

**BUDGET MANAGEMENT PRACTICES AND SERVICE DELIVERY IN
NON-GOVERNMENTAL ORGANIZATIONS IN UGANDA:
A CASE STUDY OF CORNERSTONE DEVELOPMENT UGANDA**

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DECLARATION


I Mumbya Moses, declare that this research report is my original work and has never been presented to any University for any award.

Signed  Date 5/21/2016

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APPROVAL

This is to certify that this dissertation has been completed by Mumbya Moses under our supervision and it is submitted for examination with our approval as his University supervisors.

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DEDICATION

This research work is dedicated to my Mother Edinans Kagoya, my wife Catherine Mumbya who supported and encouraged me to study, and our children; Ethan Moses Mumbya and Earlene Ethel Mulungi. This is a challenge for them to emulate our commitment, patience, hard work and to aim higher.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBOs	Community Based Organisations
CDU	Cornerstone Development Uganda
CSOs	Civil Society Organisations
CVI	Content Validity Index
IBP	International Budget Partnership
IMF	International Monetary Fund
Ltd	Limited
MoFPED	Ministry of Finance, Planning and Economic Development
NGOs	Non- Government Organizations
ODI	Overseas Development Institute
SMEs	Small-scale Medium Enterprises
SPSS	Statistical Package for Social Scientists

ABSTRACT

The study investigated the relationship between budget management practices (budget formulation, budget implementation, and budget controls), and service delivery (timely services, beneficiaries' satisfaction, accessibility to services, and professionalism of staff) in NGOs in Uganda. A quantitative survey on budget management practices was conducted among administrators (*N*18) and staff (*N* 73) of Cornerstone Development Uganda Limited. Data was analyzed using descriptive and inferential statistics. Results reveal that budget formulation at Cornerstone Development Uganda was centralized. Budget formulation was related with service delivery through meeting the needs of service centres acting as tool of planning, offering timely services, and helping service providers to perform their duties. Budget implementation was related with service delivery through facilitating proper resources utilization, helping the firm to deliver timely and satisfactory services, and help in resources allocation. Budget control ensures accountability and professionalism, regulates unnecessary expenditure, ensures timely service delivery and acts as an evaluation tool. The findings showed that there is a positive relationship between budget management and service delivery in Non-Governmental organisations in Uganda. The findings suggest that organisations need to encourage departmentalized budgeting, empower budget management committees and involve all stakeholders in budget formulation. It is recommended that further studies on budget management practices and staff professionalism, in relation to service delivery be carried out also in the public sector.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Service delivery of employees in any service organization like Cornerstone Development Uganda Limited is essential and paramount in the realization of goals and objectives. This would be realized through quality works and services and effective budget management practices. However in Cornerstone Development Uganda Ltd, this is the opposite of what is expected. It was noted with deep concern that inefficiency and ineffectiveness in delivery of services occurs (Cornerstone Annual Report, 2015). This study sought to establish how proper budget management practices relate with service delivery at Cornerstone Development Uganda Ltd. In this chapter, the background, problem statement, purpose of study, specific objectives, research questions, scope, significance and methodology are presented.

1.1 Background to the study

The background to this study is divided into four perspectives the historical, theoretical, contextual and conceptual perspectives.

1.1.1 Historical perspective

The historical view of budgeting and service delivery dates back in the Scientific Management period when man and work were set in action (Lohan, 2008). Lang and Chowdhury (2006) assert that “budget and budgeting” are traceable to the bible days, precisely the days of Joseph in Egypt. It was reported “Nothing was given out of the treasure without a written order. History has it that Joseph budgeted and stored grains which lasted the Egyptians throughout the several years of famine. Formal Budgets were first introduced in the 1920’s as a tool to manage costs and cash flows in large Industrial organizations (Callahan and Waymire, 2007). Callahan and Waymire (2007) further state that it was during the 1960’s that companies began to use budgets to dictate what people needed to do. Mullins (2010) specifically identified that budgeting was one of the functions of management developed by earlier authorities of scientific management like

Gullick and Uriwick. Budgeting has evolved over time, and it remains one of the key aids to planning (VomHau, 2012).

Similarly, Stephen & Jagongo (2016) also noted that more and more countries have started to implement management concepts from private sector into their administration. Melkers (2008) observed that the increasing desire to generate value for money has created a big room for proper budgeting for the various activities and tasks to enhance efficiency and effectiveness. Many authors (Callahan and Waymire, 2007; International Budget project, 2001, Meridith and Mantel, 2003) have studied the concept of financial management without giving much attention to budgeting. Different budgets cannot be prepared and followed in an organisation simultaneously although each of the sections have to operate basing on a defined and approved budget. Non-Governmental organizations that are now investigating how budget work can help them achieve their goals are in a decidedly better position than were their counterparts who began to explore this work a few years ago. In recent years, a wide range of groups in dozens of countries have begun to engage in budget work (International Budget project, 2001). This makes budgeting an indispensable activity not only for the public sector but also Non-Governmental Organizations (NGOs). In this study focus was on budgeting at Cornerstone Development Uganda Ltd.

Cornerstone Development Uganda Ltd was established in Uganda in 1988 to help in the rebuilding and development of the nation as it was emerging from a very turbulent past. It engages in a number of activities managed at Cornerstone Leadership Academies, Cornerstone Old Students Association, Youth Corps homes, Africa Youth Leadership Forum, High School Leadership Development, "Wolves" Soccer Clubs, the Ekitangaala Ranch Community, and Schools: Ranch Primary, Secondary, and Vocational Community Development Program. Despite the above historical account of Cornerstone Development Uganda, it was revealed in its 2014 report that the service delivery of its employees was poor. Although it has embarked on youth and community development programmes there have been constant delays in the service delivery, production of shoddy works among others which reflect poor service delivery.

Empirically Stephen & Jagongo (2016) in a study about the impact of performance budgeting on service delivery in state corporations in Kenya revealed that focus on performance based budgeting had a greater impact on service delivery. However, this was

in Kenya and it was not from Cornerstone Development Uganda leaving a vacuum that this study sought to fill. Further Basheka and Nabwire (2013) in a study about budget planning and the quality of educational services in Uganda Public Universities with specific reference to Kyambogo University revealed that the universities budgeting planning activities once conducted significantly relates with quality of service delivery. However, Cornerstone is not a University paving way for this study to be carried out in the same organisation to empirically establish the relationship between budget management and service delivery at Cornerstone Development Uganda Ltd.

1.1.2 Theoretical perspective

The study was guided by the House Path Goal Theory developed by House 1971 as cited by Mullins (2010). This theory states that a leader or administrator of an educational institution should be creative and innovative to suggest better ways of achieving goals. Basing on this theory, this study assumes that managers of Cornerstone Development Uganda should always be creative, innovative and carry out proper budget formulation, budgetary implementation and control to realize expected service delivery. Budget management practices are part of the managerial obligations not only as a role but a goal and tool for organisational achievement. The failure by a leader to be innovative and creative automatically leads to failure in good service delivery and in the firm's goals' implementation.

The manager ought to always set budgeting practices as a goal that should be achieved so as to yield to other goals and objectives of the firm (Callahan and Waymire, 2007). In the same context, Meridith and Mantel, (2003) reveals that budgeting has remained a tool for organizational' achievement of goals and a means for achieving the set goals and objectives of the firm. It is very useful that the firm strengthens its budget management practices. Implementation of these management practices should be conducted as the entire budgeting process, running from the budget formulation, approval, budgetary allocations, implementation and control measures. However, Hope & Fraser (2003) reveals that a number of companies have failed to meet their service delivery expectations and as such they have subsequently affected their effectiveness in finance, operations and service delivery. Owing to failure to implement properly the budgeting activities as a means and a goal, some firms especially NGOs have several times run into financial

insolvency, collapse of a number of firms as well as poor levels of resource utilization and accountability owe their origin from improper budget management.

According to Stephen & Jagongo (2016), timely and proper budgeting can be a goal for an organisation to achieve. Tight budgets and responding to the increasing demands of organizations, no institution could avoid taking robust control measures. It is imperative that organizations take preventive measures to protect their finances through the introduction of effective management and robust control measures. Among the appropriate measures to be considered in order to prevent and fight the financial crisis include auditing, inspection, control and management systems based on performance and results. The main characteristics of this method concern: efficient and effective management of funds and all resources; determining and measuring the performance and results to be achieved; controlling, monitoring and evaluating the outputs and the outcomes and measuring of the impact of the achieved results. In real practice, managers should set goals of attaining better budgetary related activities, so that they can offer the expected outcomes, purpose and roles firms are established to fulfill. This study focused on budget management especially on the budget formulation, budget implementation and budget controls and how these have resulted into the current state of service delivery offered at Cornerstone Development (U) limited.

1.1.3 Conceptual perspective

A budget is defined by Jain and Saakshi (2008) as an estimate of future needs arranged according to an orderly basis covering some or all of the activities of an enterprise for a definite period of time. Similarly, Adongo (2013) viewed a budget as an estimate based plan. In this study budgeting management practices involved review of budget formulation, budget implementation and budget control. Scholars claim that organizations adapt new management tools with ambition to improve their management and budget process (Akesson & Siverbo, 2009). Horngren *et al.* (2008), define budget as a quantitative expression of a plan of action. Atkinson *et al.* (1997), also define budget as a quantitative expression of the money inflows and outflows to determine whether a financial plan meets organization goal. The definitions above do not mention the object of time to which a budget relates. A budget should always be in respect of a period of time, it could be half yearly, yearly, quarterly, monthly, weekly, daily, or other time periods

(Frederick, 2001). A budget is also not just a quantitative expression of a plan of action but a quantitative economic plan.

The literature also posits that a budget is a quantitative expression of a plan of action prepared in advance of the budget period (Lucey, 2000). Lucey identifies that budgets may be prepared for the business as a whole, for departments or functions with a link with the overall objectives of an organization. The valuable use of budgets for translating organizational objectives to feasible plan of action is a major breakthrough against the ordinary use of budgets for cutting cost, restricting spending and allocating scarce resources. This research therefore had a bearing on this premise while establishing the relationship between good budget management practices and effective service delivery.

The dependent variable in this study was service delivery defined by Heery& Noon (2001) as the accumulated results of one's work process. In this study service delivery of employees in Cornerstone Development involved efficiency, effectiveness increased outputs, high customer attention, time management and completion of task. We also looked at organization outputs like percentage number of college graduates over a period of time, percentage number of persons resettled and transformed, percentage of graduates in employment sector, percentage of persons with stable sustainable income and among others

1.1.4 Contextual Perspective

The study was carried out in Cornerstone Development. Cornerstone Development Uganda Ltd was established in Uganda in 1988 to help in the rebuilding and development of the nation as it was emerging from a very turbulent past. It has evolved over time and extended its operations to Rwanda, Tanzania, Burundi, Southern Sudan and Kenya. Their first project was the construction of Rushere Hospital in Western Uganda. Following that, they began programs directed towards helping underprivileged children – with a special focus on youth leadership development. Since its inception their work has steadily expanded to include over 2,000 young people today – in a variety of programs including schools, homes for homeless kids, sports programs—all designed for providing love, education and character formation.

Like it is for many Non-Governmental Organisations, efficiency and effectiveness is a core aspect that is given attention. Since most NGOs do operate as service firms, proper management of the resources especially financial resources is paramount (Hasen *et al.* 2013). Progress and ability in achieving their desired service levels and profile is embedded within the ability of the managers to properly plan for, account and utilize the resources as expected. Proper budget management practices in this case remain fundamental and should be a priority (Kattelus *et al.*, 2007). The views of Kattelus *et al.*, 2007 and also Hasen *et al.*, (2013) portray the fundamental role budget management play in Non-Governmental Organisations, but it could also has observable effects in Government and private firms, especially in service sector. Focus of this study was on the aspects of budget management practices as conducted in NGOs and its relationship with service delivery. Attention was on the operations of Cornerstone Development Uganda Limited.

Budget management is a core activity at Cornerstone Development Uganda Ltd, and at least each of the departments operates basing on a passed budget that is formulated at the end of each financial year (June,30th) and the master organisation budget for all the eight (8) departments of the organisation (Cornerstone Annual report, 2015). The rationale of budgeting at Cornerstone Development Uganda is to attain feasible, practical, effective and reliable service delivery. On the contrary, the Cornerstone (2014) report, noted that there was ineffectiveness, low savings, delayed services, low customer or beneficiaries attention among others weakness. In addition it was noted that although the organization had embarked on several initiatives like construction of hospitals, schools, empowering the youth, these are delayed and haphazardly done arguably as a result of poor employee service delivery. This state of affairs was likely to impact negatively on the service quality and delivery within the institution. Although several factors may be responsible for this problem, this study basically ascertained how budget management relates with service delivery in Cornerstone Development Uganda.

1.2 Problem statement

The ability of an organization to have a lasting effect in the community it serves is commonly considered basing on the services it offers and its ability to realize the intended goals. Attainment of better and effective service delivery is associated with the manner by

which the organisation budgets for its resources. Budget management is considered as one of the key practices that should aid the firm to offer satisfactory services. Budget management practices such as budget formulation, implementation and controls help the firm to direct its resources well for better, and prompt service delivery (Degryse et al., 2011). Cornerstone Development Uganda Limited has since its establishment in 1988 to date carried out budget management practices, but this has not materialized into positive results. The Cornerstone Development Uganda report (2014), revealed that service delivery in the organization was poor evidenced by inefficiency, ineffectiveness, delayed services and poor customer care to the beneficiaries. There is a huge lag in service delivery and the planned activities. As a result, a number of new programmes have delayed to be accomplished. If this state of affairs continues, service delivery at the organisation would worsen. One of the efforts Cornerstone Development Uganda can adopt is to strengthen its budget formulation, implementation and control practices. This has been emphasized at the organisation but on the contrary service delivery has not improved. Thus this study was intended to establish the relationship between budget management practices and service delivery at Cornerstone Development Uganda Ltd.

1.3 Purpose of the study

The purpose of the study was to determine the relationship between Budget Management Practices and organization service delivery at Cornerstone Development Uganda Ltd.

1.4 Objectives

The study had the following objectives;

- (i) To establish the relationship between budget formulation and organization service delivery
- (ii) To establish the relationship between budget implementation and organization service delivery
- (iii) To establish the effect of budget controls on organization service delivery.

1.5 Research Questions

The study sought answers to the following research questions;

- (i) What is the relationship between budget formulation and organization service delivery?
- (ii) What is the relationship between budget implementation and organization service delivery?
- (iii) What are the effects of budget controls on organization service delivery?

1.6 Scope of the Study

1.6.1 Geographical Scope

Geographically the study was carried out in Cornerstone Development Uganda Ltd at Plot 37, Acacia road, Kololo, Kampala City. It was selected because service delivery in this organization was reported to be poor (Cornerstone, 2014) and hence considered as a key source of information for this study on budget management practices and service delivery.

1.6.2 Content Scope

The study investigated relationship between budget management practices in terms of budget planning, budget implementation, budget controls and service delivery at Cornerstone Development Uganda Ltd.

1.6.3 Time Scope

The study covered a period of 6 years from the year 2010 to 2016 as this was the time when organization service delivery had been identified to be poor as shown in the (Quarterly performance report of Cornerstone Development Uganda, 2016).

1.7 Significance of the study

The study is significant to the following categories of people.

To policymakers in NGOs, the study findings can be based on to improve budget formulation, implementation and control practices in order to realize quality service delivery.

The study has exposed the value of budget formulation practice in steering up and realizing good and timely services as well as improved resource planning.

Furthermore, the study found out that budget implementation facilitates resource allocation, utilization, and hence can facilitate offering of timely and satisfactory services.

The study revealed that proper budget controls help to professionalize staff, regulate unnecessary expenditure at budget and user centres, and evaluating services delivered at departments. This is a key budget tool in enhancing good service delivery in NGOs.

To clients and beneficiaries of Cornerstone Development Uganda, the study findings and recommendations will boost the NGO's ability to offer them better and quality services through participatory budgetary management practices.

To future researchers, the findings provide them information that can be used for future study and motivates them to examine at length the aspect of budgeting and service delivery.

CHAPTER TWO

REVIEW OF LITERATURE

2.0 Introduction

This chapter reviews the literature on budget management practices and service delivery. The literature was reviewed under the following sub-headings: theoretical review related to the study, conceptual framework for the study and the literature regarding the study objectives. The review of literature on the study objectives covers relationship between budget formulation and organization service delivery, relationship between budget implementation and organization service delivery and the effects of budget controls on organization service delivery.

2.1 Theoretical Review

The study was guided by the House Path Goal Theory developed by House 1971 as cited by Mullins (2010). This theory states that a leader or administrator of an organization should be creative and innovative to suggest better ways of achieving goals. Likewise Armstrong (2009) observed that leaders in organizations have to devise ways of enlisting high performance from employees. Such ways are the critical paths that the house path goal theory suggests.

Basing on this theory, this study assumes that managers of Cornerstone Development should always be creative, innovative and use proper budgeting planning, budgetary implementation and control to realize high service delivery and failure by a leader to be innovative and creative automatically lead to failure in service delivery. Morgan (1997) opines that the budget had grown beyond a financial tool to a managerial tool. In essence, it is the best tool for making sure that key resources, especially performance resource are assigned to priorities and to results.

However, this system cannot be applied without proper preparation beforehand. Performance and results based management, applied to the financial system requires, above all, consistent reforms of organization finances management and of the use of good budget management practices. These reforms should aim at the process of forecasting and preparation of the budget as well as the allocation of departmental budgets. In all budgets, we should not only mention the allocated funds, but also how these resources are used and

the final results expected from each transaction or expense. Based on this approach, the institutions responsible for audit, inspection and financial control should, in turn, be immersed in this same logic., i.e., not only to stop on verification or auditing, but go beyond, and also consider the use made of allocated funds, the results or final products and also the impacts generated by these funds.

Budget management practices should be a goal for financial success to each manager, though a few firms have attained functional budget management. Faced with this noble obligation, managers have to set their goals with clear focus on how to have powerful, independent financial arrangements and economic systems that yield to expected outcomes. To tackle the various challenges in the course of doing this, managers give priority to budgeting. Budgeting is both a goal and a means to achieve the outcomes (Akesson & Silverbo, 2009). Operating under budgets and proper budget management practices may be the way to go. This research based on the premise that proper budget management leads to effective use of resources to achieve the desired objectives. This study sought to establish whether effective budget management practices directly translate into good and desired service delivery in Non- Government Organisations.

2.2 Conceptual framework

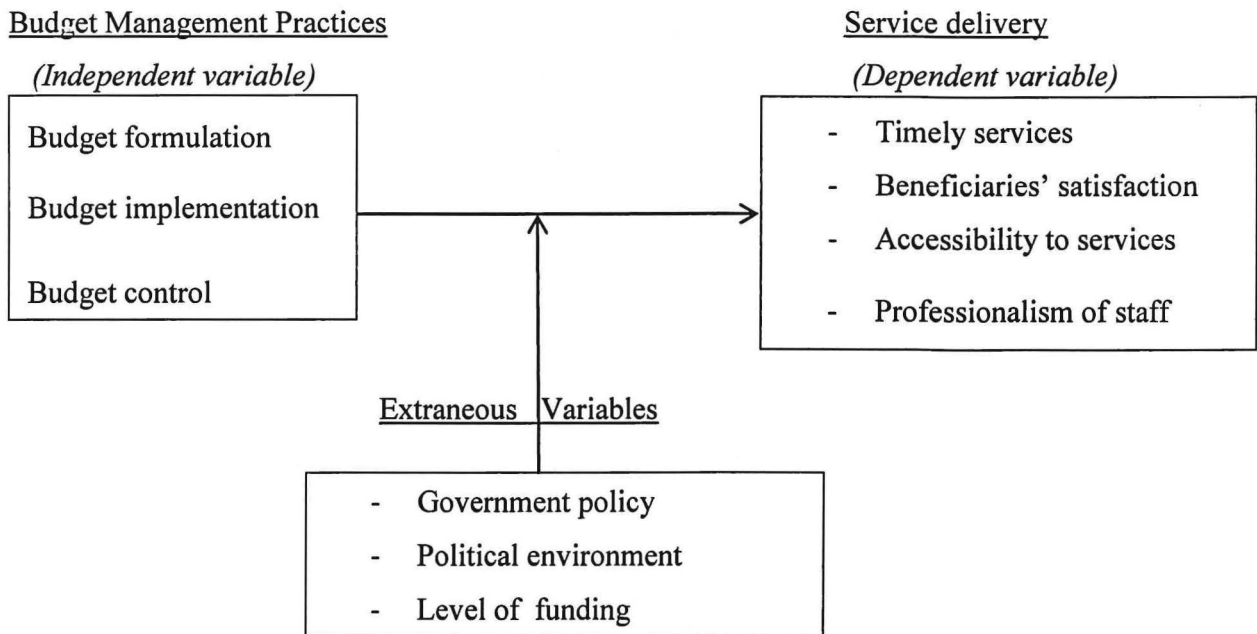


Figure 2.1: Conceptual framework adopted from Basheka and Nabwire (2013) and modified by the researcher

The conceptual framework in Figure 2.1 shows the hypothetical relationship between budget management and service delivery. Budget management practices are the independent variable measured basing on the components of budget formation at different levels in the organisation, budget implementation by different stakeholders in the organisation and budget control at the various budget centres in an organisation. It was further hypothesized that when budget formulation, implementation and control practices are effectively done it may yield to better level of service delivery not only in the public sector but also in NGOs. The quality and level of service delivery was the dependent variable in this study and was measured basing on the timeliness of services offered to the clients, level of beneficiaries' satisfaction met, accessibility and promptness of the rendered services and professionalism exhibited by staff while they render services based on the budget management platform in place. On the contrary, service delivery in NGOs may be due to the funding levels, the government policy on NGOs and general political environment; these existed as extraneous variables for the study which were held constant by the researcher. It was certainly not yet documented whether proper budget management yields to the above indicators of service delivery in NGOs as illustrated in the conceptual framework and this formed a basis for this study.

2.3 Related literature

Budgeting and budget management practices are activities that each and every organisation ought to give attention. Proper budgeting is a tool of management and a guide measure for performance and service delivery effectiveness (Abernethy and Brownell, 2009). While the public sector may have a common budgeting process for all government ministries, agencies and local entities considered in the fiscal policy (Ministry of Finance, Planning and Economic Development, MoFPED, 2011), this was not the case for NGOs. Each NGO has its budgeting process and ways in which it handles its budgeting.

Earlier studies (Edwards and Hulme, 1992, Eldon and Gunby, 2009 and Evans, 2011), agree that whichever approach used, or policy followed, budgeting is critical for success of an organisation, and most especially when tackled at the point of service delivery. However, their scope did not give a detailed in-depth of how budget management practices relates with service delivery. This section focused on literature regarding the ways in which budget formulation, budget implementation and budget control practices relate with service delivery.

2.3.1 Budget formulation practice and organizational service delivery

Musaazi (2006) observed that traditional budgeting tends to emphasize practical advantages, purposes and goals of budgeting. Budget making improves a high decision making through goal definition, the provision of options, systematic comparison and development of better networks for information feedback. According to Hadden (2014), budgeting is a process which starts from review of the previous performance of an entity and identified cost centres, budget centres, and performance centres, identifying the resource envelope, prioritizing budget centres in accordance with their order of need. This is followed by budget formulation and writing process that covers a range of budgets being prepared. The budgeting process involves budget formulation, budget approval, budget execution and budget oversight (International Budget Partnership IBP, 2014). However, Nxumalo (2013) reports that some organisations do not carry out and follow the right steps of budgeting process making them operate on faulty budgets.

According to Ernst and Young (2011), budget formulation practices constitute a fundamental process itself within the budget process. It involves a number of activities, among which is fitting operations of the organisations into the economic situation in terms of the national economic forecast: GDP, growth, inflation, deficit, unemployment, estimating the revenue of the firm, determining the expenditure ceilings for departments, releasing of the pre-budget statement (parameters of upcoming budget proposal–budget priorities & policies) and finally putting to paper the reached estimates for each budget centres.

While many studies (Bukonya, 2013, Empson, 2007 and Degryse *et al.*, 2011), primarily focused on budget formation is given priority by almost all firms including SMEs, NGOs and the private sector, limited studies have focused on the extent to which the budget is formulated in the right manner. A number of firms in the private sector, particularly in the sub Saharan Africa, do not undertake the right stages in budget formulation (Degryse *et al.*, 2011). This study put a wider outlook on the extent to which the budget formulation at CDU is effectively undertaken and if it provides expected outcomes to the organisation and to the beneficiaries.

The most important role of budget formulation and the entire budgeting is to meet the need of the organisations in rendering expected service (Hadden, 2014). The right and well undertaken budget formulation process should help the firm allocate resources

effectively, facilitate service delivery; enhance better financial utilization and performance (Eldon and Gunby, 2009). This makes budget formulation one of the institutional works that ought to be done so as to offer individuals and organizations means of creating, maintaining and disrupting institutions' resources more effectively (Lawrence & Suddaby, 2006). This study particularly focused on budget formulation practices and service delivery in NGOs, with particular reference to Cornerstone Development Organisation.

In addition, Basheka and Nabwire (2013) showed that when budget planning is effective it translates into desired educational services in Institutions. This is linked in relation to the input-output linkage between resources of the organisation, and during the study of Basheka and Nabwire (2013), the input budgeting model of service quality was used and maintained for exploration of aspects related to budgeting in institutions of learning. However this study gives attention to private organisations including NGOs like Cornerstone Development Uganda Ltd which is not in the education field. However, this view of Basheka and Nabwire did not examine at length the aspects of budgeting and service delivery, and this leaves a need for a theoretical survey to account for the status of these functions as implemented in the NGOs. This prompted the need for this study largely focusing on examining these activities at Cornerstone Development Uganda Ltd

According to Cannon (2007), budget formulation is a basis for better service delivery not only in public sector but also in CSOs, NGOs and Community Based Organisations CBOs. When the team carrying out budgeting activities, is able to set better standards, formulate the budget well, it can be able to meet the timeliness of the services. The same budgeting team can subsequently helped the firm to offer to the public desired services as adequate as planned. Nevertheless, this seems to be contrary so, as majority of the firms are seen to provide services to beneficiaries that are inadequate, and enjoyed by the beneficiaries (Cannon, 2007; Hadden, 2014). However, a few firms run on budgets at central or departmental level whose budget formulation ingredients are haphazardly combined together without making decisions that make budget work for users and implementers during budgeting. Failure to properly formulate budget, organisation's service delivery may not only be futile but misleading (Nxumalo, 2013). The study focused on examining how budget formulation activities at Cornerstone Development Uganda, as facilitated timely service delivery and enhanced the beneficiaries to refer to in performing their duties to suit the organisation's activities and objectives.

In the view of Degryse *et al.*, (2011) budget formulation is vital in focusing on the quality, quantity and value addition in the course of implementing different activities in the organisation. Each budget centre gives attention to which of its activities were considered during the process of budget formulation, and how these can aid in ensuring timely, reliable and high level of customer care and service satisfaction (Abernethy and Brownell, 2009). The accessibility and the pace at which people in need of services get them through the period they are vital and needed depend a lot on the budget and especially at the time of its formulation (Hadden, 2014). These views of Hadden (2014) and earlier studies of Abernethy and Brownell 2009, and Degryse *et al.*, (2011), all agree to the fact that budget formulation relate closely with service delivery. However, they do not give detailed perspective on which the budget formulation process and what is accomplished at this stage during budgeting process relates with the availability, accessibility and promptness of the services offered in the long run. This has remained less focused on and formed a key area of inquiry in this study.

In the perspective of Castel & Friedberg (2009) while referring to the institutional nature and operations of private clinic centres, they reveal that budget formulation and subsequently allocations regulate conduct of service providers and their professionalism. When the budget is being formulated, it accounts for how the budget influences the formulation team to give attention to various cost and profit centres (if a profit making organization), and as such the staff might behave in accordance to the budget vote reached at during the budgeting process. Nearly, 67 percent of employees at the user ends base on the financial vote received in the budget to act and relate with the service providers and beneficiaries (Cannon, 2007). This study also focused on examining how best budget formulation practices can be useful in professionalizing the conduct of staff in an organisation, focus of which was Cornerstone Development Limited.

Armstrong (2009) argued that budget making is an important function of any human resource manager. Through budget making employees in all units and departments are in position to identify what they want. Core in the budget formulation process is the participation of all the stakeholders and how they get satisfaction by their way of involvement (Ouda, 2015). The possibility of achieving this remains less achieved in many organisations, though there has been no empirical study so far conducted on this. Therefore, this study purposed to examine how budget formulation facilitates service

delivery, enhance professionalism and involvement of different stakeholders in the process and as such the researcher was motivated to establish this information with reference to budget formulation and service delivery at Cornerstone Development Uganda Limited.

2.3.2 Budget implementation practice and organizational service delivery

Budget remains less useful and a mere blue print when not implemented and in the view of Hadden (2014) a formulated but unimplemented budget remains less useful tool to the organisation. Therefore, this study examined the extent by which budget implementation is being undertaken and how best has it been fundamental in ensuring Organisational service delivery in NGOs.

According to Brinkerhoff, Wetterberg and Dunn (2012), service delivery has remained fragile and less successful in many organisations. The firm gives attention to who provides the services, who are the recipients of the services and firm's resources have been allocated to different departments during the course of delivering these services. In their view, Brinkerhoff *et al.*, (2012) considered the quality of service higher in private sector as compared in public sector in many sub-Saharan countries, though effectiveness in budgeting for this service delivery remains poor for the private sector. A few firms in the private sector carry out proper budgeting and when they do so, implementation is done on managerial decisions and less on budgetary directives (Eldon and Gunby, 2009), and as such different NGOs exhibit different levels of service delivery owing to the manner in which they implement their working budgets. This study focused on the way in which budget implementation practices affect the quality of service delivery.

According to Tam, Wai-ming (2008) effective implementation of budget involves mobilization of all the proposed funds and spending them as planned. This ensures practically that the service delivery programmes are effectively implemented leading to realization of desired quality services. In more less the same way, Ouda (2015) stressed that while accrual budgeting is not considered as a prequisite to the implementation of performance budgeting, notwithstanding, accrual budgeting can assist in implementation of performance budgeting because it provides measures of costs/output in budgetary documentation. This would in turn yield high employee service delivery. However, the true impact of budget implementation on service delivery was not exposed and not thus attracted the need to carry out this study at Cornerstone Uganda.

Eker (2006) also observed, participation by individuals lead to greater group interaction, which would be a good thing if the individuals value their membership of the group and see the goals of the group as being collective targets that they all regard as desirable. The major contribution of the current research was the construction of a new conceptual framework to show how the performance implementation based budgeting process impacts the service delivery of state owned enterprises. This study however ascertained how budget implementation practices relate with service delivery.

In more less the same direction Gareth and Jeniffer (2006) stressed that once they have been given a budget; lower level managers must decide how to allocate money in different organizational activities. This does not only determine how beneficiaries received these services basing on budget allocations, as well as fostering the level of customer satisfaction, and the manner in which the services are available to the users (Nxumalo, 2013). According to Castel & Friedberg (2009) the potential of using budget formulation as a means of prompted and timely service delivery is very fundamental to achieve the organizational objectives basing on how the budget implementers allocate the vote to various cost centres. The budget centres evaluate performance of the organisation and accessibility of beneficiaries to the services rendered by the organisation (Degryse *et al.*, 2011). These are then evaluated for their ability to stay with the budget and to make the best use of available resources. However this had not been examined prior this study.

Ooyi (2012) reveals that budgeting is a key success factor for most businesses, considered as a painful process that takes too much time and effort, but it becomes more painful when the implementation does not yield expected outcomes. Poor tally of budget allocations and implementation with service delivery provided is a great loophole (Armstrong, 2009). Effective budget implementation is one which provides a means for service delivery that is not only adequate but also satisfactory to both the organisation and the beneficiaries (Heller, 2005). Heller (2005) further states that when revenues fall short of the projected level then budget implementation is affected to the extent that the expenditures have to be reduced either in capital or operating project hence affecting service delivery.

In the studies of (Nkata, 2001;Pollitt 2004 and also in Ooyi (2012) is the view that proper budget implementation helps the organisation to fit properly its budgeted amount in the economic factors, lack of budget accuracy, lack of resources, lack of monitoring and evaluation and other factors that prevail in the organization. The challenge of poor

implementation remains strong hindrance in affective service delivery in NGOs (Ooyi, 2012).

According to Tam, Wai-ming (2008), the focus and success of budgeting largely dwells on its implementation and how best the staff is facilitated to ensure that each cost and service providers' budget meets the needs of users. Beneficiaries' satisfaction and promptness of the services should be closely linked with the way the budget is implemented (Eker, 2006). It is not a budget fully implemented and useful to the organisation when the beneficiaries do not get the services they deserve or ought to get or the services is provided to a few and not all beneficiaries owing to budget constraints. A budget should be a focus on actors' actions as the centre of institutional dynamics to help the management and service providers do their obligations as they strive to capture structure, agency and their interrelations (Battilana, Leca, & Boxenbaum, 2009). This makes the budget implementation practices not only means to achieve organizational objectives but also tool to facilitate delivery of prompt, timely and equitable services to all beneficiaries and clients of the organisation.

It is common for many NGOs to render poor, untimely services and cutting short/reducing the number of beneficiaries to their services because their budgets are short of the expected budget allocations. This is not that budget is made, but their implementation is constrained by personal and organisation factors (Kadondi, 2002). This perspective was largely observed in Kenya (Ooyi, 2012) but this state of events is not so different for NGOs in Uganda, though no current empirical study was found to have been carried out to examine this information prior this study. Thus this study focused on the way in which budget formulation practice has influence service delivery for NGOs in Uganda with particular focus on Cornerstone Development Uganda.

2.3.3 Budget controls practice and organizational service delivery

In many firms, the budgeting process is a series of activities, precedence of which is budget control. The practice of budgeting and budgetary controls date as far back as the medieval and ancient Greeks times of Abacus though it has continuously been revised to suit the modern times (Tiphanny *et al*, 2005). According to Osita (2009), like in Government entities, NGOs also cherish and priotise budgetary control in the course of budget planning and execution as means of ensuring value for money, cost-effectiveness and ensuring proper service delivery as per budget and plan. Other studies (Kadondi,

2002; Cannon, 2007; Castel & Friedberg, 2009) all reveal that budget control remain a fundamental aspect in the budget management activities of any organisation. This study focused on how budget controls have or have not helped NGOs to render the quality and level of service delivery expected of them by the public and beneficiaries. In particular focus was directed on the operations of Cornerstone Development Uganda Limited.

According to Murrison (2011), the budget process constitutes an important tool for NGOs to mobilize adequate resources, translate policies into pro-poor investments and provide equitable and efficient quality services but effectiveness of achieving all these depend on budget controls. Budget controls are pre-determined steps of implementation that a budgeting committee should endeavor to address in the course of carrying out budgeting activities (Ndiritu, 2007). In the earlier study of Ndiritu (2007) and also Murrison (2011), key budgetary controls cited include the activities in the preparation, activities in design as well as implementation of the budget. These are activities that fall within the duties and obligations the auditor, accountants and accounts clerks are meant to perform (Tiphanny *et al*, 2005). Therefore budget controls cut across the budget process but most especially at the point of implementation and management. This study focused on budgetary controls as part of budget management practices and how they influence service delivery.

Basheka and Nabwire (2013) stated that effective control of budget should ensure that proposed educational programmes are achieved without demanding form planned budget. When such control is effectively exercised the result is realization of desired quality services. However the extent to which budget is controlled in relation to utilization of funds and resources in Cornerstone Uganda was not yet empirically known, prior this study. Nkata (2001) noted that budget control plays an influential role in determining performance of any organizations. Cases of resource misappropriations are detected and controlled in the organization. Meanwhile Mullins (2010) argued that budget control practice is an evaluative tool of the effectiveness of budget application in an organization. Through this, managers of the organization can avoid cases of resources misuses.

Staley *et al.*, (2013) indicates that managers often have stronger reactions toward the fairness of the organization's budgetary procedures than they do towards the favorability or fairness of their unit's budget. Staley *et al.*, (2013) further reveals that effective budget management hinges itself on the budget controls and how they are followed by all those in the system. The managers, implementers and service providers provide a foundation upon

which to assess the service delivery in terms of ensuring that the services are accessible and promptly delivered (Staley *et al.*, (2013), properly delivered as and when they ought to be and in right quantity as expected (Osita 2009).

Earlier studies of (Kadondi, 2002, Heller, 2005 and also in Gareth and Jeniffer, 2006) show that budget controls are fundamental in prioritization of key areas of budget implementation, progressive self-financing along budgetary process, increased accountability with increased autonomy, ensuring that there is restricted utilization and allocations before previous year's budget performance report and more so facilitating the preparation and adherence to the Master Plan. When all these are properly prepared the firm is assured of prompt, timely and a highly satisfactory service delivery (Gareth and Jeniffer, 2006). These benefits however accrue firms that have a stable and consistent budget control system which is rare for a number of firms especially where there is no strict budget process such as in NGOs. This may also be the case with some NGOs in Uganda, though a study to provide this information had not been undertaken and this gave the researcher the motive of examining these aspects with reference to Cornerstone Development (U) limited.

Van der Stede (2011) finds that the importance of establishing a high degree of tight budgetary control paramount for checking the unnecessary expenditure allocations most especially on the part of spending officer. The controls especially based on the cost control and master plan guidelines, sets lines beyond which resource allocation and usage was beyond comprehensive capacity for the entity to yield its service delivery. Proper budget controls helps the budget implementing team to remain professional and to the cause /purpose of the budget (Van der Stede, 2011; Kattelus, *et al.*, (2007). The views of Kattelus, *et al.*, (2007) and later Van der Stede (2011) assert that budgetary controls are critical in acting as a check for budget implementers, keeping them focused, professional in conduct and practice and aligning their performance to the set budget guidelines. Nevertheless their focus dwelt a lot on the public sector, although information from the private sector especially NGO had not been widely examined, and formed a key area of inquiry under this study.

As noted by Cavalluzzo and Ittner (2004), budgetary controls preserve the integrity of the accounting officials helping them to serve to the expectations of the beneficiaries of the organisation. This complements the view of Hansen *et al* (2013) who cited that vote

allocation and fraud especially among the people who make decisions on allocations of funds that provide services to particular department may as well influence the nature, scope and volume of tasks accomplished in the department and hence performance. In the earlier view of Hartmann (2000) the debate about budgetary controls and operations of public entities is cited as very relevant and timely, though they give less focus on the private sector. Effective level of budgetary control is positively associated with performance and it is a continuous measuring of actual and budgeted expenditure for the financial and non-financial resourced allocated to different budget centres (Gareth and Jeniffer, 2006). Therefore, budgetary controls are fundamental in helping staff to keep serving the organisation, promptness in service delivery, professionalism of staff and as such helping them to offer timely, accessible and readily available service in the organisation.

2.4 Conclusion

Budget management practices form and remains a key in any organisation, private or public alike. The literature was derived from different publications especially being supported by the House Goal path theory and other concepts of budget formulation, budget implementation and control reflect alot on the service delivery of the organisation. The review present detailed account on how these cited budget management practices relate with service delivery in terms of ensuring timeliness, professionalism of staff in rendering services, level of customer service and satisfaction arising from properly budget formulation, implementation and control, among others. The review however, required to be further enriched with information especially arising from operations of has not provided an in-depth focus on how budget management influences service delivery when considered on perspective on NGOs. The researcher was motivated to carry out this study on the subject of budget management practices and service delivery in Cornerstone Development Uganda.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the approaches that were used to get information about this study. It comprises of research design, study population, sample size and selection, sampling techniques and procedure, data collection methods and instruments, procedure of data collection, data analysis and measurement of variables. It also indicates the problems that were encountered by the researcher in the course of conducting this study.

3.1 Research Design

This study adopted a case study research design because it focused only on employees from Cornerstone Development Limited. Quantitative approached of data collection and analysis was used by the researcher in this study. The study adopted a quantitative approach which involved the generation of data in in form of statistics which were subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). The researcher used descriptive and inferential statistics to generate the information from members of management and staff of Cornerstone Development (U) Limited.

3.2 Area of study

The study was carried out at Cornerstone Development Uganda (CDU) located at Plot 37, Acacia road, Kololo, Kampala City. Cornerstone Development is an NGO that was established in Uganda in 1988. Since its inception, CDU has steadily expanded to include over 2,000 young people today– in a variety of programs including schools, homes for homeless kids, sports programs – all designed for providing love, education and character formation. The organisation has 8 departments running a number of services for the community in Uganda and runs cross border offices in Rwanda, Kenya, Southern Sudan, Tanzania and Burundi. In total CDU employs 134 serving in its distractive departments operating in various parts of Kampala City. This area was selected because despite its 28 years tenure of operations, its service delivery to clients/beneficiaries remained persistently poor and untimely. This made it a resource area that could provide information on budget management practices and service delivery in NGOs in Uganda.

3.3 Study Population

Cornerstone Development Uganda (CDU) by June, 2016 had a total of 134 employees, 100 employees in various departments and 34 administrators. These were distributed throughout eight (8) departments that is General Administration, Cornerstone Leadership Academies department, Cornerstone Old Students Association department, Youth Corps homes, Africa Youth Leadership Forum, High School Leadership Development, the “Wolves” Soccer Clubs and Ekitangaala Ranch Community Schools department covering ranch primary, secondary and vocational Community Development Program. All these employees and managers were directly or indirectly involved and beneficiaries of the budget formulation, implementation and control and service delivery activities at the Organisation. Thus they were considered as the target population for this study.

3.4 Sample Size and Composition

The sample of this study was $\Sigma n = 100$ respondents drawn from the population selected from Cornerstone Development Uganda. The sample size was attained by the formula;

$$n = \frac{N}{1+N(e)^2}$$

Where n = Sample Size, N = the total population

e = the level of precision of measurement (acceptable error margin).

From Cornerstone Development Uganda, the population ($N= 134$), and the error margin was considered at a level of $e = 0.05$. Thus,

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{134}{1+134(0.05)^2}$$

$$n = 100.3745$$

$$n \approx 100$$

The selected sample was distributed as shown in Table 3.1 below.

Table 3.1 Sample size and composition

Category of Respondents	Population	Sample	Sampling procedures
Staff	100	80	Convenience sampling
Administrators	34	20	Purposive sampling
Total	134	100	

Source: Human Resource department- Cornerstone Development Uganda, June, 2016

3.5 Sampling Procedures

According to Oso and Onen (2009), sampling is a strategy which the researcher uses to select representative respondents from the target population. In order to select 100 respondents for this study, the researcher used convenience and purposive sampling techniques. Employees were selected by convenience sampling technique while administrators were selected using purposive sampling strategy. This was because employees were many and their participation depended on availability and willingness to be part of the study, thus they could be selected using convenience sampling. On the other hand, members of management were selected purposively because they were few, yet the researcher believed they had key information about budget management and service delivery records. The use of purposive was largely associated with the challenge of proving that the selected sample was representative. However, to minimise this sample bias, focus was given to the positions they hold in the organisation in relation to budget management practices and service delivery.

3.6 Data Collection Methods

The data collection methods and research instruments that were used during the process of data collection included; questioning and interviewing supported by questionnaires and interview guides.

3.7 Data Collection Instruments

3.7.1 Questionnaires

A survey questionnaire was prepared and used for the study for data collection. It was Self-Administered by the researcher onto the respondents. The questionnaire was designed in accordance with the objectives of the study. Close ended questions were used because

they were a type which is convenient for respondents. Linkert scale questions ranked according to their level to agreement (Strongly Disagree (1) to Strongly Agree (5) were used to provide a high response rate (Mbabazi, 2008). More so, these types of questionnaires were used because they were useful in generating statistics in quantitative research and were easy to analyze using computer analysis tools (Dawson, 2009). On the other hand, a few open-ended questions were included to facilitate obtaining some complementary opinions and views of respondents about the study. The major weakness of questionnaires is sometimes their inability to provide detailed information to the problem and that is why they were complemented by interviews.

3.7.2 Interviews Guides

Interviews were used to fully understand respondents' expressions and experience as well as facilitating the researcher to learn more about the answers provide in questionnaires in an elaborative manner. These complemented information from questionnaires. The interview guide was prepared in accordance with the objectives of the study to facilitate the interview sessions. Each section had at least had two qualitative open ended items. According to Mugenda & Mugenda (1999), interviews are advantageous in that they provide in-depth data, which was not possible to get using questionnaires.

3.8 Validity and Reliability of Instruments

3.8.1 Validity

After constructing the questionnaire, the researcher contacted the supervisor and three other experts in order to get expertise judgment on the validity. The following formula was used to test the Content Validity Index (CVI) as indicated by Denise F. Polit (2006:493).

$$\text{CVI} = \frac{\text{Number of items regarded relevant by researcher}}{\text{Total number of items}}$$

The instruments were considered valid because their CVI when the computed was above 0.7. After reviewing and eliminating questions whose validity value were below 0.7, the rest of the questions were re-typed to form a final copy of the questionnaire which was given out to the study respondents

3.8.2 Reliability

Reliability is the degree to which measures are free from error and therefore yield consistent results (i.e. the consistency of a measurement procedure). If a measurement device or procedure consistently assigns the same score to individuals or objects with equal values, the instrument was considered reliable.

Reliability involved the consistency, or reproducibility, of test scores i.e., the degree to which one can expect relatively constant deviation scores of individuals across testing situations on the same, or parallel, testing instruments (Ganesh, 2014). Reliability of the instruments was ensured through use of Cronbach Alpha method. A number of the pilot tested questionnaires were entered in the computer using SPSS. The computed values for the various sections were above 0.7 and hence the researcher considered the instrument reliable.

3.9 Data Analysis

Analysis of quantitative data was done using SPSS version 20. This helped generate descriptive statistics like frequencies, percentages, means and standard deviations. The relationship between budgeting formulation, budgeting implementation and budget controls and employee service delivery was evaluated using Pearson's correlation coefficient for each of the variables.

Pearson's correlation co-efficient index was used in study since the variables were numerical in nature. A positive correlation if obtained showed a positive association between the variables, while a negative correlation indicated a negative association between the variables (Mbabazi, 2008). To establish which of the three objectives had a greater significance on organization service delivery a regression analysis was done. In addition, qualitative data from administrators was also obtained to complement and elucidate more meaning to the figures given. Actual data analysis was critical judgment of the verbal information provided depended on how it relates with the study aspects.

3.10 Ethical Considerations

The researcher took into consideration a number of ethical issues including:

Upholding the confidentiality of respondents - they were not required to reveal their names nor their contacts on the questionnaires. Identification numbers were used instead of names to avoid information given being traced onto a respondent. Organizational identity and other critical information was also kept strictly confidential. All data gathered was used only for the purpose of this study and nothing else. The research procedures were explained to all the respondents before they took part in the research and their informed consent obtained (Appendix I). All the sources of literature were acknowledged throughout the whole study through proper citations and referencing. Personal bias was avoided during the entire study i.e. during interviews, data analysis and reporting.

CHAPTER FOUR

ANALYSIS, PRESENTATION AND INTERPRETATION OF THE RESULTS

4.0 Introduction

This chapter presents output of the data analysis of the findings regarding budget management and Service delivery in NGOs in Uganda. The presentation is in form of tables and text. Presentation and interpretation are in accordance to study objectives and research questions.

4.1 Study response rate

The researcher conducted interviews and also issued out questionnaires to collect the data. Interviews were held with top administrator in each of the eight (8) departments and in total 8 respondents participated in contributing oral views. In total of 100 questionnaires were administered. From the 100 questionnaires issued out, 91 questionnaires were appropriately filled and returned. The questionnaire return and response rate was summarized in Table 4.1.

Table 4.1: Questionnaire return and response rate

Rate of response and return	Number (f)	Percentage
Questionnaires issued and filled	91	91%
Questionnaires not returned	09	9%
Total Questionnaires issued	100	100%

Source: Field data, October, 2016

From Table 4.1 results show that out of the 100 questionnaires issued out, 91 were returned fully filled and complete, while 9 were not returned. This gave a questionnaire response return rate of 91% of the sample and this accounted for 68% of the population (134) that was targeted for this study. All the interviewees selected fully responded and participated in the interviews as scheduled. This indicates that the study involved 68% of the entire members of management and staff of Cornerstone Development Uganda (CDU). This provided a majority view on the status of budget management practices and service delivery at the organisation.

4.2 Biodata information of respondents

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly depends on their background. The background information of respondents solicited data on the samples and this has been presented categorized into; position held, distribution per departments, gender, education levels, age and length of service in the organization.

4.2.1 Position held by respondents

The distribution of the respondents according to their positions in Cornerstone Development Uganda Ltd was noted as shown in Table 4.2 below.

Table 4.2: Distribution of respondents by their positions

Position of departments	Frequency	Percent
Top administrators	10	11
Head of departments/sections	08	9
Staff	73	80
Total	91	100.0

Source: Field data, October, 2016

Results in Table 4.2 shows that majority (73,80%) of the respondents were staff working at Cornerstone Development Uganda Ltd, in various positions, while 10 (11%) were members of top administration and 8 (9%) were head of sections and departments. This shows that all levels of management from operational, tactical and strategic were involved in the study. This helped the researcher to obtain information about budget management practices and service delivery at all these levels of management in the organisation.

4.2.2 Participation per departments

The distribution of respondents basing on the departments in which they served was established as presented in Table 4.3 below.

Table 4.3 Distribution of the respondents according to the department

Departmental sections of CDU	Frequency	Percent
General Administration	10	10.9%
CDU Management	08	08.8%
Cornerstone Leadership Academies	13	14.3%
Cornerstone Old Students Assn.	14	15.4%
Youth corps Homes	10	11.0%
African Youth leadership Forum	4	04.4%
Wolves Soccer club	8	08.8%
Rwanda & Tanzania Academies	12	13.2%
Ekitangaala ranch Community School	12	13.2%
Total	91	100.0

Source: Field data, October, 2016

The study considered the proportion of respondents from all departments of Cornerstone Development Uganda (CDU) for representation purposes. As revealed in Table 4.3, majority of the respondents were identified and selected from the general administration of the organisation (14,15.4%),13 (14.3%) were from Cornerstone Leadership Academies, 12 (13.2%) in each case were selected from the Rwanda & Tanzania Academies and also from Ekitangaala ranch Community School. In addition, 11 (12.1%) of the respondents were from the entire CDU management at its head office, 10 (11%) were members of the Youth corps Homes, while 8 (8.8%) of the respondents were members of the Wolves Soccer Club being managed by Cornerstone Development Organisation. Other respondents (7, 7.7%) were from Cornerstone Old Students Association, and lastly 4 (4.4%) were from African Youth Leadership Forum. The distribution of the respondents as noted above provided chance for all departments to be part of the study in according to their proportion in the organisation. This helped the researcher to obtain representative views about budget management and service delivery for departments and the entire organisation.

4.2.3 Age of the respondents

The study obtained details about age groups of the respondents for purposes of understanding their age and possibly the experience they possess in their respective positions. Details of the findings are shown in table 4.4 below.

Table 4.4: Age of respondents

Age brackets (years)	Frequency	Percent
20-29	14	15.4%
30-39	48	52.7%
40-49	13	14.3%
50 and above	16	17.6%
Total	91	100.0

Source: Field data, October, 2016

From the description in Table 4.4 above it is clearly evident that the majority of the respondents are in the age bracket of between 30-39, followed by 50 years +, 20-29, and 40-49 in the orders of 52.7%, 17.6%, 15.4%, and 14.3% respectively. It can therefore be concluded that the majority of the respondents are in the most productive age brackets of their life (30-50 years) and are reasonably experienced (assuming that an average Ugandan starts work at the age of 23 years). This finding provided the researcher with an opportunity to interact with respondents with varying perceptions and service attitudes in accordance to their age.

4.4 Gender distribution of respondents

The study examined and describes the gender details of respondents and details of their respective gender are presented in Figure 4.1 below.

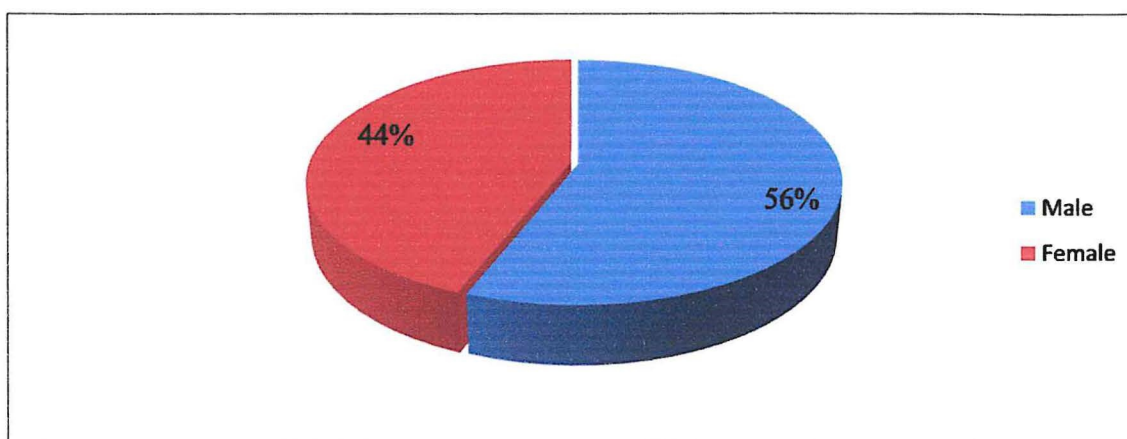


Figure 4.1: Gender of respondents

Source: Field data, October, 2016

Results of the study in Figure 4.1 shows that 56% of the respondents were males and 44% were female. This could indicate that there are still low levels of employment of females in NGOs in Uganda, though there was a small variance in representation of respondents by gender. This distribution of helped to provide the researcher a balanced picture about budget management and service delivery irrespective of gender biases

4.2.6 Longevity of service

The study investigated the length of period in years served by respondents in the organisation and the findings are presented in table 4.5below.

Table 4.5: Experience of service of respondents at the organisation

Experience of service (years)	Frequency	Percent
less than 1	13	14.3
1-4	10	11.0
5-9	49	53.8
10 and above	19	20.9
Total	91	100.0

Source: Field data, October, 2016

In table 4.5 above, it can be revealed that majority of respondents have worked in the organisation for the period 5-9 years (49, 53.8%), followed by those who have served for 10 and above (19, 20.9%) and those who had served for 1-4 years were 10 (11%) of the sampled respondents. Only 13 (14%) had served for less than 1 year at CDU. This could

also show that majority of the respondents have worked in the Institution for more than 1 year but less than 10 years, as per the illustration and as such had wide experience regarding the activities of the organisation's tenure of 18 years. This provided the researcher with fact-based findings.

4.2.5 Qualification characteristics of respondents

Details about the education levels of respondents expressed in terms of highest qualifications held were obtained and the results are revealed in Figure 4.2 below.

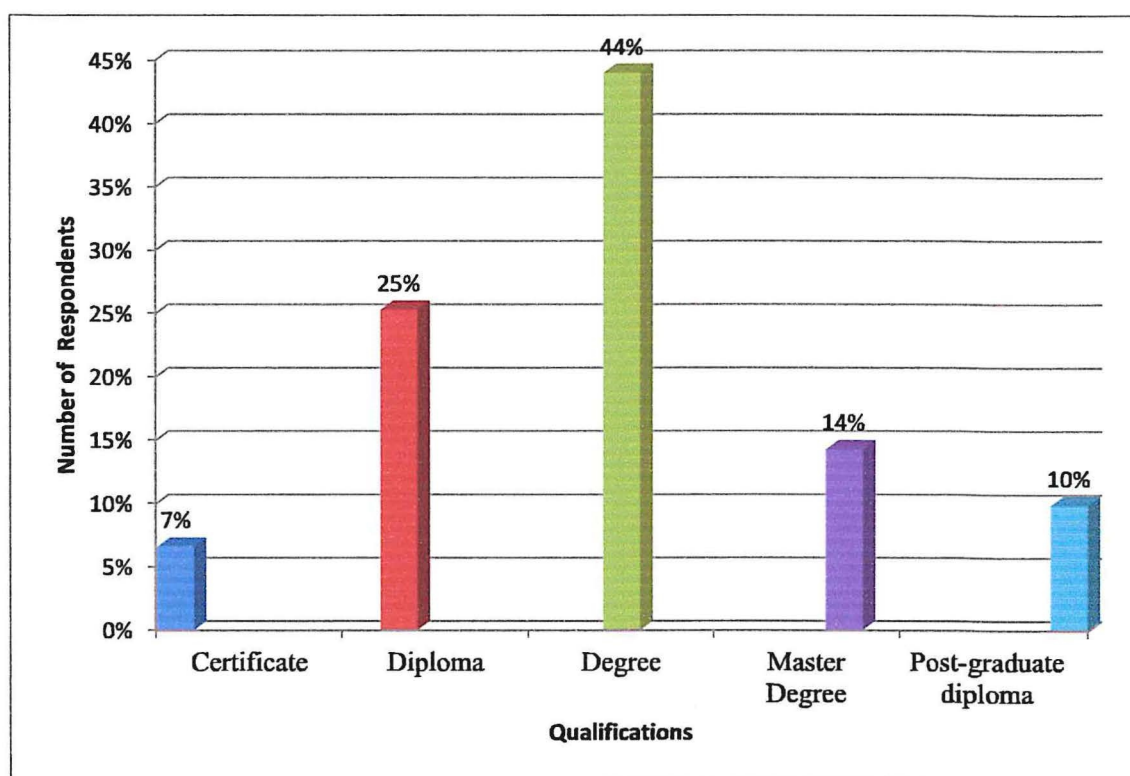


Figure 4.2: Qualifications of respondents

Source: Field data, October, 2016

Results in Figure 4.2 above indicate that majority of respondents who are also the employees at Cornerstone Development Uganda hold first degree education, followed by diploma, Master degree, Post-graduate and certificate education by 44%, 25%, 14%, 10% and 7% respectively. This means that respondents are adequately qualified persons academically with potential of conducting recommendable budget management and service delivery activities at the organisation.

4.3 Descriptive findings on the relationship between budget formulation practices and organization service delivery.

The study sets one of its objectives to establish the relationship between budget formulation and organization service delivery at Cornerstone Development Uganda Limited. In regard to this objective, questions were asked based on the linkert order style and findings were established basing on their descriptive statistics shown by the values of the respective means and standard deviations of the key empirical references. Details of these analyses are shown in table 4.6 below.

Table 4.6 Mean and standard deviation of responses about the relationship between budget formulation and organization service delivery.

<i>Statements</i>	<i>N</i>	<i>Min</i>	<i>Max.</i>	<i>Mean</i>	<i>Std. Deviation</i>
Each department makes its own unit budget at Cornerstone	91	1	5	2.63	1.503
Budget formulation is undertaken as a process at Cornerstone	91	1	5	4.80	0.891
Budget making is done as bottom up process at Cornerstone	91	1	5	1.85	.919
Budget formulation is done after budget making committee meeting at Cornerstone	91	1	5	1.81	.965
Budgeting activities met the needs of the organisations in rendering expected service at Cornerstone	91	1	5	3.88	.998
Formulators of the budget help the firm to offer timely services	91	2	5	4.02	.649
Services offered are prior planned for during budget formulation	91	1	5	4.94	1.423
Budgets facilitate beneficiaries to perform their duties well	91	1	5	4.41	.919
Proper budget formulation results into proper customer service	91	1	5	4.16	1.09
Budget formulation results into opportunities of getting prompt services as planed	91	2	5	4.43	.452
Budget formulation acts as a reminder for professional services delivery among staff utilizing the budget	91	1	5	4.46	.970
Valid N (listwise)	91				

Source: Field data, October, 2016

In table 4.6 are details of the measures of effectiveness of the various statements as obtained from the respondents regarding the functionality of the budget formulation process and the extent to which it relates with service delivery at Cornerstone

Development Organization. Results show that budget formulation was largely centralized and not done at the department as revealed by (mean 2.63, sd. 1.503) and mainly depended on one general/master budget. The budget formulation was a process (mean 4.85;sd .859) mainly centralized and which was carried out on top-bottom sequence basis (mean1.85; sd.919). From the findings departmental budgets were being formulated from the overall budget of the organisation. Further findings revealed that the company usually carries out budgeting formulation at the end of financial year.

Further findings in Table 4.6 reveal that in budget formulation practices, a budget committee sits to prepare a master budget, and this was revealed by respondents (mean1.81, sd0.965). At departments there is also a budget committee to formulate the departmental budget from the master budget. Proper budget formulation practices was established to be influential in ensuring better service delivery and respondents revealed that budget formulation helps to meet the needs of the organisations in rendering expected service (mean 3.88, sd 0.998). It was also revealed and agreed by majority (mean, 4.02 and sd. 0.649) that budget formulation help the firm to offer timely services as it determines the budgetary allocations in the organisation.

More so, results in Table 4.6 shows that budget formulation practice was related with the nature of service delivery at the organisation, as it helps in planning for services to be offered as revealed by majority of the respondents (mean 4.94; sd 1.42), and also facilitated beneficiaries to perform their duties well (mean 4.41,sd .919). In addition, results revealed that proper budget formulation results into proper customer service (mean 4.16; sd 1.09) and it was also established that budget formulation practice results into prompt service delivery (mean 4.43, sd. 0.45) and also acts as tool to remind the staff to render professional service delivery basing on the budgets formulated.

The study established from interviews that the nature in which budget formulation practice was carried out at the organisation had a lot of effects on service delivery in planning, implementation and extension of services at the departments and the entire organisation. The better the budget formulation, the better is the level of service delivery as revealed by respondents in the study.

The relationship between budget formulation practices and key indicators of service delivery established at Cornerstone Development Uganda Ltd was established as presented below.

Table 4.7: Relationship between budget formulation practices and indicators of service delivery

	1	2	3	4	5	6
1 Budget formulation	1					
2 Meets the needs of service centres	0.415**	1				
3 Tool for services provision planning	0.421*	0.863**	1			
4 Help the firm to offer timely services	0.342**	0.465**	0.289**	1		
5 Meet the needs of service delivery as planned	0.641**	0.521*	0.943*	0.571**	1	
6 Facilitate service providers to perform their duties well		0.894**	0.342**	0.671**	0.717**	1

** - 0.01 (correlation is significant at 0.01 level of significance (2 tailed)

* - 0.05 (correlation is significant at 0.05 level of significance (2 tailed)

To establish how budget formulation relates with service delivery, budget formulation was correlated with key service delivery indicators as revealed in Table 4.6. Specifically, findings show that the view that budget relates with service delivery through meeting the needs of service centres ($r = 0.415$), acting as a tool of service provision planning ($r = 0.863$), offering timely services ($r = 0.289$), prompt services ($r = 0.571$) and helping service providers to perform their duties ($r = 0.717$) well revealed above. It was found out that all results showed a significant positive correlation and this shows that budget formulation results into better service delivery, and this answers the first research question “*What is the relationship between budget formulation and organization service delivery in Cornerstone Development Uganda Ltd?*” which this study sought to address.

4.4. Descriptive findings on the relationship between budget implementation practices and service delivery at Cornerstone Development Uganda Limited.

The second objective of this study was to establish the relationship between budget implementation and service delivery at Cornerstone Development Uganda Limited. In regard to this objective, questions were asked to respondents, findings were established basing on their descriptive statistics. Details of the analysis shown by the mean values and

standard deviations scores of the key empirical references statements are shown in table 4.8 below.

Table 4.8 Mean and standard deviation of responses about the relationship between budget implementation practices and service delivery

<i>Statements</i>	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>Std. Deviation</i>
Budget implementation follows a drawn budget plan at Cornerstone	91	1	5	4.09	1.937
Budget implementation receives support of staff of Cornerstone	91	1	5	4.40	.905
Allocation of funds in the budget is fair across all units of Cornerstone	91	1	5	3.83	1.964
Budget resources utilization is effectively implemented as per the plan	91	4	5	4.81	.190
Budget implementation has helped beneficiaries to use resources well	91	1	5	4.27	.761
By implementing the budget, services of Cornerstone are delivered in time	91	1	5	4.23	.920
Budget implementation results into satisfactory service delivery	91	1	5	4.97	.731
Budget implementation helps service providers to do their obligations	91	1	5	4.68	1.591
Implementation helps Cornerstone to attain and evaluate its service outcomes	91	1	5	4.48	.970
Through budget implementation, managers at Cornerstone decide how to allocate money in different organizational activities	91	2	5	4.23	.920
Effective implementation of budget involves mobilization of all the proposed funds and spending them as planned	91	1	5	4.57	.762
Valid N (listwise)	91				

Source: Field data, October, 2016

The results of the survey study as reflected in Table 4.8 above show responses obtained about budget implementation and service delivery at Cornerstone Development Uganda (CDU). The descriptive statistics are based on the mean and standard deviation (Sd.) values.

Findings show that budget implementation was conducted basing on the already drawn budget plan as revealed by majority of the respondents (mean 4.09), though it attracted varying opinions shown by (sd 1.937). Results revealed that budget formulation allows proper allocation of funds (mean 3.83, 1.964) and as such it was cited by the majority of the respondents (mean 3.83, sd1.964) that budget implementation ensures proper resource

utilization which subsequently improves service delivery. Further findings in Table 4.8 above show that most of the respondents revealed that budget implementation practices helps beneficiaries to use resources well (mean 4.27, sd .761) and also ensures timely service delivery (mean 4.23, sd .920) at Cornerstone Development Uganda limited.

In addition, results reveal that the practice of budget implementation was very useful in ensuring that budget implementation practices helps beneficiaries to use resources well (mean 4.27, sd .761), and ensuring that services are delivered in time (mean 4.23, sd, .920) and subsequently ensures attainment of satisfactory service delivery (mean 4.97, sd .731). In addition results from interviews with financial controllers revealed that budget implementation was good, although several times it was shortfall and some activities remain outstanding (unoffered) because they were under budgeted. This several times resulted into ineffectiveness in the level and quality of services delivered.

From table 4.8, results of the study show that most of the respondents agreed to the fact that budget implementation helps service providers to do their obligations (mean 4.68) although this attracted a lot of varying opinions (sd 1.591) and also helped the organisation to attain its service outcomes (mean 4.48, sd 0.970). Regarding the view that through budget implementation, managers at Cornerstone Development Uganda Ltd decide how to allocate money in different organizational activities (mean 4.23, sd 0.920) and also helps to involve mobilization of all the proposed funds and spending them as planned (mean 4.57, sd 0.762). In addition, views from interviews revealed that some of the services were not satisfactorily offered to the beneficiaries due to ineffectiveness in budget implementation, even though the budget vote would be received in time. However, since the financial controllers were aware of policies regarding budget implementation, they conducted their obligations as planned.

The extent to which budget implementation practices were related with service delivery by use of correlation was established as shown below.

Table 4.9: Relationship between budget implementation practices and service delivery

	1	2	3	4	5	6
1 Budget implementation	1					
2 Helps beneficiaries to use resources well	0.524**	1				
3 Helps firms to deliver services in time	0.753**	0.426**	1			
4 Results into satisfactory service delivery	0.443**	0.815*	0.628**	1		
5 Ensures firm to attain service outcomes	0.756*	0.316**	0.549**	0.299*	1	
6 Decides how organization allocates resources for services	0.675**	0.397**	0.669**	0.778**	0.867**	1

** - 0.01 (correlation is significant at 0.01 level of significance (2 tailed))

* - 0.05 (correlation is significant at 0.05 level of significance (2 tailed))

To establish how budget implementation practices relates with service delivery, researcher correlated budget implementation with key service delivery indicators as revealed in Table 4.8. Findings show that budget implementation relates with service delivery through helping beneficiaries to use resources well ($r = 0.524$), budget implementation helps the firm to deliver services in time ($r = 0.426$), offer satisfactory service delivery ($r = 0.628$), ensures firm to attain service outcomes ($r = 0.299$) and also help the firm to decide on how to allocate resources for its services ($r = 0.867$). The study establishes that budget implementation positively related with all indicators of service delivery. Thus better budget implementation practice improves service delivery in NGOs. This finding answers the second research question, “*What is the relationship between budget implementation and organization service delivery at Cornerstone Development Uganda Ltd?*” which this study sought to address.

4.5. Descriptive findings on the effects of budget control practices and service delivery in Cornerstone Development Uganda Limited.

The third objective was to establish the effect of budget controls and organizational service delivery in Cornerstone Development Uganda Ltd. To establish information on this objective, questions were asked to respondents. Findings were analysed into descriptive statistics. Details of the analysis shown by the mean values and standard deviations scores of the key empirical references statements are shown in table 4.10 below.

Table 4.10: Mean and standard deviation of responses about the relationship between budget controls and organization service delivery

<i>Statement</i>	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>Std. Deviation</i>
Monitoring of budget implementation is effectively done	91	1	5	3.77	1.230
Regular supervision of resource use is done at Cornerstone	91	1	5	4.82	.809
There are abrupt audits done to check on resource usage as budgeted	91	1	5	3.77	1.034
There is always monthly audits done to check on budget effective use	91	1	5	4.09	.996
Accountability reports are produced at monthly and annual basis	91	1	5	4.21	.949
Budget controls cut across the budget process at Cornerstone	91	2	5	4.88	.524
Budgetary controls preserve the integrity of the accounting officials helping them to serve better	91	1	5	4.21	1.006
Budget control is continuous measure of actual budgeted expenditure in conduct and practice	91	1	5	4.44	.991
Budgetary controls help service providers to remain focused and professional in conduct and practice	91	1	5	4.68	.993
High degree of tight budgetary control is paramount for checking the unnecessary expenditure allocations	91	1	5	4.37	1.170
Budget control is an evaluative tool of the effectiveness of budget application at Cornerstone.	91	2	5	4.79	.338
Budget controls helps prioritize key areas in implementation of the budgetary process at Cornerstone	91	1	5	4.26	.743
Budget controls done provide a foundation to have accessible, and promptly delivered services at Cornerstone	91	2	5	4.31	.710
Valid N (listwise)	91				

Source: *Field data, October, 2016*

Results of the survey study in Table 4.10 above show responses obtained about the status of budget control practices and service delivery at Cornerstone Development Uganda.

According to the findings in Table 4.10 show that despite different budget controls undertaken, the respondents revealed that budget controls were not yet effectively done as revealed by a mean value of 3.77 and std. deviation of 1.23. It was found out that budget controls were undertaken by conducting regular supervision regarding resource utilization at the organisation as noted by (mean 4.82, sd .809). In addition, it was established that budget controls were also being done by carrying out abrupt audits on resource usage as budgeted (mean 4.09, sd .996) and also producing accountability reports produced on monthly and annual basis (mean 4.21, sd .949). This shows that by utilizing different avenues, the organisation carried out different budget control practices. In addition, results

from the interviews showed that budget controls done at CDU were monthly abrupt audits and budget reviews, matching budget allocations with the services offered, and expenditure made in regard to these services, among others.

Further results show that budget controls was conducted throughout the entire budgeting process as revealed by majority of the respondents at (mean value 4.88, sd .524). It was also established that budget control practices preserve the integrity of accounting officials (mean 4.21, sd 1.006), ensure continuous measure of actual and real budget expenditure (mean 4.44, sd0.991) compared to the majority of the respondents that budgetary controls help service providers to remain focused and professional in conduct and practice as cited by majority off the respondents (mean 4.68, 0.993). When properly conducted it was established that budgetary controls undertakes a number of factors affecting the level of service delivery.

The study also established that tight budgetary control is paramount for checking the unnecessary expenditure allocations which regulate the level of service delivery (mean 4.37, 1.17). More so, budget control practices were found to relate with the level of service delivery as an evaluation tool (mean 4.79, sd .338), priotization of which areas to put attention to and the extent to which budget controls provide a foundation for offering prompt services to the beneficiaries at Cornerstone Development Uganda Ltd - one of the leading NGOs in Kampala. To establish the extent by which budget control practices effect service delivery was established basing on the key indicators of service delivery as shown in Table 4.11 below.

Table 4.11: Relationship between budget controls and service delivery

	1	2	3	4	5	6
1 Budget Controls	1					
2 Helps into high level of accountability of service providers	0.572**	1				
3 checks unnecessary expenditure in service delivery	0.569**	0.781**	1			
4 Ensures timely service delivery	0.678**	0.965**	0.745**	1		
5 Ensures promptness in service delivery	0.983**	0.458**	0.567*	0.489**	1	
6 Acts an evaluation tool		0.478*	0.876**	0.755**	0.945**	1

** - 0.01 (correlation is significant at 0.01 level of significance (2 tailed)

* - 0.05 (correlation is significant at 0.05 level of significance (2 tailed)

Source: Field data, October, 2016

Budget controls was examined in relation with the indicators of service delivery and findings show that there was a positive relationship between budget controls and indicators of service delivery such as accountability and professionalism of service providers ($r = 0.572$), budget controls and unnecessary expenditure in service delivery ($r = 0.781$), ensures timely service delivery ($r = 0.745$), ensures promptness in service delivery ($r = 0.489$) and also results show that budget controls helps in service delivery as an evaluation tool ($r = 0.945$). It can be observed that budget controls positively relates with all the indicators of service delivery pointed out in table 4.11 an indication that budget controls positively affects service delivery. This answers the third question, “*What are the effects of budget controls on organization service delivery in Cornerstone Development Uganda Ltd?*” which this study sought to address.

4.6 Inferential statistics on the relationship between budget management and organization service delivery

The correlation was conducted to analyse the relationship between dimensions of budget management measured by budget formulation, budget implementation and budget controls against service delivery, measured by timely service delivery, satisfactory service and effectiveness of service delivery. The findings were established in shown in figure 4.3.

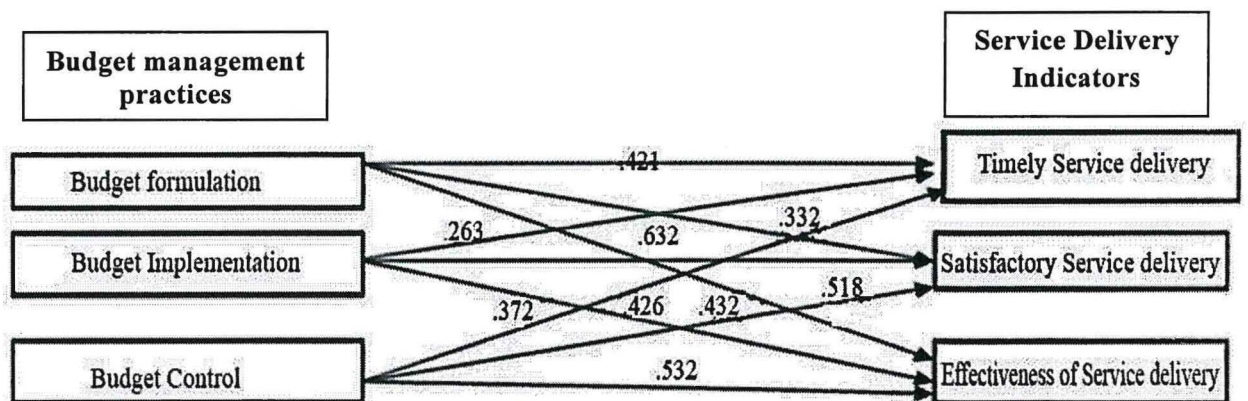


Figure 4.3: Relationship between budget management and service delivery

The results show that all dimensions relate positively. Specifically, budget formulation relates positively with timeliness, satisfactory and effectiveness in service delivery by ($r=0.421$, $p<0.01$; $r=0.332$, $p<0.01$; $r=0.432$, $p<0.01$) respectively. These suggest that the budget management through budget formulation relates positively with service delivery in NGOs. More so, results reveal that budget implementation practices also positively

relates with service delivery. Budget implementation relates with timely, satisfactory and effectiveness of service delivery by ($r = 0.263, p < 0.01$; $r = 0.632, p < 0.01$; $r = 0.426, p < 0.01$) respectively. These findings reveal that budget management based on budget implementation activities when well carried out yield positively to satisfactory, timely and effective service delivery in NGOs.

Results in Figure 4.3 shows that budget control was positively related with all the indicators of service delivery. Budget controls was positively relate with timely, satisfactory and effectiveness of service delivery by ($r = 0.372, p < 0.01$; $r = 0.518, p < 0.01$; $r = 0.532, p < 0.01$) respectively. This finding reveals that budget management through its budget control actively significantly affects the effectiveness, satisfactory and timeliness of the services delivery in NGOs. From figure 4.3, it can be established that budget controls significantly affected service delivery higher than budget implementation and budget formulation at Cornerstone Development Uganda Ltd. Thus service delivery largely bases on already determined working budgets compared to implementation and controls in course of rendering Services to beneficiaries in NGOs in Uganda.

4.7 Ways to improve budget management at Cornerstone Development Uganda

Results regarding the ways in which budget management could be improved at CDU were as shown in Table 4.12 below.

Table 4.12: Ways in which Budget Management practices at Cornerstone Development Uganda can be improved.

Ways suggested	Frequency	Percent
Doing sector department budgeting	28	30.8%
Including key stakeholders	14	15.4%
Emphasizing budget planning unit	8	8.8%
Having budget planning unit	10	11.0%
Strengthening budget centers	10	11.0%
Making budget review program	12	13.2%
Ensuring there is budget resource envelope for all	9	9.9%
Total	91	100.0%

Source: Field data, October, 2016

Results of the study shown in Table 4.12 shows that a number of respondents revealed that to improve budget management at CDU there was need to focus on carrying out effective department budgeting (28, 30.8%), while others (14, 15.4%) mentioned that there was need to have an inclusive budgeting for key stakeholders, while 12 (13.2%) reported there was need for the company to have budget review programs, while 10 (11%) stated there was need to strengthen the budget centres, and have a strong budget planning unit. Other recommended ways include emphasizing budget planning unit, and ensuring that there is budget resource envelope for all departments at the organisation.

4.8 Service delivery level at Cornerstone Development Uganda and how it can be improved

Respondents were asked to rate and give their perception regarding the level of service delivery at Cornerstone Development Uganda, and responses on this were established as presented below.

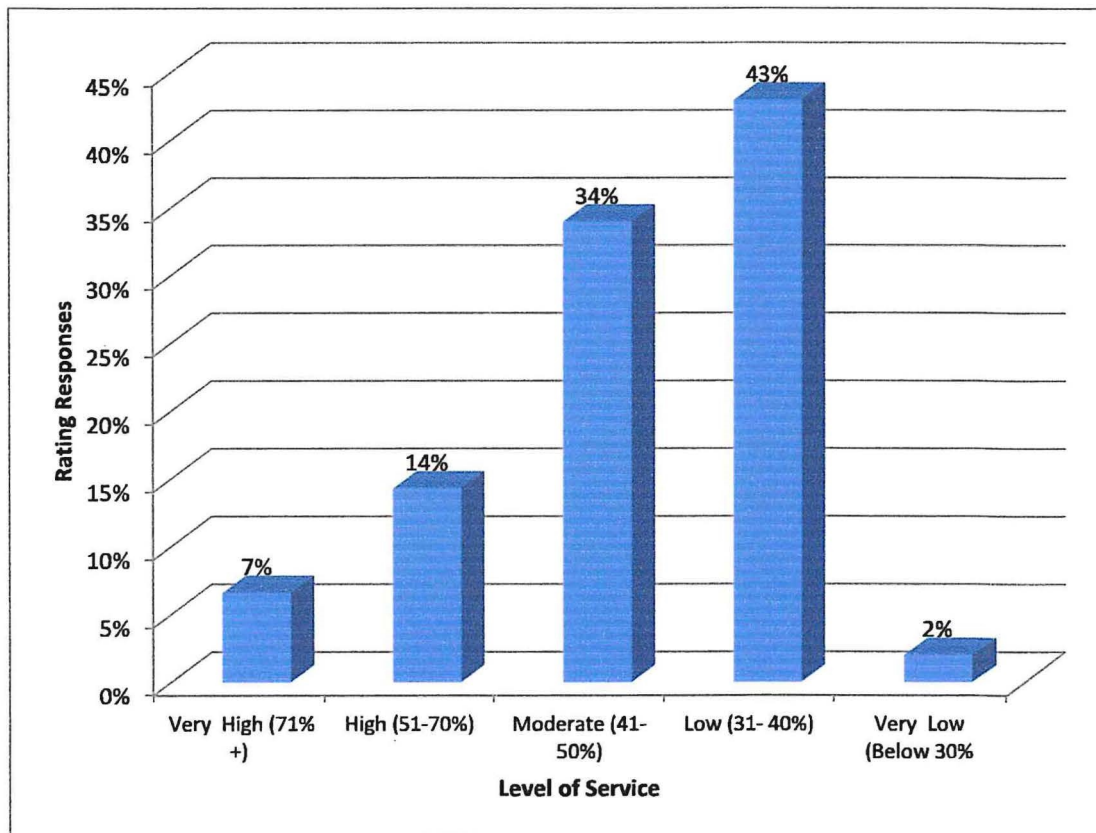


Figure 4.4: Level of service delivery at Cornerstone Development Uganda
Source: Field data, October, 2016

Results showed that management and staff at Cornerstone Development Uganda had varying responses rating the level of service delivery, and majority (43%) considered the service level to be low (31-40%) of the expected, while 34% mentioned it was moderate falling between 41-50% of the expected, while 14% on the contrary considered it very high and (7%) mentioned it was very high. Only 2% stated it was very low (below 30%) of the expected services by the beneficiaries. This finding shows that level of service delivery at Cornerstone was low and ought to be improved.

To improve service delivery at Cornerstone Development Uganda, respondents suggested the following as shown in Table 4.13 below.

Table 4.13: Ways to improve service delivery at Cornerstone Development Uganda

Suggested ways	Frequency	Percent
Employing more qualified staff	4	4.4%
Defining role responsibility	9	9.9%
Encouraging regular budget review	14	15.4%
Conduct budget based audit	20	22.0%
Rewarding high performing staff	10	11.0%
Using objective based management	2	2.2%
Better remuneration of staff	16	17.6%
Staff performance and accountability reports	8	8.8%
Transparency among service providers	8	8.8%
Total	91	100.0

Source: Field data, October, 2016

Results in Table 4.13 above shows that 20 (22%) of the respondents suggested that to improve service delivery at Cornerstone Development Uganda required to conduct budget based audits regularly, offering better remuneration to staff (17.6%), encouraging regular budget review in accordance to the services required (15.4%). Further findings show that there was need to define roles of each of the stakeholders in service delivery (9.9%), ensure there are regular staff performance and accountability reports (8.8%) and transparency among service providers (8.8%). In addition, 11% suggested the need to reward high performing staff, employing more qualified staff (4.4%) and also undertaking objective based management (2.2%). This shows that there is a possibility of improving the level and quality of service delivery at the organisation.

CHAPTER FIVE

DISCUSSION, SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a discussion and also the summary of the findings obtained per objective regarding budget management and service delivery in NGOs. The chapter also provides the conclusions and recommendations that were reached at by the researcher basing on the study findings.

5.1 Discussion of the findings

The researcher conducted this study at Cornerstone Development Uganda, and reference was on Budget management and service delivery concepts at the organisation. Ninety One respondents participated and these were selected from all departments and sections of the organisation in accordance to their gender, age, involvement in budgeting activities, and level of experience. Findings are presented in Chapter four above, and discussed below according to objectives.

5.1.1 Relationship between budget formulation and organization service delivery.

Budget management several times becomes a participatory activity at the formulation stage, and each organisation should focus on the manner in which budgets are formulated at the organisation. Findings showed that budget formulation was mainly done at the central level and all departmental budgets were generated from one general budget of the organisation depending on allocations to the specific department.

In addition, the researcher established that the aspect of budget formulation was being done as a process, and centralized. The budget formulation low was from central (top) to bottom level with the formulation of the master budget and being approved by the budget committee and board of directors, it is endorsed and each department given its proportion of the budget. Department budget formulation follows at each of the departments. It was also established that budget formulation was done by a selected committee and not all stakeholders were involved. This shows that budget formulation was a process and this complements the earlier view of Ernest and Young (2011) who reported that budget

formulation is a process itself within the budgeting process in different organisations, just as established at Cornerstone Development Uganda Limited.

According to the findings (Table 4.6), it was established that budget formulation affected significantly the level of service delivery through facilitating the organisation to meet its prioritised or set needs. When budgets are formulated, the services are provided according to prioritised needs. Most of the management and staff of CDU believed that when properly conducted budget formulation helps the organisation to meet the organisation's expectations that are needed in service delivery and their view is complementary to Hadden (2014) who revealed that the most important role of budget formulation and the entire budgeting is to meet the needs of the organisation in rendering expected services.

The study also established that by formulating the budget, the firm is able to offer timely services, and from findings in Table 4.6, show that most respondents reported that budget formulation related with service delivery in regard to its potential of ensuring timely allocations and hence timely services in the organisation. More so, the study established that services offered are determined basing on the budgets and budgets depend on how they have been formulated at the time of budget formulation. It was supported and revealed that budget formulation is a tool for service delivery and service delivery significantly depends on budget formulation. These findings concur with Nxumalo (2013) who reported that failure to properly formulate the budget, organizations' service delivery may not be futile but misleading, and also complement, Armstrong (2009) who cited that budget making is an important function of HRM that regulates service delivery.

The study findings reveal that budgets facilitate beneficiaries to not only receive but also perform their duties well. Owing to the quality of budgets formulated service providers are able to meet the needs of beneficiaries and also beneficiaries facilitate service providers to accomplish the tasks. This eases and makes service delivery satisfactory. Related findings to this were cited in the earlier study of Castel and Friedberg (2009) who cited that proper budget formulation and subsequently allocations regulating the conduct of service providers and their professionalism.

From the study it was established that better and well conducted budget formulation relates with service delivery through ensuring high level of service execution as planned

and as such resulting into high level of service delivery to the best customer /beneficiaries' satisfaction levels. It also results into prompt delivery of services in NGOs and also facilitates the organisation through its service providers to offer professional, timely and quality services to the beneficiaries. There was a significant relationship between budget formulation and service delivery and these findings reflect what was also cited by Eldon and Gunby (2009) who reported that budget formulation meets the needs of the organisation including facilitating service delivery in the organisation.

5.1.2 Relationship between budget implementation and organization service delivery

The aspect of budget implementation is key in budget management and is at the output point of budgeting where resources allocated are utilized as planned. Each organisation's effectiveness in budgeting is measured in regarding to how best its budgets are implemented. From the findings in Table 4.8, budget implementation was found to be an implementation of the master budget plan drawn and also departmental budgets.

The study found out that budget implementation involves service providers as well as all key staff attached to the service centres (departments). The study found out that all stakeholders play their role and are involved at the point of budget implementation contrary to how it is at budget formulation. This makes budget implementation an inclusive activity in NGOs, just as it was revealed by Hadden (2014) who reported that any unimplemented budget remains less useful to the organization. Results in Table 4.9 show that there was a significant relationship between budget implementation and service delivery (based on key service delivery indicators) while results in Table 4.8 point out some of the ways in which they relate. One of the ways in which budget implementation relates with service delivery was that budget implementation help beneficiaries to use resources well and this facilitates the level and quality of service delivery.

According to the findings, budget implementation was found very fundamental in ensuring timely delivery of services to the beneficiaries, and also sets the basis that service providers perform the services as planned and in line with their duty obligations. Most of the managers and staff at Cornerstone Development Uganda supported these views. Similar findings to this are also reflected in the earlier study of Castell and Friedberg

(2009) who cited that the potential budget implementation makes it a means of the firm to attain prompt and timely service delivery at its cost and service centres

More so, study established that budget implementation helps Cornerstone Development Uganda Limited to attain and evaluate its service outcomes and this so because properly implemented budget results into proper allocation of money and resources to different organizational activities. The firm is able to mobilize and execute different tasks as planned basing on the budget allocations as proposed funds in the budget. Proper spending planned during the course of budget implementation yields to high level of service delivery. These findings concur with Gareth and Jeniffer (2006) who stressed that once they have been given a budget, the managers decide on how to allocate money received to different organizational activities.

From the above findings, it was established that budget implementation is a core ingredient of the budget management process in determining and apportioning the budget to different use centres and services. The better budget implementation process is and how sufficient, the budget is, the better is the quality and level of service delivery to the beneficiaries.

5.1.3 Effects of budget controls and organization service delivery

Budgeting is an activity that involves utilization of resources and there should proper controls to ensure what is budgeted is properly allocated, utilized and accounted for as planned. Through this study, it was found out that the level of budget control was high among many NGOs and also portrayed a strong effect on service delivery (Table 4.11). The better and strict is the nature of budget controls the likely would be the level and quality of service delivery. These findings concur with the earlier perception of Kadondi (2002) who cited that budget control remain a fundamental aspect in the budget management activities in an organisation.

From the findings (Table 4.10), the aspect of budget controls involved monitoring of the budget implementation process, supervision on how budgeted resources are being utilized, and at times conducting abrupt audits to check on budget effective use. Results reflected in Table 4.10 reveal that these were key budget controls being used at Cornerstone Development Uganda, and audits were conducted on a monthly basis. These findings

reflect on what was cited by Murrison (2011) who revealed that budgetary controls include a number of activities that run from preparation, design, implementation and where possible reviewing the budget of the organisation.

Results show that there was a significant effect of having budget controls on the level of service delivery and from the study, it was strongly agreed by management and staff that through budget controls the firm is able to preserve the integrity of its accounting officials helping them to serve better. Subsequently this results into high level, effective and timely service delivery in a midst of meeting their professional expectations.

According to findings, the study found out that budgetary controls remain a most formidable continuous measure of evaluating the expenditure and allocation procedures of organisation. More so, it was established that budgetary controls help service providers to remain focused and doing their work as expected. This result into high level, promptness, and quality of services rendered. Similar views were revealed by Mullins (2010) who reported that budgetary controls and procedures serve as an evaluating tool for effective budget applications in an organization.

The researcher through this study established that the budget controls ensure high degree of accuracy, controlling and checking unnecessary expenditure allocations, as well as acting as an evaluation tool in the course of budgetary process of company, hence yields to satisfactory service delivery in the end. The study also found out that budget controls helps prioritize key areas in implementation of the budgetary process. More so, it was established that budget controls helps in attainment of high level of accountability in service delivery. It also helps the firm to attain prompt services by priotising areas where resources should be allocated. These findings complement Staley *et al.*, (2013) who reported that through proper budget controls the service providers are able to render services which are accessible, and promptly delivered as planned.

Further findings reveal that budget management through its dimensions of budget formulation, implementation and control affect the quality, effectiveness, and timeliness of service delivery, and as such affects the general services provision in an organisation. Results revealed that budget management based on budget implementation activities when well carried out yield positively to satisfactory, timely and effective serviced delivery in NGOs.

5.2 Summary of the findings

The study findings are summarized as noted below.

The study found out that the aspect of budget management was core aspect at Cornerstone Development like any other NGO operating in Uganda. The study however focused on budget formulation, implementation and controls in service delivery of NGOs. The study focused on budget formulation which was centrally done, and then departmental budgets formulated from the master budget. Budget formulation was found to be a process mainly done from top-bottom levels of management involving the budget making committee and financial controllers.

The study found out that budget formulation involved deciding on the needs to be catered for by the budget, determine when to allocate resources, facilitating service providers to render services, meet customer needs by offering promote services as planned and acts as a reminder for professional services delivery among staff utilizing the budget. The aspect of budget formulation was linked to key indicators of service delivery positively. Details show that budget formulation was related with meeting the needs of service centres ($r = 0.415$), acted as a tool of service provision planning ($r = 0.863$), helped in offering timely services ($r = 0.289$), prompt services ($r = 0.571$) and also helped service providers to perform their duties ($r = 0.717$), all of which improved the quality of service delivery.

Similarly, the study found out that the organisations in course of carrying out budget management also carried out budget implementation. Budget implementation involved allocating resources to departments, user points, defining service provider to execute different tasks in the budget and asking for accountability and transparency in budget resources utilization. The study found out that budget implementation relates with service delivery, through helping beneficiaries to use resources well ($r = 0.524$), helping the firm to deliver services in time ($r = 0.426$), results into satisfactory service delivery ($r = 0.628$), ensures firm to attain service outcomes ($r = 0.299$) and budget implementation helps the firm to decide on how to allocate resources for its services ($r = 0.867$). Therefore there was a significant effect of budget implementation on the level and quality of service delivery.

Regarding budget control, the study found out that most NGOs emphasize budget controls during their budget management activities. Key budget controls commonly used are

abrupt audits, physical check versus budget allocations, conducting regular supervision of budget service providers and asking for accountability of resources allocated. The researcher established that budget controls positively related with key indicators of service delivery at Cornerstone. Results show that budget controls ensures accountability and professionalism of service providers ($r = 0.572$), budget controls regulates unnecessary expenditure in service delivery ($r = 0.781$), budget control ensures timely service delivery ($r = 0.745$), budget controls ensures promptness in service delivery ($r = 0.489$) and helps in service delivery as an evaluation tool ($r = 0.945$). All these show that better budget controls result into improved level of service delivery in NGOs.

Finally, the study established that all dimensions of budget management (budget formulation, budget implementation and budget controls positively relate with service delivery dimensions of satisfactory, timely and effective service delivery in NGOs. The researcher noted that budget controls significantly affected service delivery, followed by budget implementation and lastly budget formulation phases of budget management in Non-Governmental Organisations in Uganda. However findings revealed that just like budget management was not effective; service delivery was also low and not timely at Cornerstone Development Uganda, and indication that they were positively related.

5.3 Conclusion

Based on the findings of the study, it is concluded that most NGOs with reference to Cornerstone Development Uganda had less effective budget management activities which also affected the quality of their service delivery.

Budget formulation was mainly centralized and significantly affected the timeliness, quality, satisfactory level and promptness of services offered by Non-Governmental organisations in Uganda especially in determining how budget resources are allocated to departments.

On the aspect of budget implementation, it was concluded that implementation is highly inclusive and participatory especially at the service centres (departments) and also positively affected the timeliness, quality, satisfactory level and promptness of services offered by NGOs.

The study established that budgetary controls play a fundamental role in the budget implementation process and directly affects service delivery in NGOs. This was evident in the way budget controls keeps accountants and officials focused and professional in using budgeted resources, priotises key areas and ensures prompt, timely and satisfactory services.

The final conclusion of the study is that there is a significant positive relationship between budget management (budget formulation, budget implementation, and budget controls) and service delivery (timely services, beneficiaries' satisfaction, accessibility to services and professionalism of staff) in Non-Governmental organisations.

5.4 Recommendations

The study makes the following recommendations;

Since it is evident from the findings that there budget formulation was mainly centralized which delayed budget formulation at service centres (departments), the researcher recommends that there is need to encourage departmentalized or sectorial departments full participation in budget formulation.

The study also recommends that there is need for budget management inclusions mostly at the time of budget formulation, and also empowering the role of budget committees. There is need to include representatives of beneficiaries at the time of budget formulation.

The study further recommends that NGOs and in particular Cornerstone Development Uganda should focus on strengthening conducting budget audits, budget reviews and ensuring that they set priorities that ensure effective budget management in these organisations.

Finally the study recommends that there should be general efforts to elevate the practice and conduct of budget management since it was found to be fundamental in attaining timely, recommendable, and prompt and quality service delivery in NGOs.

5.5 Suggested areas for further research

The study suggests need for further research:

- (i) The influence of budget management on service delivery in the public sector
- (ii) The effect of the budgeting process on the level of service delivery in NGOs.
- (iii) The relationship between training/professional qualifications of service delivery in Non- Government Organizations.

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APPENDICES

APPENDIX I: CONSENT FORM

Kyambogo University
P.O. Box 1
Kampala Uganda
22/07/2016

Dear Sir/ Madam,

You have been randomly selected to participate in this survey leading to the award of a Master's degree of Business Administration of Kyambogo University. Employees like you are expected to know the extent to which budget Management relates with organization and employee service delivery in your organization. You will be contacted through questionnaires and interviews

It is on this note that I am asking you for your consent regarding this study. *If you consent please write behind this note the time and day you are available for contacting.* Details of the study and the data collection tools will be delivered later at the time of data collection. Any details show that this is an academic study and thus your responses will be used for academic purposes and will be treated with utmost confidentiality.

Yours faithfully,

.....

MUMBYA MOSES

Graduate Student/Researcher

Kyambogo University

**APPENDIX 2: QUESTIONNAIRE FOR MANAGEMENT AND STAFF OF
CORNERSTONE DEVELOPMENT UGANDA**

Dear Respondent,

You are being contacted to participate in this study on the topic, “Budget Management and Non-Governmental Organizations in Uganda: A case study of Cornerstone Development Uganda”. Please fill or respond with in this questionnaire for the appropriate answers you consider right. Your responses will be treated with lot of confidentiality and used only for academic purposes. Please fill or respond as instructed in the sections A, B, C and D below.

Section A: Biodata

Please put a tick mark (✓) in the option boxes provided or fill in the spaces provided.

A1 Department.....

A3 Age of respondent

20-29

30-39

40-49

50 and above

A3 Gender

Male

Female

A4 Experience in years of service

Less than 1

1-4

5 – 9

10 and above

A5 Qualification

Diploma

Certificate

Degree

Others (specify below)

.....
.....

Section B: Questions related with Objectives

For questions in B1, B3 and B3, Please respond to the statements given below basing on the ranking scale. 1 = *Strongly Disagree (SD)*, 2= *Disagree (D)*, 3= *Neutral (N)*, 4= *Agree (A)* and 5= *Strongly Agree (SA)*.

B1: Budget formulation and Organization service delivery

This section covers questions for the statement on the relationship between budget formulation and organization service delivery.

B1	Assertion statement related with aspects about Budget formulation and service delivery	Ranking				
		1	2	3	4	5
B1.1	Each department makes its own unit budget at Cornerstone					
B1.2	Budget formulation is undertaken as a process at this department at Cornerstone					
B1.3	Budget making is done as bottom up process at Cornerstone					
B1.4	Budget formulation is done after budget making meeting at Cornerstone					
B1.5	Budget formulation is consensually arrived at Cornerstone					
B1.6	Budgeting activities met the need of the organisations in rendering expected service at Cornerstone					
B1.7	Formulators of the budget help the firm to offer timely services					
B1.8	Services offered are prior planned for during budget formulation					
B1.9	Budgets facilitate beneficiaries to perform their duties well					
B1.10	Proper budget formulation results into proper customer service					
B1.11	Budget formulation results into opportunities of getting prompt services as planed					
B1.12	Budget formulation acts as a reminder for professional services delivery among staff utilizing the budget					

B2: Budget implementation and Organization service delivery

This section covers questions for the statements on the relationship between budget implementation and organization service delivery.

B2	Assertion statement related with aspects about Budget implementation and service delivery	Ranking				
		1	2	3	4	5
B2.1	Budget implementation follows a drawn budget plan at Cornerstone					
B2.2	Budget implementation receives support of staff of Cornerstone					
B2.3	Budget implementation follows decisions arrived at in the budget plan					
B2.4	Allocation of funds in the budget is fair across all units of Cornerstone					
B2.5	Budget resources utilization is effectively implemented as per the plan					
B2.6	Budget implementation has helped beneficiaries to use resources well					
B2.7	By implementing the budget services of the Cornerstone are delivered in time					
B2.8	Budget implementation has resulted into satisfactory service delivery					
B2.9	Budget implementation helps service providers to do their obligations					
B2.10	Implementation helps the Cornerstone to attain and evaluate its service outcomes					
B2.11	Through budget implementation, managers at Cornerstone decide how to allocate money in different organizational activities					
B2.12	Effective implementation of budget involves mobilization of all the proposed funds and spending them as planned					

B3: Budget control and Organization service delivery

This section covers questions for the statements on the relationship between budget control and organization service delivery.

B3	Assertion statement related with aspects about Budget control and service delivery	Ranking				
		1	2	3	4	5
B3.1	Monitoring of budget implementation is effectively done					
B3.2	Regular supervision of resource use is done in Cornerstone					
B3.3	There are abrupt audits done to check on resource uses					
B3.4	There is always monthly audits done to check on budget effective use					
B3.5	Accountability reports are produced at monthly and annual basis					
B3.6	Budget controls cut across the budget process of Cornerstone					
B3.7	Budgetary controls preserve the integrity of the accounting officials helping them to serve better					
B3.8	Budgetary control is a continuous measure of actual and budgeted expenditure at Cornerstone					
B3.9	Budgetary controls help service providers to remain focused and professional in conduct and practice					
B3.10	High degree of tight budgetary control is paramount for checking the unnecessary expenditure allocations					
B3.11	Budget control is an evaluative tool of the effectiveness of budget application at Cornerstone.					
B3.12	Budget controls helps prioritize key areas in implementation of the budgetary process at Cornerstone					
B3.13	Budget controls done provide a foundation to have accessible, and promptly delivered services at Cornerstone					

APPENDIX 3: INTERVIEW GUIDE FOR KEY TOP ADMINISTRATORS

This will be used in an interview with administrators especially those responsible for budget management and service delivery

Questions

1. How often does this company carry out budget formulation?
2. What activities are carried out during budget formulation?
3. How have the activities involved in budget formulation affected service delivery at Cornerstone Development Organisation?
4. Who is responsible for implementing your budgets?
5. Have the implementation of the organisation's budget been good or bad?
6. How have this affected the level of service delivery at this organisation?
7. What controls are carried out in your budget management activities?
8. Have these budget controls affected service delivery at Cornerstone?
9. If yes, how?
10. In which ways can budget management at Cornerstone Development Uganda be improved?
11. What can be done to have better service delivery than it is now at Cornerstone Development Uganda?

Thank you.