planning, budget execution,

reporting and accountability) the dependent variable is staff performance (with variables such as quality service delivery, effective accountability and effective resource utilization).

1.9 Significance of the Study

The study findings provided a firm base for policy advice and review in public financial management. It benefited both elected and appointed district officials in public resource management.

The study may guide future researches in this field, especially when empirical work on Ugandan Integrated Financial management information system is still growing and deepening. Researchers will make references to the study when they intend to conduct similar studies.

The study findings added to the body of literature on Integrated Financial management information system and staff performance for future academicians and researchers.

1.10 Justification of the Study

Integrated Financial Management Information System has received a lot of attention in the recent years, especially when the new public management model was introduced. A number of reforms have taken place in ministries, agencies, and local governments. It is not clear to many readers as to whether the reforms indeed achieved their targets. Complaints over, delayed implementation, sub-standard outputs are common in rating government achievements. The review of MDG in 2015 showed that government failed to achieve any of the targets. It thus offers a ground to assess, in local context if implementation of Integrated Financial Management Information System has achieved its intended objectives in local governments.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents theoretical framework upon which the study is based, it then discusses the budget planning formulation process and implementation in Public Sector, Budget execution process and implementation in Public Sector and concluded with Budget control and oversight procedures and implementation in Public Sector.

2.2 Theoretical Framework

2.2.1 Meta Theory

Meta Theory was put in place to enhance understanding of accounting information systems within the socio-technical systems. The theory as described by Gorry and Scott-Morton (1971) as accepting information Technology (IT) into accounting systems for proper financial management. Meta theory is the integration and synthesis technical orientations, cognitive as well as the overarching model related to integrated information technology (IT) into accounting practices. The theory holds that, organizational factors and technological factors influence greatly on the accounting financial management and performance of organization.

Meta theory of accounting information systems emphasizes on the principles of task. The importance of task is to increase performance. Thus, to understand and improve AIS strategies, research must first understand the task demands. This organizing principle extends prior AIS models, such as (Reneau & Grabski, 1987), which have assumed task elements within broader categories of environmental factors constraining IT development. The concept of task is multidimensional. AIS serve many types of business tasks, including strategic, managerial, financial and operational (Gorry & Scott-Morton, 1971), and each type of task can be found in all of the accounting sub-disciplines.

The meta-theory model of AIS defines four core dimensions of task characteristics that have to be considered in integrating information technology (IT) into accounting system. The first is the mental processes involved in the task, such as external information search, knowledge, retrieval, hypothesis generation and evaluation, problem solving design, estimation or prediction, and choice. This dimension is analogous to distinctions made in the behavioral account auditing and judgment and decision making in financial payments (Bonner & Pennington, 1991).

The second is complexity, considered to be a function of both the amount and clarity of inputs, processing, or outputs (Bonner, 1994) in accounting system. The third dimension is task demands as anchored on physical labor and the abstract knowledge. While many accounting studies focus purely on the knowledge end of the spectrum, the entire spectrum is important since AIS increasingly impacts a variety of non-accountant decision-makers utilizing accounting information, such as production and clerical personnel. The fourth dimension is frequency of occurrence. Regularities in the task over time lead to different adaptations in the cognitive process and in the evolution of systems (Simon, 1981; Gibbins & Jamal, 1993).The centrality of task leads organizing in designing an Accounting Information System and not just about computers and electronic networks Simon (1981).

Thus, the theory has helped the researcher to understand how the involvement of IT into accounting systems can improve financial performance of Tororo district Local government. The theory's proposition to the study is that in order for the integrated financial management information system (IFMIS) tasks to have an impact on the performance of staff, the contingency factors, organizational factors and technological factor ought to be well coordinated. In addition it will the research to addresses the technical challenges that may

arise in adoption of new information systems into accounting systems in Tororo district local government. According to (Almajali, Masa'deh & Tarhini, 2016) the information provided by the management accounting information system plays a critical role in the managerial decision making. Nonetheless, a reliable management accounting information system needs the readiness of information technology (Almajali, Masa'deh & Tarhini, 2016).

The meta-theory model provides a clearer task focus with a systems perspective that may guide future MAS choice research (Otley, 1980). While recognizing that contingency theory is a valid approach to the study of organizational factors and technology, Meta theory has been criticized for lacking a substantive basis to suggest which variables, and which combinations of variables, are important. That is, it is difficult to argue against inclusion of any of other variables, yet equally difficult to determine their completeness or to know which combinations of factors make sense and are more important. For management control design in general calls for more comprehensive models that provide a theoretical basis for multiple interactions among variables.

2.3 Integrated Financial Management Systems (IFMS) and performance of Tororo Local Government

2.3.1 Financial Planning and Performance of Local Government

According to Lewis and Kieran (2015), Planning as part of the management function involves a long-range planning, strategic planning and short term planning. However, through information system emphasizes that planning involves selecting objectives and courses of action to achieve them; It is forecasting future milestone or looking ahead and preparing for it through budgeting which leads to efficiency in performance of financial resources as noted by (Kaplan & Norton, 2015) by carrying out planning, the organization is able to assess where it is supposed to be in terms of goals and objectives (Erhemjamts & Venkateswaran,

2013). However Shah and Kumar (2009) noted that sound planning is characterized by clear objectives and goals. It must be simple and well balanced, flexible so to accept any changes in the resources and should be time bound. The effective implementation of a firm's innovation strategy can affect the firm's financial performance thus; it should be supported by a reliable management accounting information system and an excellent business process (Davis & Cobb, 2010) which support planning activities.

Effective planning tells when, what and how something is to be done. In order to carryout financial management (F/M), it is necessary to formulate a fully co-ordinate detailed plan in both financial and quantitative terms for the forthcoming period. The long term development strategy of the organization needs to be in line with the drawn plan. The planning process ensures that managers do plan for the future operations and consider changes in the next year and what steps they should take to respond to these changes. The financial control and monitoring ensures efficient and cost effective program implementation within a system of accountability as suggested by (Mazzucato & Donovan, 2016). However, he notes that the existing financial control arrangements must be complemented by further improvements in overall program monitoring for better budget implementation in accordance with the approved work plans. Therefore, in order to achieve the expected output results through planning, monitoring and evaluation of these results is necessary because it maintains stability under competitions hence important for the effectiveness of local governments.

Establishing planned performance ensures the monitoring of organization's performance. Monitoring actual revenue or cost data is done by way of continuous comparisons of actual performance with budgeted performance. Planning is therefore the key to success in business since it involves budgeting Mazzucato & Penna (2016). Poor budget planning leads to poor

performance in organizations. Therefore, planning process enables managers to anticipate problems before they arise and avoid difficult decisions.

> *This is being confirmed by the finding from table 4.7 above, application of IFMIS in planning was positively affecting the performance with mean value of 3.572. This implies that the use of IFMS in planning had high effect on performance of Tororo district local government. The effect is significant at 0.002. Capacity and training (4.58), and the resistance and acceptance (4.4) of IFMIS adoption both have positive significant effect on performance with mean values of 3.554 and 3.4122 respectively. This means that the level of IFMIS adoption in planning has significant effect on performance at 0.67822, therefore using IFNIS in planning has enhance proper decision making and proper activity forecast to avoid obstacles in project implementations.*

According to (Frank & Sangster, 2017) the planning process ensures that managers do plan for future operations and consider how conditions in the next year might change and what steps they should take to respond to these conditions. He further noted that budgets are put in place in advance based on the anticipated set of circumstances or environment. The major decisions are made based on the long term planning process.

However, according to (Maqableh, & Tarhini, 2017), the annual budgeting process leads to refinement of those plans, since the managers have to produce detailed plans for the implementation of the long range plans. These worksheets enable project team members to identify all the major activities required to complete the project, as well as identifying the specific person responsible for ensuring that the activity is completed successfully, the estimated actual work time (e.g. number of work hours/days) and elapse time (e.g. period of days over which the work will take place since staff do not spend all their time on just one activity-they work on several activities or projects concurrently), and the financial and material or other resources required for that activity Bonner and Sprinkle. Once all major

activities are identified in this manner, the detailed planning charts can be completed by breaking down each major activity into its various tasks as suggested by (Maqableh, & Tarhini, 2017). Each activity and task has its unique number to prevent any confusion in project discussions on the work to be performed. Also, this tool specifies the individual accountable for each activity.

In conclusion therefore, planning is the key to the success of any organization or business since it enables managers to forecast the future and prepare for any changes or conditions. It also ensures monitoring, controlling and evaluation of various activities as reviewed by the previous scholars.

2.4 Budgeting and Financial Performance of Local Government

According to (Finkler, 2001) budgets occupy a leading place among the tools of management employed to direct and control the affairs of both large and small organizations. A budget is a basic tool in financial management. In this regard it serves as a tool for planning and controlling scarce financial resources in the accomplishment of organizational goals. The budget is an invaluable aid in planning, resource allocation and formulating policy and in keeping check on its execution (Maqableh, & Tarhini, 2017).

According to Crowther (2013) states that the budget process is a planning process for the operational activities of a firm. In the budget process, resources are allocated, efforts are made to keep as close to the plan as possible, and the results are evaluated (Finkler, 2001). According to Correia, Flynn, Uliana and Wormald (2003), financial planning is useful for providing information regarding the future, which may be requested by other parties whose support and cooperation are needed by the company. In this case, both Head Office and the

regional offices are supposed to support management by allocating a budget and forwarding the needs to National Treasury.

According to Gildenhuys (1993), the government budget cycle consists of three phases, namely the preparation, approval and execution phases. According to (Pauw, J.C. Woods G., Van der Linde, G.J.A. Fourie, D. & Visser, 2002) emphasize the involvement of everyone during the budgeting process; managers should not excuse themselves from financial management responsibilities. Participatory budgeting motivates managers to achieve the budget targets that are set (Crowther, 2013).

Shah (2007) defines participatory budgeting as a decision-making process through which citizens deliberate and negotiate on the distribution of public resources, and further states that participatory budgeting allows people or officials to play a direct role, and it improves performance. He further indicates that participatory budgeting empowers citizens and officials; therefore, it is necessary for officials to be involved in all budgetary processes.

Line-item budgeting focuses on things to be acquired (inputs). The advantage of this form of budgeting is in the fact that the key management processes of tracking and controlling costs are simplified. Its disadvantage relates directly to its instrumentalism (Moeti et al, Khalo, Mafunisa, Makondo & Nsingo, 2007).

> *The literate agrees with finding in table 4.11 represent that 74% of the respondents agreed that IFMIS had improved the budgetary process in Tororo district local government (52% agreed and 22% strongly agreed). 12% were neutral and 14% disagreed with the statement. This is being support by questionnaire survey where 1.8% of the respondents strongly disagreed that through IFMIS, they are able to reconcile transactions data in real-time and give adequate reports.*

According to Jon R Blondal and Sang-In Kim (2016) Thailand's excellent record of aggregate expenditure control over the years was facilitated by a centralized budgeting process based on line-item input budgeting. It was recognized, however, that allocate and operational efficiencies were not optimal in this environment. As a result, efforts were begun in the mid-1990s to re-orientate the budgeting process towards a greater focus on performance and results.

Potter and Diamond (1998) observed that without proper planning, revenues are overestimated, and the impact of continuing commitments is underestimated, sharp cuts must be made in expenditure when executing the budget, arguing further that overestimation of revenue can come from technical factors (such as a bad appraisal of the impact of a change in tax policy or of increased tax expenditures), but often also from the desire of ministries to include or maintain in the budget an excessive number of programs, while downplaying difficulties in financing them.

According to Nguyen, Winata and Chong (2017) noted various benefits of budgetary control which includes; helping managers integrate personnel efforts within the organization towards a common goal. This is through appropriating adequate budgets to different activities within the organization and all efforts can be harmonized to achieve organizational objectives. He further added that budgetary control acts as devise to correct any deviations.

2.4.1 Budget Review

Preparing a budget is only a step in the budgeting process; you have to keep an eye on how you are performing against what you planned. In times of high uncertainty of available resources (e.g., very high inflation), budget reviews help to realign the resources as urged by (Bayoumi & Eichengreen, 2017). Budget reviews when applied, allocations of the resources move from the "core program" typically which includes personnel expenditures to "noncore

program" such as acquisition of goods and services therefore, cuts in the "noncore" program during budget execution would tend to increase inefficiency, and reduce further the meager operations and maintenance budget in most developing countries (Bayoumi & Eichengreen, 2017)

2.4.2 Coordination during Budget Formulation

According to Lindblom (2009) proposes that because it is never likely to identify all actions or substitute policies for accomplishing results, incremental decision-making becomes inevitable in budgeting and this method of incremental analysis can be employed in allowing for how to allocate scarce resources among other uses by separating available resources into additions and considering which of the alternative uses of each increment would yield the greatest return. This is the concept of utility as noted by (Chong & Chong, 2017).

It is clear that public finance, sourcing, spending and management through budgeting and budgetary process cannot be ignored or taken for granted without severe and detrimental economic and political consequences within any organization and this is particularly so because the budget is usually the pillar upon which the finances of the state or organization is fully erected for any given year (Nwoko & Anyanwu, 2012).

This budgetary decision-making goes through different phases thus; executive preparation and submission of budget proposals to the budget office; Legislative authorization and appropriation; the approval by the legislature, in its capacity as the "cheglem writer", of the appropriation bill(s) of the executive; the execution of the approved estimates and auditing of accounts to ensure that the budget is executed as approved (Alabi, 1987). The processes

named above are of paramount importance and ideal if the financial management systems and reforms are to be effective and efficient in applicability in any given sector.

2.4.3 Budget Execution and Financial Performance

According to (MoFPED study Report on IFMS 2015) local government budget innovations are designed to improve financial accountability, which requires that municipal governments prudently manage their finances to ensure integrity in their financial and non-financial reporting, control, budgeting, and performance systems. However, the main functions of the central agencies (particularly the ministry of finance) are to ensure that the control framework is properly applied through government ministries. This functional process covers two interrelated areas; macro fiscal forecasting, budget preparation and approval, and budget execution, cash management and accounting. The first set of processes supports the objectives of setting fiscal policy and strategic priorities. The second set supports the objective of optimizing the use of budgeted resources and ensuring accountability Allan (2015). In the perspectives of Tumwine et al (2014), who characterized budget as a plan of action communicated in quantitative terms. It is a financial and or quantitative statement arranged and endorsed before a defined timeframe for achieving a given organizational target. From the perspective of the scholars it implies that a budget is additionally not only a quantitative expression of a plan of action but a quantitative economic plan. It can equally be attributed that literature posits that a budget is a quantitative expression of a plan of action prepared ahead of time of the budget time frame.

At the start of the budget cycle, the central agencies generally the ministry of finance send the sector agencies a budget circular indicating economic prospects and broad policy objectives (in some cases based on the formal micro economic framework), and giving the parameters

within which the budget of each ministry is to be prepared. The circular may give specific ceilings for expenditure by each agency and program. The sector agencies respond with their budget projects World Bank Report (2015).

IFMS seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making. IFMS allow a more uniform and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data Dorotinsky and Watikins (2013). They also allow for the decentralization of financial functions and processes under the overall control of the Ministry of Finance, enhance financial discipline and control operating costs by reducing administrative tasks and civil servants' workload.

Since budget requests generally exceed approved expenditure, negotiating at the technical level between central and sector agency staff are required to review costing for existing discussions and are often required to set inter sectarian priorities and priorities among the program and project projects to ensure that the selected projects can be funded within the macroeconomic framework. The framework should be updated frequently particularly during budget initiation and finalization as well as subsequent reviews during the financial year. As a result of these discussions, a draft document is prepared (Ministry of Finance Report, 2014).

An IFMS generally implies fundamental changes in operating procedures and should be preceded by a detailed functional analysis of processes, procedures, user profiles and requirements that the system will support Hendricks (2012). Key high-level government goals will only be achieved if the IFMS solution supports a wide range of business processes

that transcend functional, business, organizational and geographic boundaries Hendrick (2012). Automated payments, combined with sophisticated document management and identity management systems associated with IFMS enable governments globally to improve efficiency, effectiveness, security, convenience, financial control and stakeholder confidence.

According to Conrad (2013) discussed that IFMS aims at enhancing services delivery to citizens, businesses, and other stakeholders, and that it encompasses internal and external dimensions and despite the challenges faced, as noted by Picci (2005), most people would agree that the new information technologies hold vast potentials for improving public administrations, and better administrations in turn would have a positive influence on the economy and on society thereby improving stakeholder confidence. According to Mullen & Horner (2013), they observed that the rapid diffusion of e-commerce in particular has placed existing norms and moral behavior under pressure and may affect the successful implementation of successive governments' visions of e-Government. They noted that the 2003 review of 34 IFMS projects supported by the World Bank over 15 years estimated that only 6 percent of the systems were likely to be sustained after donor support ceased.

2.5 Financial Reporting, Accountability and Performance of Local Government

Financial reporting retrospectively describe the results of an organization's financial transactions and events in terms of its financial position and performance. According to (Simson, Sharma & Aziz, 2011), financial reports aim to improve budget compliance. They provide a means for internal or external actors to assess government performance. Thurakam (2007) posit that in order to serve its objectives meaningfully, financial reports must be relevant, accurate, prompt and authentic.

The financial statements must be pertinent for the purpose for which they are meant for, irrelevant and unwanted information should be avoided but at the same time material facts must necessarily be disclosed Thurakam (2007). According to Rupanagunta (2006), transactions data captured in the right formats classified appropriately and presented in simple, easy to use formats can be used as valuable decision support systems. For instance, capturing the specific function performed or service rendered and the nature of the expenditure of each financial transaction undertaken by the government can be used to understand the true cost of service delivery by activity.

Simson et al (2011) elucidates that financial reporting entails extracting and presenting data from the accounting system in ways that facilitate analysis. Governments produce a range of reports for internal and external consumption. Typical reports include daily reports on hard cash flows, monthly reports on financial plan execution, revenue reports, mid-year reports and annual financial statements or fiscal reports. These are internationally recognized minimum requirements for annual fiscal reporting; these reports form the basis for the auditor general review of government performance.

Dener and Young (2013) urge that most discussants agree that for true lucidity, it is important not only that government publish budget data on websites, but that the data they disclose is meaningful and provides a full picture of their financial activity to the public. Hendricks (2012) highlights that IFMS assists management in ensuring accountability for the deployment and use of public resources and in improving the effectiveness and efficiency of public expenditure programmes. By tracking financial events through an automated financial system, management is able to exercise improved control over expenditure and to improve transparency and accountability in the budget cycle as a whole.

An IFMS allows users anywhere within the IFMS network to access the system and extract the specific information they need. A variety of reports can be generated to address different budgeting, funding, treasury, cash flow, accounting, audit and day-to-day management concerns (Hendricks, 2012). Diamond and Khemani (2014) explain that IFMS's role is to connect, accumulate, process, and then provide information to all parties in the budget system on a continuous basis. All participants in the system, therefore, need to be able to access the system, and to derive the specific information they require to carry out their different functions. The converse is also true, if the IFMS does not provide the required information and right functionality; it will not be used, and will cease to fulfill its central function as a system.

The above literature did not confirm the finding which revealed that, the application of IFMIS in reporting and accountability was not including all the accounting tools. Hence, it was difficult to roll out all the applications in Tororo district local government.

Thurakam (2007) maintains that financial accounts must disclose accurately the position and prospect of the organization. Inaccurate information not only misleads the public but also attracts fines and penalties. There should not be any personal prejudice and window dressing of financial statements. As a tool of management, Diamond and Khemani (2014) argue that IFMS should provide the information required for decision making. For this purpose it is anchored in the government accounting system, and should be designed to perform all necessary accounting functions as well as generate custom reports for internal and external use. For example, the component of reporting of government transactions encompasses all activities that include the updating and maintenance of the general ledger, the reconciliation of sub ledgers to the general ledger and closing of books. It also includes recording, control and reporting on fixed assets at both entity and National level (Ministry of Finance, 2013).

In order to facilitate the functioning of the management, there should be quick preparation and prompt submission of the report to all those executives who depend on it (Thurakam, 2007). The promptness in the flow of information is critical in better resource utilization (Kumar, 2009). Integrated Financial Management Systems (IFMS) can improve public sector management by providing real-time financial information to managers in order to enhance their decision-making capabilities (Hendricks, 2012). Automation of mechanical activities such as automatic generation of accounting vouchers triggered by each financial transaction and easy generation of accounting records, financial statements and management information systems (MIS) reports are essential to ensure basic data integrity, availability of data on demand and timely audit of transaction data (Richard and Deters, 2013).

According to Van der Hoek and Peter (2005) identified four financial reporting systems stipulated by accounting standards framework. The first system is known as full cash accounting. This system records a transaction when funds are paid out of an appropriation authority or when funds are received. The second system is modified cash accounting. This system recognizes transactions on a cash basis during the year and the setup of unpaid accounts and/or receivables at year's end. The third system is modified accrual accounting - this records expenditures when resources are received and revenues when they are measurable and available within the accounting period or shortly afterward. The last one is full accrual accounting - which recognizes expenses as incurred, records revenues as earned, and capitalizes fixed assets. Hendricks (2012) argues that IFMS supports adequate management reporting, policy decisions, fiduciary responsibilities and the preparation of auditable financial statements related to these financial reporting systems.

2.5 Performance Measure in relation to Integrated Financial Management

2.5.1 Performance

According to Morgan (2005), performance refers to the ability to operate efficiently, profitably to survive, grow and react to the environmental opportunities and threats. In agreement with this, Performance is measured by how efficient the enterprise is using its resources in achieving its objective. It is the measure of attainment achieved by an individual team, organization or process. It is an important element of local government modernization as attained in the fifth national social Partnership agreement program for prosperity and fairness.

Financial performance is defined as a subjective measure of how well a firm can use its assets from its primary mode of business and generate revenues Lewis (2015). Furthermore, this term is used as a general measure of a firm's overall financial state over a given period of time and can be used to compare similar firms across the same industry.

In conclusion therefore, the success of an organization and other companies has historically known to be dependent on the owners and members who undertake the necessary tasks like budgeting to accomplish the set goals and objectives. For the purpose of this study, we will adopt Morgan (2005), definition of financial performance as the ability to operate efficiently, profitability to survive growth and react to the environmental opportunities and threats.

2.5.2 Staff Efficiency

In measuring performance, Moeti et al, Khalo and Mafunisa (2007) argued that efficiency has to do with inputs and outputs. We are said to be efficient if we can produce the maximum amount of output for a given and fixed amount of inputs. To ensure that the budget and accounts are comprehensive, it is essential that all the cash flows be channeled through the

IFMS, and hence that all transactions, both receipts and payments, are processed by the IFMS, including the payroll payments (Diamond & Khemani, 2005).

The introduction of an IFMS can be regarded as an organizational reform which deeply affects work processes and institutional arrangements governing the management of public finance (Hendricks, 2012). Government entities and agencies have huge challenges in automating payments and collections, particularly in countries where financial exclusion is high. Volumes can also be enormous, from taxes and utility payments, to social benefits and salaries.

In addition, public money is considered to have been inappropriately managed or spent if instances of unauthorized expenditure, fruitless and wasteful expenses, and/or irregular expenditure are present (Moeti et al, 2007). Unauthorized expenditure refers to overspending and/or spending that is not in accordance with the mandated purpose or appropriated funds. Fruitless and wasteful expenditure refers to unnecessary expenditure that should have been avoided if reasonable care had been exercised while irregular expenditure refers to authorized expenditure that happens to be in contravention of other applicable legislation (Moeti et al, 2007).

Isidore (2012) undertook a study of an assessment of how integrated financial management information system enhances financial decision making in two case study organizations in Tanzania. The sample size consisted of 34 respondents drawn from 204 employees. The research design adopted was descriptive survey; a purposive sampling method was drawn. The primary data was collected using questionnaires and secondary data was collected using existing literature and journal articles. The correlation analysis and descriptive statistics were

used to analyze data. Findings indicated that financial managers use IFMS tools in generating financial planning information which contributes to efficiency of their financial decision making and that managers were making capital budgeting decisions based on information generated from IFMS.

Simson et al (2011) observed that while automation can improve system efficiency, the process can be disruptive and challenging, as it usually requires significant reform of existing processes and new human resource skills. Proponents of large-scale automation reforms argue that it streamlines procedures and reduces opportunities for corruption; critics point to the high costs of automation, the failure rate of many automation projects and the risks of graft shifting from the procurement officer level to those with control over the new automation system.

2.6 Summary of Literature

This chapter has reviewed the literature related to IFMS. It has discussed the potential effects of IFMS on staff performance and efficiency in local governments of Uganda as it relates to financial planning, budget execution processes and financial reporting and accountability. The literature shows that most scholars have highlighted a number of benefits of IFMS to the management of public finance. However, few empirical studies have been conducted and those that exist have yielded mixed results in terms of successful outcomes. In the next chapter, the methodology that guides this research work is discussed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, presented are the methods that were used to conduct this research which are elaborated as; the research design, the study population, sample size and selection, sampling techniques and procedure, data collection methods and instruments, validity, reliability of instruments, the procedure of data collection and data analysis as discussed here.

3.2 Research Design

The study adopted a case study research design which helped the researcher to understand the complex issue or object to what is already known through previous research and emphasize detailed contextual analysis of a limited number of events or conditions and their relationships (Yin, 1984). According to (Yin, 1984) he defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984). In this study, the major variables that were studied are: IFMS financial planning, IFMS budget execution or financial transaction processing, IFMS financial reporting and accountability and staff performance.

3.3 Study Population

A population is the total set of elements about which a researcher wishes to make some inferences; where population elements refer to the subject on whom the measurement is being taken. According to records from the Human Resources Department at Tororo (2017), there are about 227 employees working in Tororo district local government ranging from administration, Finance, production units, works, and community based services, Accounts, planning unit, Procurement unit, Internal Audit departments, health department, education

department and council and statutory bodies. (Not including the primary teachers, secondary teachers and health workers in health centers)

3.4 Sample Size

Mugenda and Mugenda (1999) states that collecting data from the entire population is not possible due to cost and time constraints, therefore, sampling becomes the available and accurate option, the study draws conclusion that the sample can be generalized on the population of interest. The sample size were selected from the population size using a table by (Krejcie & Morgan, 1970) table as follows

Table 1: Study population and Sample sizes

No.	Categories	Target Population	Sample Sized
1	Administration	40	36
2	Finance department	23	20
3	Education department	17	12
4	Production	22	15
5	Works	33	15
6	Community Based Services	18	10
7	Audit Committee members	30	25
8	Health Offices	11	7
9	Council & Statutory Bodies	9	5
10	Planning Unit	7	7
11	Internal Audit Unit	11	10
12	Procurement Unit	3	3
	Total	**227**	**175**

Source: Tororo District Local Government Human Resources Records (2017)

3.5 Sampling Selection Technique

According to (Kothari, 2004), a sample is a subset, or some part, of a larger population. The purpose of sampling is to enable researchers to estimate some unknown characteristics of the population. The researcher used purposive sampling technique on the respondents in that the respondents were selected basing on the office they hold or department they work in and the knowledge they have on issues to do with IFMS and performance.

3.6. Data Collection Methods

The data collection methods are techniques of collecting data and in this study both quantitative and qualitative methods were employed. The researcher used questionnaire survey and the interview method in the data collection because of the competitiveness nature of the business the study undertook. This is so because most respondents were gladly offered less information for a person who is seeking information.

3.6.1. Questionnaire Survey

Information from employee staff were collected using questionnaire. The researcher developed a questionnaire that contains specific objectives of the study for respondents to complete in writing. The questionnaire were structured (close ended). The structured questionnaires are preferred because of the ease of analysis and counting the frequency of each response (Survey Research & Questionnaires, 2016). This provided an exact profile of the current situation and also establish the relationship between the independent and dependent variables.

3.6.2. Interview Method

An interview is a purposeful discussion between two or more people (Kahn & Cannell, 1957) as quoted by (Saunders, Lewis & Thornhill, 1997). Interviews which are to be face to face were conducted on key informants who are the Management Staff. This is a good tool as it enabled the researcher gather in-depth information around the topic to meet specific needs and further clarify issues in the questionnaire to the respondents (Mugenda & Mugenda, 1999).

3.6.2 Data Collection Instruments

3.6.2.1 Questionnaire

A Self-administered, closed ended questionnaire was used to gather quantitative data from the staff, this is so because it has the ability to limit inconsistency and also save time as suggested by Amin (2005). The Likert scale measurement of Strongly-agree, Agree, Disagree

and Strongly-disagree was used so as to have quantities results easier for statistical results. A questionnaire was developed to test the staff response on IFMS and performance of Tororo district.

3.6.2.2 Interview Guide

The interview guide was used to collect data. Interviews were conducted person to person through verbal communication in which one person or a group of people were interviewed at a time. Interviews were used because they have the advantage of ensuring probing for more information, clarification and capturing facial expression of the interviewees (Amin, 2005). In addition, they also gave an opportunity to the researcher to revisit some of the issues that had been an over-sight in other instruments and yet they are deemed vital for the study. The reason for using this method, was to collect information that cannot be directly be observed or difficult to put down in writing and to capture meanings beyond words. Interviews were personal interviews and were conducted with the CAO, CFO and the heads of departments.

3.6.3 Documentary Review Checklist

Documentary research is the use of outside sources, documents, to support the viewpoint or argument of an academic work. The process of documentary research often involves some or all of conceptualizing, using and assessing documents. Examples of documents include trading documents for local government (TDLG), publications and newspapers, innumerable other written, visual and pictorial sources in paper, electronic, or other `hard copy' form. The analysis of the documents in documentary research would be either quantitative or qualitative analysis (or both). The documentary review list was used for purposes of reviewing documentary data. Documentary data was obtained through the use of published and unpublished documents. Various publications, magazines and newspapers reports, historical documents and other sources of published information were reviewed by the researcher.

3.7 Validity and Reliability

3.7.1 Validity

Validity of the instruments was established using the both construct and content validity tests as suggested by Amin (2005). The researcher discussed the instruments with the research supervisors. In order to ensure validity of the research instruments, Content Validity Index (CVI) was used be by the researcher to get content validity value ratio. Content Validity Index was then determined by the formula below;

CVI = Number of items declared valid

Total number of items judged

The results from the rating were used to compute content validity value ratio. The researcher obtained more than 0.7 value ratios in order to deem the instruments valid as suggested by Amin (2005).

Table 2: Content Validity Index

Item	Total number of items	Number of items considered relevant	Content Validity Ratio (CVR)
IFMIS in			
Financial Planning	13	11	0.846
Financial Budgeting	14	10	0.714
Financial reporting and accountability	12	10	0.833
CVI average			**0.848**

Source: Primary Data, 2018

3.7.2 Reliability

In order to ensure reliability, the study used the Cronbach's Coefficient Alpha (general form of Kunder-Richardson formula). Cronbach's Alpha Coefficient (α) used is as follows:

$$\alpha = \frac{k}{k-1}\left(1 - \frac{\sum \sigma_i^2}{\sigma_y^2}\right)$$

Where k is the number of items in the questionnaire,

$\sum \delta_i^2$ is the sum of the item variances (i.e., the diagonal elements of the covariance matrix) and δ_y^2 is the variance of the total test score (which equals the sum of all elements in the covariance matrix). A sample of 20 respondents was selected for a pilot exercise. Typically, reliability coefficients of 0.70 or above are better as suggested by Amin (2005).

Table 3: Results of Reliability Test

	Variables	Cronbach's Alpha	Number of Item
Independent Dependent Variable	**Financial Planning**	0.848	0.4
	Budgeting	0.787	0.6
	Financial reporting and accountability	0.657	0.2
Dependent Variable	**Performance of Tororo District Local government**	0.805	0.4

(N=175)

Source: Primary data (2018)

3.8 Procedure for Data Collection

After the approval of the research proposal, the researcher obtained an introductory letter from Dean, Graduate School Kyambogo University to help the researcher access the participants. The researcher got permission from the CAO of Tororo district for access and introduction to the study participants.

3.9 Data Sources

For the study purpose both primary and secondary data were used. The primary data involved collecting first hand data directly from the field, while secondary data collection methods involved collecting second hand data already collected and published. The primary data were collected from the staff of Tororo district. This was collected by use of questionnaires and

face to face interview. While secondary data were data from documentary review. The secondary data covered literature from other authors concerning IFMS and Staff performance and how they relate to the study. This included data from documents concerning financial management information systems for Tororo Local government, district financial reports, online journals, textbooks, newspapers, visual and pictorial sources in paper, electronic, or other `hard copy' form to cover every aspect of the study that includes IFMS and performance of Tororo district. The research recorded, sorted and analyzed them based on objective by objective of the study.

3.10 Data Analysis

3.10.1 Quantitative data Analysis

Quantitative data are anything that can be expressed as a number or quantified Sekaran (2003). Quantitative data were analyzed using descriptive method (frequency tables) and inferential statistics (Pearson correlation, Regression analysis, and ANOVA) with the help of Statistical Package for Social Scientists (SPSS). The Statistical Package for Social Sciences (SPSS) version 18.0 was used in the analysis of data after categorizing through the emerging patterns. Data was then coded; a process that involved assigning numerals to the items of the questionnaires such that specific answers are placed in one cell in a given category. This was helpful because the researcher was able to enter the data into the SPSS data editor straight from the original questionnaires Amin (2005). After entering the data, data were cleaned using frequencies distribution in order to identify incorrect entries to ensure accuracy and consistency. Then the data were analyzed by generating descriptive statistics, i.e. frequencies, and computing composite variables were used in running the Pearson's Correlation Coefficient and regression analysis to determine the relationship between independent variable and dependent variable or how the IFMIS affects the performance of Tororo District

Local government. The Pearson's correlation coefficient and significance levels were used to test the research questions at 95% confidence levels in the correlation analysis (2-Tailed Test). A positive correlation coefficient implies a positive effect while a negative correlation coefficient implied negative effect Integrated Financial Management information (IFMIS) has on financial performance of Tororo district local government.

Data collected were pre-coded in the questionnaire, after checking and sorting it was entered in statistical package for social sciences (SPSS) as suggested by (Sekaran, 2003). Pearson correlation was prepared for this study because it gave a measure of strength and direction of association between the two variables and is suitable for normally and bivariate data (Collins & Hussey, 2003). The use of SPSS in descriptive study helped to analyze correlations between multiple variables by using tests such as Pearson's Product Moment correlation, regression, or multiple regression analysis. This was important to describe, explain, and validate findings on how integrated financial management systems have affected the performance of Tororo district local government.

Quantitative data obtained from closed and open ended questions derived from the questionnaires were also analyzed using Statistical Package for Social Scientists (SPSS). It was organized in themes and patterns, categorized through content analysis and then tabular forms accompanied with narratives. Quantitative data analysis included the calculation of frequencies between independent variable which is the effect of integrated financial management information systems (IFMIS) and dependent variable which is performance of local government in Uganda specifically in Tororo district. Quantitative data analyses were also used in operationalizing the effect the independent variable indicators of financial planning, budgeting execution, financial reporting and accountability have on the dependent variable which is financial performance of Tororo district local government. This was based

on the objectives of the study such as; to investigate how the use of IFMS in Financial Planning affected the performance of Tororo District local government; to assess how the use of IFMS in Budgeting execution activities affect the performance of Tororo District local government in Uganda and to explore how the use of IFMS in financial reporting and accountability affects the financial performance of Tororo District, Uganda. The study described the nature of a association between these variables, such as strong effect, moderate, negative, positive, weak, or statistically significant effect (Glass & Hopkins, 1984).

It involved descriptive method which involves gathering data that describe events and then organizes, tabulates, depicts, and describes the association between variables by using statistical package for social science research (SPSS) as noted by (Glass & Hopkins, 1984). The study used descriptive method because it helped the researcher to have in-depth narrative descriptions of small numbers of cases which are involved in the study. The study used description as a tool to organize data into patterns that emerge during analysis. Those patterns helped the researcher in comprehending a quantitative and qualitative analysis and its implications to describe events and what the study aims at discovering by drawing inferences or causal relationships (Borg & Gall, 1989). The descriptive method was important to this study because it helped the researcher to summarize data such as measures of central tendency including the mean, median, and mode, deviance from the mean, variation, percentage, and correlation between variables.

3.10.2 Qualitative Data Analysis

Qualitative data is one that is represented in nominal scales such as gender, socio-economic status, religious preference, and good, bad, high and low is usually considered to be qualitative in nature (Collins & Hussey, 2003). Qualitative data involves analysis of data such as words (e.g., from interviews), pictures (e.g., video), or objects (e.g., an artifact).The

researcher used the content analysis method to analyse qualitative data, which helped in describing and discussing the opinions of the respondents on the effect of integrated financial management systems on performance of Tororo district local government. Qualitative data analysis was aimed at providing explanations, interpretation and understanding of collected data on how integrated financial management system can affect the performance of Tororo district local government (Krippendorff, 2012). Content analysis involved organizing, coding the data and later processing and interpreting it. Qualitative analysis involved coding of data, identifying categories and patterns that emerged in the responses between financial managements systems and performance of Tororo district local government.

3. 11 Ethical Issues and Quality Control

The study process ensured that respondents consent to participate in the study is sought prior to their participation. All respondents were informed of the reason and purpose of the research and the confidentiality of all information given by respondents were assured that there would be no one harmed or who suffers adverse consequences from the research activities (Cooper & Schindler, 2001). The researcher ensured that all information contained in the findings were true representation of the respondents' responses. According to McMillan & Schumacher (2006) it is very important that the participants have the option to participate in the study and the researcher has to provide this option.

Anonymity was another concern for the respondents to give genuine information (Sekaran, 2001) Promise of confidentiality was thus assured , after all, the names of the respondents were not requested, and emphasis were noted that the information was going to be treated in aggregate and purely for research purposes.

3.12 Limitations of the Study

The research is studying one case; therefore, the results cannot be generalized to other cases. However, the researcher encountered some other limitations during the study especially when it came to interviewing some respondents. Some were not willing to give information freely. The researcher also had to wait till late in the evening when the respondents are through with their work so as to interview them. For the key informants, given their busy schedules, some interviews were rescheduled to fit their timetables, but these also sometimes failed. Costs to and from Tororo district during the conduction of research were high. There was also a problem of absenteeism of some senior staffs. Therefore, data collected from them through the questionnaires were proved to be a big challenge. Some respondents simply failed to complete the questionnaires because of sheer laziness. The researcher managed to overcome some of these problems by making a thorough sensitization of respondents on the importance and significance of the study. The Kyambogo University introductory letter also helped to allay any fears and doubts among some respondents. Efforts were made to maintain confidentiality of the responses. The absenteeism of the senior staff was tackled by visiting the district regularly.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the findings of the study according to the objectives which were: to assess how the application of integrated financial management information systems (IFMIS) in financial planning has affected the financial performance of Tororo District Local Government; to analyze how the use of integrated financial management systems (IFMS) in budgeting has affected the financial performance in Tororo District Local Government; to establish how integrated financial management systems (IFMS) in financial reporting and accountability has affected performance of Tororo District Local Government. The data obtained was analyzed using SPSS to determine the effect of the implementation of integrated financial management information system on the financial performance of Tororo district local government through the use of regression analysis.

4.2 The Response Rate

The response rate is the percentage of people who responded in the study (Mugenda & Mugenda, 2003). This is calculated by dividing the number of the completed surveys by the total number of respondents that are contacted and then multiplying the results by 100. The response rate was calculated and it was above 50%. The response rate was found to be 77%; which indicates that the data was good for analysis. According to (Mugenda & Mugenda, 2003), the researcher should use all means to increase the response rate in order to have a representative sample for meaningful generalization.

Table 4: Response Rate of the Study

No.	Categories	Target Population	Sample Sized	Response rate (%)	Non Response rate (%)
1	Administration	40	36	90	10
2	Finance department	23	20	87	13
3	Education department	17	12	70	30
4	Production	22	15	68	32
5	Works	33	15	45	55
6	Community Based Services	18	10	55	45
7	Audit Committee members	30	25	83	17
8	Health Offices	11	7	63	27
9	Council & Statutory Bodies	9	5	55	55
10	Planning Unit	7	7	100	0
11	Internal Audit Unit	11	10	90	10
12	Procurement Unit	3	3	100	0
	Total	**227**	**175**	**Average response rate 77%**	**Average non-response rate is 23%**

Source: Primary data (2018)

D=total questions distributed (227)

r=number of respondents who returned the questionnaires (175)

nr = number of respondents who did not return questionnaires (52)

r/D x 100%= Response rate=77%

From table 4 above, the study had a high average response rate of 77 % (r=175) of the respondents who answered the questionnaires and key informants interviewed. Only 23 % (nr=52) did not respond to the questionnaires. The high response rate was due to the nature of the questionnaire design and key interview design which was used namely: closed ended questions in questionnaires and structured interview schedules used where structured questions were categorized in a way that the interviewer simply checks the respondent's response (Mugenda & Mugenda, 2003). The response rate was good and the results are reliable.

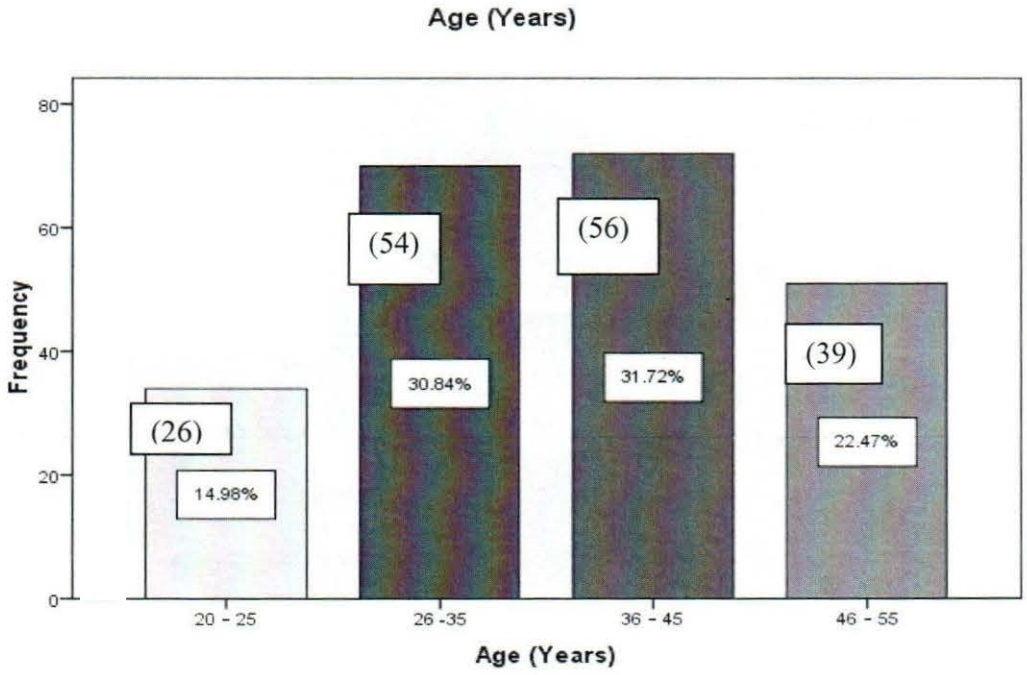
4.3 Demographic Characteristics

The demographic characteristics considered in the research include age, marital status, and gender, and department, duration of service and level of education in Tororo District Local government by the respondents. The study analyzed the perception and attitudes of respondents between the age of 20-25, followed by 26-35, 36-45 years and 46-55 years and above basing on effect of integrated financial management information systems (IFMIS) variables such as financial planning, budgeting and financial reporting and accountability on the financial performance of Tororo district local government, Uganda.

4.3.1 Age Composition of Respondents

The majority of the respondents were aged between 36-45 years which represent 56(31.72%) followed by 26-35 years who accounted for 54(30.84%) and 46-55 years accounting to 39(22.47%), and 20-25 years accounting to 26(14.98%) of the population who responded to the questionnaires and interview guide. This implies that there is a good representation of all the ages as presented in Figure 2 below.

Figure 2: Ages of the Respondents



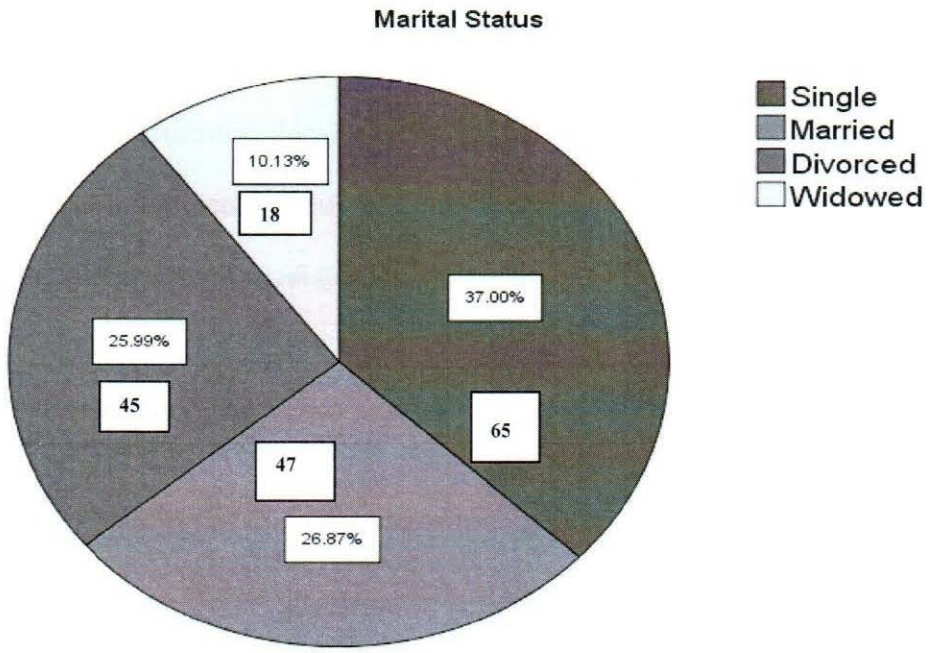
Source: Analysed data, 2018

From figure 2 above, the study revealed that the middle aged workers were 54 in number (30.84%) in Tororo district local government. The table also shows that employees at Tororo district local government are mostly between 36-45 years (31.72%), followed by 46-55 at 22.4% and the least number is of age 20-25 at 14.9%

4.3.2 Marital Status

The majority of the respondents were single workers at Tororo district local government representing a population of (37.0%), followed by married (26.87%), then divorced (25.99%) and the widowed people (10.13%) as shown in the pie-chart below.

Figure 3: Marital Status of the Respondents



Primary data, 2018

The Pie-chart above shows the marital status of the respondents with majority of the respondents (37%) being single who were 65 in number, followed by married who were 47 (26.87%). The divorced employees were 45(25.99%) and the least number of respondents were widowed, 18(10.13%) at Tororo district local government.

4.3.2 Gender of the Respondents

In all the respondents in the study, 68% (n=119) were male while 32% were female (n=56). This implies that the majority of the respondents were males than females as shown in table 5 below:

Table 5: Gender of Respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	119	68	68	67
Female	56	32	32	100
Total	175	100	100	100

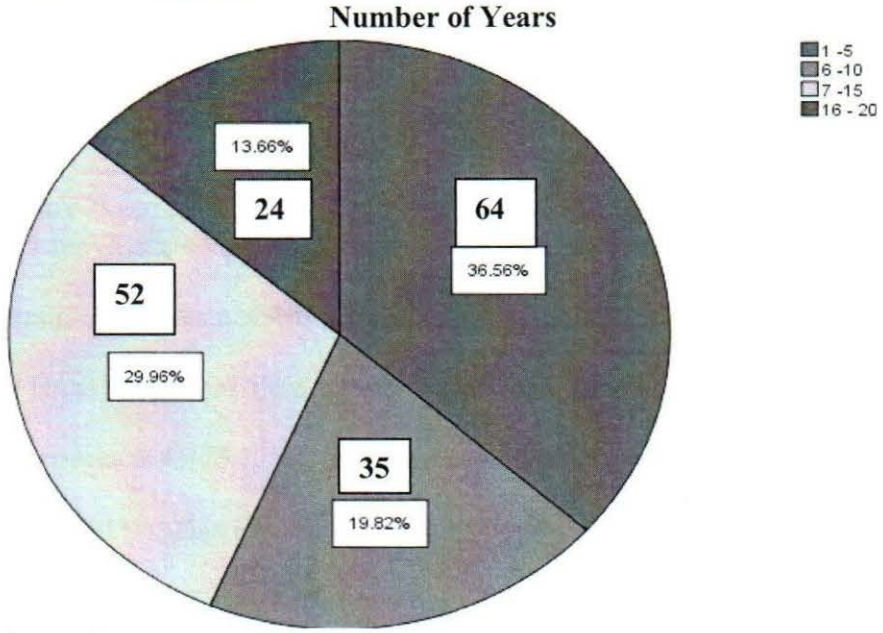
Source: Primary data, 2018

From the above table 5, Tororo district local government is mainly staffed with Male employees. Most men are engaged in technical works like administration, works, natural resources, production, education and health offices. This implies that there are more male related tasks in Tororo district local government and this should guide the human resource manager in providing better welfare, staff development programs and good working conditions in order to ensure equal gender opportunities.

4.3.3 Duration of Service

Analysis of the years of service of the respondents in Tororo district local government revealed that 24(13.66%) of the respondents had spent more than 12 years in service. 52 (29.96%) of employees had spent 7-15 years in service, 35(19.82 %) of respondents had spent between 6-10 years and 64(36.56%) had spent 1-5 years as shown in the Pie-chart below.

Figure 4: Duration of service



Source: Primary Data

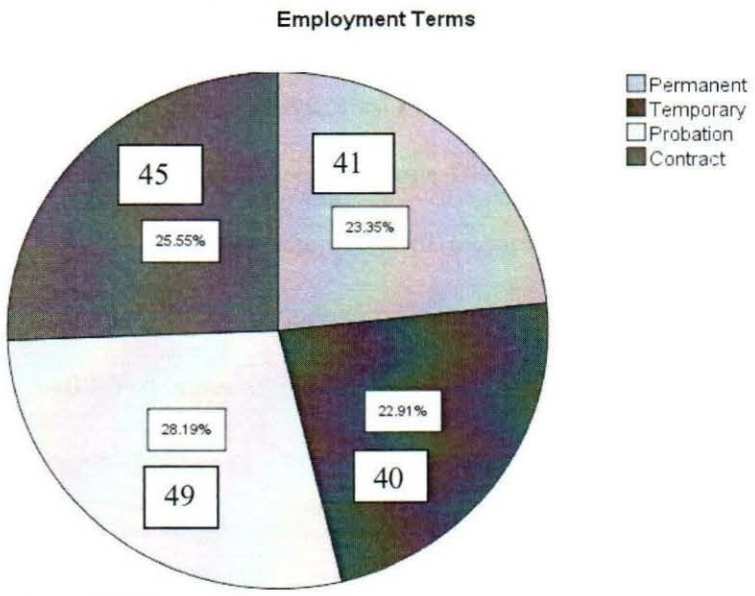
From figure 4 above, majority of the employees 64(36.56%) have spent more than six years in service in Tororo district local government. This indicates respondents had worked for a

considerable period of time in the district therefore conversant of with usage of integrated financial management systems in planning, budgeting, financial reporting and accountability.

4.3.4 Terms of Service

Majority of the respondents are on permanent employment 28.19%, followed by those on contract 25.55%, then probation 23.35%, and temporary employment 22.91% as show in the figure 5 below:

Figure 5: Terms of Service



Source: Primary Data, 2018

From figure 5 above, the nature of work in Tororo district determines the workforce recruited to perform designated tasks towards provision of quality services. The statistics on the employment terms reveal that there are more tasks requiring permanent employees at 49 (28.19%) and contracts 45(25.22%), probation at 41 (23.35%) while other tasks are temporary standing at 40(22.91%). This is an indicator that, Tororo district should take precaution on recruitment to ensure employee safety and risks associated with performance. Hence Tororo district local government needs more staff development programs like training of

employees and career development in order to improve on its integrated financial management systems for service delivery.

4.4. Integrated Financial Management Systems (IFMS) and Financial Performance of Tororo District

This section has focused on establishing the effect of integrated financial management systems (IFMS) on the financial performance of Tororo District local government. It looked at how the application of (IFMS) in planning, budgeting and financial reporting and accountability has affected the financial performance of Tororo district local government.

4.4.1 Objective one: The Effect of Integrated Financial Management System (IFMS) in Planning on the financial Performance of Tororo District Local Government

The first objective was to investigate the effect of integrated financial management system (IFMS) in Planning on financial performance of Tororo District local government. From the Table 4.4 below, 140(80%) agreed that the use of IFMS in Planning has enhanced on forecasting the future and preparing Tororo district local government plans, while 35(20%) were not sure, none of the respondents disagreed. This implies that the use of IFMS in planning has improved financial forecasting of the future activities and preparing for Tororo district local government, it has enhanced staff abilities to identify the future needs and changes in the next year to enable the staff to approximate financial requirements and how to raise the necessary financial resources and distribute them effectively to ensure efficient financial performance in the district.

> *The use of IFMS in Planning makes it easy to forecast the future demands of an organization and also various changes as highlighted during the interviews.*

Table 6: The effect of integrated financial management system (IFMS) in Planning on the performance of Tororo District local government.

Item	Response									
	Frequency					Percentage				
Roles of planning on financial performance	SA	A	NS	D	SD	SA	A	NS	D	SD
Tororo district has fully computerized the systems of IFMIS which is helping in forecasting the future activities	58	82	35	0	0	33	47	20	0	0
Clear goals and objectives of the Tororo district local government	140	30	5	0	0	80	17	3	0	0
IFMS is good in implementing and preparing budgets	163	12	0	0	0	93	7	0	0	0
IFMS is good in Monitoring, controlling and evaluation of financial resources	175	0	0	0	0	100	0	0	0	0
The use of IFMIS helps in setting targets to be achieved within a time bound	93	47	35	0	0	53	27	20	0	0
Efficient distribution of financial resources	105	58	0	0	0	67	33	0	0	0

Source: Primary data (2018)

From table 6 above, 170(97%) of the respondents agreed that the use of IFMS in planning leads to clear goals and objectives of Tororo district local government, 5(3%) were not sure and none of the respondents disagreed or strongly disagreed to the statement. The finding implies that effective planning enables Tororo district to set its goals, objectives, and devise ways of achieving them within a given time bound. This is done by ensuring proper financial distribution and performance of financial resources to attain the goals.

From table above, 175(100%) of the respondents strongly agreed that Effective planning leads to proper monitoring, controlling and evaluation of financial resources in TDLG, none of the respondents were not sure or disagreed. This implies that; effective planning ensures cost effective program implementation within a system of accountability, ensures that

expected results are achieved and maintains stability of financial resources for effective performance of financial resources in Tororo district as shown by the responses from the respondents above.

From table above 4.3 above 93(53%) respondents strongly agreed and 47(27%) agreed that using IFMS in planning helps to set targets to be achieved within a time bound in Tororo district. However, 35(20%) of the respondents were not sure. The implication is that, IFMIS in planning is a good predictor for Tororo district local government to carryout proper financial management and it is also necessary in formulating a fully coordinated detailed plan in both financial and quantitative terms, as shown in the table above.

4.4.2 Regression Analysis on the effect of IFMIS in Planning on financial Performance of Tororo District Local Government

A regression model was used to determine the effect of IFMIS in planning on financial performance of Tororo district local government. The resulting regression coefficients were used to interpret the direction and magnitude of the strength of the effect of IFMIS on financial performance of Tororo district local government. The βeta coefficients showed the responsiveness of the dependent variable as a result of unit change in each of the independent variable financial Planning.

Table 4.4 presents the regression model appropriateness of fit statistics to determine whether financial performance has a linear dependence on level of IFMIS use in planning in Tororo district local government.

Table 7: Model Summary of IFMIS in Planning and Performance of Tororo District Local Government

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.769a	0.592	0.466	0.65782

a. ***Predictors: (Constant), Level of IFMIS adoption in Planning and the financial performance of Tororo district local government.***

Source; Primary data, 2018

From Table 7 above, the study established implementation of IFMIS in planning had a positive effect on financial performance with a regression coefficient of 0.769a. This depicts a strong linear effect of IFMIS in planning on financial performance. The regression coefficient determination (adjusted R square) obtained was 0.466. The coefficient of determination implied that planning variable explains 0.466 of the variation in performance while other factors not included in the study contribute 0.65782 of the performance.

Table 8: ANOVA on IFMIS in planning and performance of Tororo district local government

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	8.151	4	2.038	4.709	0.014a
Residual	5.625	13	0.433		
Total	13.776	17			

a. Predictors: (Constant), Level of IFMIS adoption in planning on Performance of Tororo district local government.

b. Dependent Variable: Performance

Source; Primary data, 2018

The model coefficients obtained for the study are as illustrated by table 8 above.

As shown in the model, the use of IFMs in planning had a regression of 8.151 with residual of 5.625. The model thus shows that use of IFMIS in planning have a moderate effect on performance.

4.5 Objective Two: The relationship between IFMIS in budgeting on the Performance of Tororo district local government

The second objective was to examine the relationship of IFMS in budgeting execution activities on the financial performance of Tororo District. From the Table 4.6 below, 175(100%) of the respondents agreed that the use of IFMIS in budgetary Management has helped in resource allocation and formulation of policies in Tororo district local government and none of the respondents disagreed according to the questionnaires. This implies that the use of IFMIS in budgetary management is of great benefit in terms of resource allocation and formulation of policies so as to enhance financial performance of Tororo district local government as evidenced in the various documents like financial year budgets prepared in the organization to ensure resources are allocated carefully in relation with the available funds thus the finance staff are able to perform basing on the budgets prepared so as to attain organizational goals. This was obtained during documentary review checklist.

Table 9: Descriptive Statistics on the relationship between IFMIS in Budgetin on financial Performance of Tororo District Local Government (TDLG)

Item	Response									
	Frequency					Percentage				
Use of IFMIS benefits budgetary management	SA	A	NS	D	SD	SA	A	NS	D	SD
IFMIS helps in resource allocation and formulation of policies in TDLG	85	90	0	0	0	49	51	0	0	0
IFMIS helps in fixing Organizational goals in TDLG	70	88	18	0	0	40	50	10	0	0
IFMIS acts as a tool for measuring performance in terms of accountability in TDLG	123	47	6	0	0	70	27	3	0	0
IFMIS reduces deviation of financial resources in TDLG	117	47	12	0	0	67	27	7	0	0
IFMIS acts as a tool for planning for expenditures in TDLG	117	58	-	0	0	67	33	0	0	0
Use of IFMIS acts as a tool to correct any deviations in financial resources in TDLG	117	58	-	0	0	67	33	0	0	0
IFMIS promotes communication since budgets acts as blue prints for planning in TDLG	88	82	6	0	0	50	47	3	0	0
Use of IFMIS promotes locative efficiency and operational efficiency in TDLG	58	29	41	47	0	33	17	23	27	0

Source: Primary data, (2018)

From Table 9 findings on the use of IFMIS in budgetary management; Out of the 175 respondents, 158(90%) agreed that the use of IFMIS in budgetary management helps in fixing organizational goals, much as 18(10)% were not sure while non-disagreed. This implies that use of IFMIS in budgetary management helps in fixing organizational goals so as to ensure funds are spent correctly. This enables Tororo district local government to perform effectively and attain its goals.

> *The above findings confirm the interview from the audit department who noted that the application of IFMIS in Budgetary management has helped Tororo district local government to meet its goals by ensuring that funds are spent on ventures that are productive to the public and committing funds to productive ventures aligns and fixes the goals without deviation drawn from the budget, but the Tororo district still faces a problem of inadequate financial resources and hence the organization goals are at times not realized.*

From table 4.6 above, 170(97%) of the respondents agreed that efficient use of IFMIS in budgetary management acts as a tool for measuring performance, and 6(3)% were not sure and there was none who disagreed. This implies that efficient use of IFMIS in budgetary management acts as a tool for measuring financial performance in terms of accountability in that when resources are well allocated, monitored and well evaluated, financial performance can be measured, and the staff were able to give accountability as indicated by the scorecard initiative where Tororo district local government was ranked the best by ACODE during financial year 2015/2016.

From table above, 164(94%) of the respondents agreed that the use of IFMIS in budgetary management reduces deviations of financial resources in Tororo district local government and 12(6%) were not sure. This implies that the use of IFMIS in budgeting reduces diversion of financial resources to unplanned activities in Tororo district local government in that funds are distributed and spent according to how they are allocated in the budget and this makes it difficult to deviate from the plan drawn in the budget.

> *During the interview with one of the accountants, he commented that the application of IFMIS in budgetary management has eliminated diversion of funds in Tororo district local government since funds are spent according to budget.*

From table 4.6 above, 175(100%) of the respondents strongly agreed that application of IFMIS in budgetary management acts as a tool for planning expenditures in Tororo district and none were not sure, or disagreed. This indicates that the use of IFMIS in budgetary management acts as a tool for planning in that when budgets are drawn; planning for expenditures using the financial resources available becomes simplified, leading to better financial performance.

Also from table 4.6 above, 175(100%) of the respondents agreed that use of IFMIS in budgeting acts as a tool for correcting any deviations in financial resources and none were not

sure, or disagreed. This indicates that use of IFMIS in budgeting acts as a device to correct any deviations of financial resources in that if expenditures for a given activity exceed the allocated budget at any point of time, it will signal deviation from prescribed sources hence corrections or adjustments are.

From the table 4.16 above, 170(97%) of the respondents agreed that efficient use of IFMIS in budgeting has promoted communication in the organization, and 6(3%) were not sure and there was none who disagreed. This implies that efficient application of IFMIS in budgetary management acts as a blue print for planning in the organization. Through the use of IFMIS in budgeting, people are able to know what Tororo district local government is intending to achieve in a given financial year period which in turn leads to increased performance.

Table 10: Regression Analysis of IFMIS in Budgeting on financial performance of Tororo district local government

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.81[a]	.520	.5201	.51241

Source: Primary Data

a. ***Predictors: (Constant), IFMIS in budgeting and financial performance of Tororo district local government***

Source: Primary Data, 2018

Table 10 above shows results of regression analysis of the effect of IFMS in budgeting on financial Performance of Tororo district local government. The model summary above showed that R^2 is .5201. This indicated that 0.5201 variance of budgeting is a good predictor of financial performance of Tororo district local government.

In budgeting and level of financial performance at Tororo district local government, the adjusted R^2 is .5201 implying that IFMIS in budgeting has a moderate effect on financial

performance.

4.6: Objective Three: Effect of IFMIS in Financial Reporting and accountability on financial Performance of Tororo district local government

The third objective was to explore how the use of IFMS in financial reporting and accountability has affected the financial performance of Tororo District, Uganda. Table 4.8 below shows the descriptive statistics of effect of IFMIS in financial reporting and accountability on financial Performance of Tororo district local government. The respondent's views are ranked according to strongly agree weighing 5, agree 4, strongly disagree 3, disagree 2 and not sure 1 as shown below.

Table 11: Descriptive statistics on the Effect of IFMIS in Financial Reporting and Accountability on the Performance of Tororo District Local Government

Parameters	SA (5)	A (4)	SD (3)	D (2)	N (1)	Mean	Sts dev.
IFMIS enables me understand the true cost of service delivered per activity	66 (37.9%)	64 (36.6%)	21 (11.9%)	17 (9.7%)	7 (4.0%)	3.9471	1.11579
I can easily extract and present data from IFMIS in ways that facilitate analysis	74 (42.3%)	62 (35.7%)	16 (9.3%)	18 (10.1%)	5 (2.6%)	4.0485	1.07766
IFMIS avail me with information derive the specific information I require to carry out my work	72 (41.10%)	62 (35.7%)	18 (10.1%)	17 (9.7%)	6 (3.5%)	4.0088	1.10506
There are built-in analytical tools within IFMIS that enables trend analysis of various elements of fiscal operations in the office	74 (42.3%)	62 (35.7%)	17 (9.7%)	17 (9.7%)	5 (2.6%)	4.0529	1.07128
With IFMIS, I have at my disposal information that can quickly provide year to year balances which can be used for analysis throughout the year	72 (41.10%)	62 (35.7%)	18 (10.1%)	17 (9.7%)	6 (3.5%)	4.0088	1.10506
Through IFMIS, I am able to reconcile transactions data in real-time	69 (39.6%)	63 (35.7%)	20 (11.5%)	20 (11.5%)	3 (1.8%)	4.0000	1.06430
The IFMIS system enables me to generate custom reports for internal and external use	70 (40.1%)	66 (37.9%)	13 (7.5%)	19 (10.6%)	7 (4.0%)	3.9956	1.12296

Source: Primary Data, 2018

Table 11 above, majority of respondents (37.9%) strongly agreed IFMIS enables them to understand the true cost of service delivered per activity. This is being manifested in that (42.2%) strongly agreed that they can easily extract and present data from IFMIS in ways that facilitate analysis. While 9.7% strongly disagreed that the information derived from IFMIS are the specific information required to carry their work load.

> *According to an officer in the district, when asked through the interview guide; he noted that feedback regarding financial performance of Tororo district by the technical team is very limited. Majority of the staff are not conversant with the use of*

IFMIS in reporting apart from those in finance department.

The rationale behind this is that service delivery is being compromised with the performance reports. This implies that the use of IFMIS in reporting had limited effect on the financial performance of Tororo district local government.

> *This is being supported by many respondents through interview who voiced their concerns that the use of technology in financial reporting does not give true value on the target financial performance of Tororo district local government.*

This is being support by questionnaire survey where 20(11.5%) of the respondents strongly disagreed that through IFMIS, they are able to accurate financial reports in real-time. The implication is that IFMIS in financial reporting has a weak effect on the levels of financial performance.

> *This is being supported by interview from one of the procurement officer who noted that the use of IFMIS has been implemented in various departments, some of which have failed like stores to produce accurate reports in real time.*

4.6.1: Regression Analysis on the effect of IFMIS in Financial Reporting and Accountability on performance of Tororo district local government

To analyze the findings, regression and ANOVA was performed between IFMIS in reporting and accountability on the performance of Tororo district local government. The level of significance was set at $p<.05$. The findings from the analysis are presented in table 4.9 and 4.10 below.

Table 12: Regression analysis on the Effect of IFMIS in financial reporting and accountability on the Performance of Tororo district local government.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.414[a]	.172	.156	.38276
		a. Predictors: (Constant), IFMIS in reporting		

Source: Primary Data, 2018

From table 12 above, an R-squared value of 0.172 was established between IFMIS in reporting and financial performance of Tororo district local government. This implied that IFMIS in reporting could account for up to 172(17.2%) of the total variance in financial performance. The remaining 82.8% of variation in performance could be accounted for by factors not included in this model. Adjusted R square (0.156) indicated that IFMS in financial reporting and accountability could only account for 15.6% variation in performance implying that it was not a good predictor for performance in the district.

Table 13: ANOVA[a] on Effect of IFMIS in financial rreporting and accountability on Performance of Tororo district local government

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.668	1	1.668	11.385	.001[b]
	Residual	8.058	55	.147		
	Total	9.726	56			
a. Dependent Variable: Performance				b. Predictors: (Constant), IFMIS in reporting		

Source: Primary data, 2018

The analysis of variance yielded an F-ratio ($F_{(1, 55)} = 11.385$, $p = .001$) which was significant at $p < .01$ level of significance. This implied that financial reporting with the use of IFMIS significantly does not affect the financial performance in Tororo district local government. On the basis of mean square 1.668, we concluded that the use of IFMIS in financial reporting by Tororo district local government does not considerably affect financial performance and therefore, the use of IFMIS in financial reporting is not a good predictor of financial performance at Tororo district local government.

4.7 Conclusion of the Study

The findings of the study indicated that, IFMS in planning has a moderate effect on performance with a regression coefficient R^2 0.592 and adjusted R^2 0.47, IFMS in budgeting also had a moderate effect on performance in the district with regression coefficient R^2 0.520 and adjusted R^2 0.521. IFMS in financial reporting and accountability has a weak effect on financial performance with regression coefficient R^2 0.172 and adjusted R^2 0.156 implying it is not a good predictor of performance since it only explained a 15.6% variation.

CHAPTER FIVE
SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the findings, discussions, conclusions and recommendations, contribution of the study, future research and limitations of the study, basing on effect of integrated financial management information systems on financial performance of Tororo district local government.

5.2 Summary of the Findings

In this section, the study discusses how integrated financial management information system (IFMIS) has affected the financial performance of Tororo district local government.

5.2.2 Summary of the Result and Findings

According to Anderson, et al. (2002) define the regression coefficient as a descriptive measure of the strength of the linear association between two variables, x and y. They explain that values of the regression coefficient are always between -1 and +1. A value of +1 indicates that the two variables x and y are perfectly related in a positive linear sense. A value of -1 indicates that x and y are perfectly related in a negative linear sense. Values of the regression coefficient close to zero indicate that x and y are not linearly related.

Table 14: Table Showing Summary of Findings

Research Objectives	Research questions	R^2	Adjusted R^2	Results
To assess how IFMIS in planning has affected performance of Tororo District Local Government.	To what extent does the use of IFMS in Financial Planning effect the performance of Tororo District, local government?	R^2 is 0.592	Adjusted R^2 0.47	Has a moderate effect
To analyze how IFMIS in budgeting has affected the performance of Tororo District Local Government	How does the use of IFMS in Budgeting execution activities affect the performance of Tororo District local government in Uganda?	R^2 is 0.520	Adjusted R^2 0.5201	Has a moderate effect
To investigate the effect of IFMIS in financial reporting and accountability on the performance of Tororo district local government	How does the use of IFMS in financial reporting and accountability affect the performance of Tororo District, Uganda?	R^2 is 0.172	Adjusted R^2 0.156	Has a weak effect

Source: Primary data, 2018

Table 15: Regression Analysis on the summary of findings on Effect of IFMIS on Performance of Tororo District Local Government

Regression Analysis Model				
Variable	**Coefficient**	**Std Error**	**t-statistic**	**Prob.**
a.	**520 .0552**	**11.064**		**0.0000**
X1	**.6332**	**0.79917**	**7.638**	**0.0000**
X2	**.6092**	**0.68621**	**5.121**	**0.0000**
X3	**.431**	**0.81210**	**4.652**	**0.0000**

Source: Primary Data, 2018

R-squared 0.878 Mean dependent variable 171.000
Adjusted R2 0.724 S.D. dependent variable 16.232
S.E. regression 4.311 F-Statistic 69.046

Log likelihood 1204.1 Probability 0.0011
Durbin Watson stat 70.224
The study regression model is therefore presented as:
Y (72.4%**)** = 0.520 + 0.6332 **X1** + 0.6092 **X2**+ 0.431 **X3**

From the above regression model, holding all independent variables constant the effectiveness of IFMIS on performance of Tororo district local government would be 0.520. However as results of interaction of variables in the IFMIS it's established that, a unit increase in financial planning through IFMIS caused an increase on performance of Tororo district local government by a factor of 0.6332, a unit increase in budgeting would cause an increase on performance of Tororo district local government by a factor of 0.6092. Hence, the use of IFMIS in planning and budgeting had a positive significant influence on the financial performance of Tororo district local government. The findings also revealed that a unit increase in financial reporting and accountability would not cause an increase on performance by a factor of 0.431.

The above findings agree with IMF Report (2006) findings on use of IFMIS in public finance management. The study found that financial planning and budgeting had improved on the performance of public service sector with the help of IFMIS.

The study findings show that there was timely preparation of budgets using IFMIS. This echoes IMF recommendations on the use of IFMIS for a comprehensive budget management system for prompt service delivery. As was noted by (Frohm, 2008), although automating systems facilitates many controls during transaction process, the study found that financial reporting and accountability with the use of IFMIS faced a number of challenges as the system was not controlling all the financial processes. The study found that through application of IFMIS especially on planning and budgeting, a number of projects initiated through the system have been successfully completed and on time in Tororo district local government.

5.3 Discussions of the Findings

According to (Mauldin & Ruchala, 1999), research on accounting information systems has been sourced from various disciplines, basically computer science, cognitive psychology and organizational theory. In this regard, it has been asserted that previous applications of information technology in accounting systems were mainly processes of transactions that would reciprocate the manual processes. In Uganda, the experience of the design, development and pilot implementation of the IFMIS has not been satisfying (Dorotinsky, 2013). In the design of IFMIS, the existing manual budget execution and accountability processes seem to have been automated to a large extend without consideration of whether there was a better and more efficient method of achieving the required results (Peterson, Kinyeki, Mutai and Ngungu, 1996). The conclusion from the World Bank and Department for International Development (2017) indicate that only 21% of IFMIS projects were

successful and that out of the 21% successful only 6% of the projects were considered sustainable (Dorotinsky and Watkins, 2013).

5.3.1 Discussion of Objective one: The effect of using IFMIS in Planning on Performance of Tororo district local government

Discussion of objective one - IFMIS in planning has a moderate effect on the financial performance of Tororo district local government. The researcher tested the research objective using the coefficient correlation. The researcher generated it by using SPSS, and it provided a regression coefficient between the two variables which indicated that there was a moderate association between the two variables at (0.6092), i.e. use of IFMIS in planning had a moderate positive effect on financial performance of Tororo district local government.

> *According to interview from the stakeholders; Management commitment had helped the IFMIS to work well in planning the activities and budgeting process of Tororo district local government"*

The above findings confirm the literature that commitment of the top management will also bring out a positive signal to the affected organizational members leading them to perform their level best (Rapa & Kauffman, 2005).

Though Chene (2009) argues that what matters most is the commitment of the mid-level management, entire management should effectively assess the current institutional conditions, allocate the appropriate budget for the IFMIS implementation and give advice accordingly to all other staff for IFMIS to be fully implemented (Luft & Shields, 2003).

5.3.2 Discussion of Objective two: The effect of IFMIS in budgeting on Performance of Tororo district local government

The results derived from study further indicated that most of the respondents strongly agreed that IFMIS can be efficiently used to track expenses. It was further noted that IFMIS was

more effectively and efficiently used in budgeting, monitoring revenue collection and disbursement, cash usage and making informed projections for the next financial year budget for Tororo district local government. The respondents also agreed that the effect of efficiency of IFMIS has been felt by the district in producing monthly and quarterly reports.

The above finding confirms the literature according to (Ayayi et al, 2007) where it found that with the implementation of IFMIS, prompt and efficient access to reliable financial data as well as helping in strengthening government's financial controls, improving the provision of government services, raising the budget process to higher levels of transparency and accountability, and expediting government operations.

The study findings show that despite some challenges, the use of IFMIS in budgeting in Tororo district local government has yielded positive results in terms of improved accountability, reporting and service delivery. This has led to improved public expenditure management, improved accountability and public expenditure, reduction in ghost workers and the overall wage bill and payroll management.

The study also revealed that various factors were found to be influencing the IFMIS to a great extent such as proper records management skills, positive political influence and availability of high proficiency in IT applications. These factors if well integrated in Tororo planning process would lead to better performance.

5.3.3 Discussion of Objective three: The effect of IFMIS in financial reporting and accountability on Performance of Tororo district local government

The objective three was to investigate the effect of IFMS in reporting and accountability on financial performance of Tororo district local government. Research findings showed that,

IFMIS in financial reporting and accountability has a weak effect on the financial performance with coefficient factor 0.431 from the Regression analysis model in table 5.2. Financial managers argued that challenges including centralized system server at ministry of finance and technical support on the system that is sought from Kampala, being unable to customize any reports to Tororo district needs, frequent movements to ministry of finance for help/system support when system issues arise brings about delays in transaction processing and hinders timely reporting.

The findings also revealed that financial managers were not fully funded to implement the IFMIS tools to a satisfactory level, the researcher found that in terms of funding needs to fully implement the system among the common financial tasks, IFMIS was funded to a tune of 69.1% only thereby hindering its ability to function fully in the context of the study scope. Inadequate funding was highlighted as a challenge that is impeding the implementation of IFMIS for proper accountability.

5.4 Conclusions of the Study

5.4.1 Objective One: The effect of IFMIS in Planning on the Performance of Tororo district local government

According to the regression analysis, it reveals that IFMIS in planning has a moderate effect on the financial performance. The study established that implementation of IFMIS in planning had a positive effect on performance with a regression coefficient of 0.769a. The coefficient of determination implied that planning variables explain 0.466 of the variation in performance. Therefore, IFMIS in planning have a positive effect on the level of performance at Tororo district local government.

5.4.2 Objective two: The effect of IFMIS in budgeting on Performance of Tororo district local government

The regression analysis test reveals that there is a moderate positive effect of IFMIS in budgeting on financial performance of the district. Since the model summary above showed that adjusted R^2 is 0.5201. This indicated that 0.5201 variance of budgeting is a good predictor of financial performance of Tororo district local government and since adjusted R^2 is .5201, adoptions of IFMIS in budgeting suggest that there is a moderate positive effect on performance. The study concluded that IFMIS in budgeting has a positive effect on performance of Tororo district local government.

5.4.3 Objective Three: The effect of IFMIS in financial reporting and accountability on performance at Tororo district local government

Regression analysis revealed that IFMIS in reporting has a weak effect on the financial performance of Tororo district local government. Since the model summary above showed that adjusted R^2 is 0.156. This implied that financial reporting with the use of IFMIS has a weak effect on financial performance in Tororo district local government. On the basis of mean square 1.668, we concluded that the use of IFMIS in financial reporting and accountability by Tororo district local government has a weak effect on performance.

5.5 Recommendations of the study

Tororo district local government should provide continuous employee trainings and development in technical skills in use of IFMS. This will enhance the skills of Tororo district staff in use of IFM and as a result it will contribute greatly to improving performance in execution of system related tasks and generation of reports.

The study recommends that ministry of finance should fully have operationalized the regional support centers for IFMs to reduce on delays in sorting out system issues which bring delays in transaction processing and reporting. The finding revealed that staffs from Tororo district frequently keep traveling to Kampala-Ministry of Finance to seek guidance and support on IFMIS because the regional support center in Mbale district has not yet been fully operationalized with staff to support the needs of clients in the region.

5.6 Limitation of the Study

Time was a major constraint, making it difficult to have interviews with more than one respondent from each department in Tororo district local government.

5.7 Proposed Future Research Agenda

The study was only limited in establishing the effect of IFMIS on financial performance of Tororo district local government. However, the study proposed that there is need to study the effect of decentralized payroll management on the performance of Tororo district local government. This is because the decentralization of the payroll has made the payroll management to be a challenge for the local governments of Uganda. These challenges include inaccuracies in payroll, delays in salary payments, incorrect bank accounts, the presence of 'ghosts' on the payroll and so on. Because of these challenges, there is need to investigate the effect of decentralized payroll management on the performance of Tororo district local government.

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APPENDIX I – SURVEY QUESTIONNAIRE

Topic: Integrated Financial Management Information System and Financial Performance of Tororo District.

Dear Respondent,

My name is Mutebi Nathan, a student of Kyambogo University pursuing a Master's Degree in Business Administration. As a partial fulfillment for the award of this degree, I am carrying out a research to examine ***'Effect of Financial Management Information System on Financial Performance of Tororo District'***. You have been randomly 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.

Thank you for your cooperation.

PART ONE: BACKGROUND INFORMATION

1. Gender: Please state your gender; 1) Male 2) Female
2. Marital status; 1) Married 2) Single 3) Divorced
3. Please specify your age group 1) 20-25 years 2) 26-35 years 3) 36-45 years 4) 46-55
4. Specify the Department you work in; 1) Accounts 2) Finance 3) Audit 4) Procurement unit 5) community based services 6) Audit committee member 7) Health 8) Education 9) Administration 10) Works 11)Planning Unit 12) Production
5. Provide appropriate Length of service you have achieved in Tororo DLG 1) Less than 5 years 2) 6 to 10 years 3) 7 to 12 years 4) More than 12 years
6. Please specify the Highest education level you have attained 1) Diploma 2) Degree 3) Masters 4) Postgraduate Diploma 5) Others specify.....

PART TWO: The effect of integrated financial management system (IFMS) in Financial Planning on the performance of Tororo District local government

Items					
Roles of planning on financial performance	**SA**	**A**	**NS**	**D**	**SD**
Tororo district has fully computerized the systems of IFMIS which is helping in forecasting the future activities					
Clear goals and objectives of the Tororo district local government					
IFMS is good in implementing and preparing budgets					
IFMS is good in Monitoring, controlling and evaluation of financial resources					
The use of IFMIS helps in setting targets to be achieved within a time bound					
Efficient distribution of financial resources					

PART THREE: The effect of IFMIS in budgetary execution on the Performance of Tororo district local government (TDLG)

Use of IFMIS benefits budgetary management	SA	A	NS	D	SD
IFMIS helps in resource allocation and formulation of policies in TDLG					
IFMIS helps in fixing Organizational goals in TDLG					
IFMIS acts as a tool for measuring performance in terms of accountability in TDLG					
IFMIS reduces deviation of financial resources in TDLG					
IFMIS acts as a tool for planning for expenditures in TDLG					
Use of IFMIS acts as a tool to correct any deviations in financial resources in TDLG					
IFMIS promotes communication since budgets acts as blue prints for planning in TDLG					
Use of IFMIS promotes locative efficiency and operational efficiency in TDLG					

PART FOUR: IFMIS in financial reporting and accountability on the performance of Tororo district local government

Parameters	SA (5)	A (4)	SD (3)	D (2)	N (1)
IFMIS enables me understand the true cost of service delivered per activity					
I can easily extract and present data from IFMIS in ways that facilitate analysis					
IFMIS avail me with information derive the specific information I require to carry out my work					
There are built-in analytical tools within IFMIS that enables trend analysis of various elements of fiscal operations in the office					
With IFMIS, I have at my disposal information that can quickly provide year to year balances which can be used for analysis throughout the year					
Through IFMIS, I am able to reconcile transactions data in real-time					
The IFMIS system enables me to generate custom reports for internal and external use					