



## Funds Disbursement and Service Delivery in Uganda Case of Kabale District Local Government

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### ABSTRACT

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The purpose of this study was to determine how funding distribution impacted the delivery of services in Kabale District Local Government. The study's end variable was service delivery, while the study's predictor factors were the allocation of funds. The research was conducted after the cross-sectional survey. The information from 86 respondents was acquired, and both quantitative and qualitative analysis were carried out. Since descriptive analysis called for a single variable and its features to be presented together with the data, frequency tables were used to describe the data. The bivariate correlations between the predictor components and the dependent variable were examined using a Pearson correlation matrix. A linear regression model was used to fit the data. The distribution of money ( $R=862$ ) has a positive significance on the capacity of the local administration of Kabale District, according to research findings from the regression model. The main conclusion of this study is that the delivery of services is significantly impacted by how money is distributed. The study suggests that more effort should be put into money disbursement in order to ensure that service delivery at Kabale District Local Government is sustainable.

### KEYWORDS:

Funding Disbursement,  
Service Delivery,  
Uganda

### 1. INTRODUCTION

According to Nuhu et al. (2020), a fund disbursement is a payment made by the business in cash or cash equivalents over a predetermined time period, such as a quarter or a year. Each transaction is noted by a bookkeeper, who then publishes it to one or more ledgers like the general ledger and the cash disbursement log. In a local government environment, a record for a disbursement includes the date, the payee's name, the amount debited or credited, the payment method, and the payment's purpose (Achua, 2019). The payment is then reflected in the company's overall cash balance. Disbursement journals and ledgers are a record of the money leaving the company and might not accurately depict profit or loss. When a company adopts the accrual method of accounting, for instance, it records money as earned rather than as received and expenses as incurred rather than as always paid. (Shahabuddin, et al, 2021).

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Implementing internal control systems requires that funds be disbursed by the district or local government as payments over a predetermined time period, such as a quarter or a year, in cash or currency equivalents (Agaba & Turyasingura, 2022). To assist the local government in capturing all transactions, a bookkeeper records each transaction and publishes it to one or more ledgers, such as the general ledger and the cash disbursement log. It demonstrates how resources have been used in relation to service delivery, depending on when information is posted. A disbursement entry includes the date, the payee's name, the amount debited or credited, the payment method, and the reason for the payment, according to Agada, et al, (2018).

According to Amal (2018), Kabale district in Uganda exhibits inconsistencies in fund disbursement despite the rules and legislation outlined in the Local Governments Act, Cap. 243 (Section 35 (1)). Despite the establishment of numerous monitoring mechanisms, such as the police, the Inspectorate of Government, and the Office of the Auditor General, which is in charge of conducting audits of governmental entities (Auditor General Reports of 2017 and 2018), fund disbursement failures in local government areas in Uganda continue to rise on an annual basis. fund disbursement has

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been one of the most difficult and widespread issues with service delivery for a very long time.

The Kabale District saw an increase in corporate scandals and financial theft, which had a big impact on the regulation of auditing financial accountability (Berry, 2019). The task of providing services while ensuring fund disablement falls under the purview of each of these departments. Nevertheless, when it comes to the provision of services, financial accountability has become a worry. The district has had substantial issues with financial responsibility, which have hampered the provision of services, according to the Auditor General's Report for 2017–2018. According to the auditor general's office report for 2018–2019, just 25% of the total funding given to the district was accounted for, leaving the remaining 35% unaccounted for, which had an impact on service delivery. This study's goal was to investigate how financial accountability impacts the provision of services in Uganda's Kabale District local government.

### 2. LITERATURE REVIEW

Disbursements are a record of money leaving the company and may not be a true reflection of money being misappropriated by the district. In a district that uses the accrual method of accounting, for instance, revenue is recorded as it is earned rather than as it is received, and expenses are recorded as they are spent rather than just as they are paid (Alonet, 2018). Different items will be entered in the ledger depending on the business. Accounts payable, wages, and inventory must all be paid out of the monies given to the local government. To set the price of their product, producers take part in exchanges (Amal, 2018). He claims that accountants and auditors use the ledgers to track and figure out how much cash is available. The ledger records the numbers of checks issued, allowing the accountants and auditors to verify for any missing or incorrectly recorded

checks (Turyasingura, & Agaba (2022)). The impact of the funding distribution on the provision of local government services is uncertain. This study looked into how fund disbursement on service delivery in Kabale District local government.

### 3. MATERIALS USED

#### Research Design

An opportunity to thoroughly and in-depth analyses specific aspects of the data collected is provided by a cross sectional survey just once (Agaba & Turyasingura, 2023). After accounting for the views, preferences, behaviours, concerns, attitudes, and opinions of the target sample within the total population at a certain time, the results are extrapolated to the entire population. For this inquiry, the cross-sectional survey is suitable because it takes into.

#### Study Population

The study was conducted from Kabale District local government, southwestern Uganda. Based on its accessibility and familiarity with the subject of the study, the study population was selected. 12 political and community leaders, 1 chief administrative officer, 7 department heads, 12 sub county chiefs, and 2 town clerks were among the study's target respondents.

#### Sample size determination

Agaba et al, (2023) explain that sample is a collection of some elements of a population. Each member in the sample is referred to as a subject. Population refers to the entire group of people; events or things of interest that the researcher wishes to investigate, ( Anggadini et al 2021). Therefore, this study was conducted in Kabale District. A sample is a portion of the population whose results can be generalized to the entire population. From the sample population or stakeholders of 117, a sample size of 86 members was selected (as adopted from Krejcie and Morgan (1970) table and cited in Agaba and Emenike (2018) .

**Table 1: Categories of study population, population sample size**

Study population/ category	Total population	Sample size to be selected	Sampling technique
CAO	1	1	Purposive
Finance department	10	7	Purposive
Human Resource department	3	2	Purposive
Sub county chiefs	12	08	Simple random sampling
Political leaders	41	24	
Community members	50	44	
<b>Total</b>	<b>117</b>	<b>86</b>	

**Source:** Human Resource Office Kabale District Local Government 2022.

#### Data collection methods

##### Questionnaire survey

A questionnaire is a research tool that collects data from a sizable sample (Agaba et al 2023). Here are some questionnaires that complement this data collection strategy.

In order to facilitate data collection in a region, the sample questions were given to 50 community members and 12 sub county heads in the Kabale District. They included both open-ended and closed-ended inquiries.

**Interviews**

Person-to-person verbal contact called an interview involves asking another person or group of people questions in an effort to elicit information or opinions (Agaba et al 2023). The researcher directed the flow of the questions she asked the respondents during face-to-face, unstructured interviews. The approach was focused on direct interaction, in which the researcher asked and answered questions from the respondents. 50 community members and one sub-county head each received this method.

**Validity of the research instrument**

The degree to which outcomes from data analysis accurately reflect the phenomenon being studied is known as validity. Pre-testing the research instrument enables identification and correction of deficiencies such as unclear or ambiguous questions, insufficient space to write responses, cluttered questions, and incorrect numbering. The researcher

developed the research instruments, discussed them with the supervisors (Kabale University), and pre-tested them on selected respondents under similar characteristics in area of Kabale District (Amasha,2015). The researcher sought advice from the two (Kabale University) supervisors, sought the professional judgment of four judges to rate the items for each instrument, and then went on to calculate the content validity index (CVI) by adding up the number of items each judge rated as valid divided by the total number of items in the instrument. The CVI average was calculated.

Thus,  $CVI = \frac{\text{Number of items rated relevant by expert}}{\text{Total number of items in the instrument}}$

For instance, if the instruments have 40 questions and the following summary of the data is obtained; Average CVI will be calculated.

**Table 2: CONTENT VALIDITY**

INDEX Judge	Score	Valid
Judge 1	38/40	0.95
Judge 2	36/40	0.90
Judge 3	36/40	0.90
Judge 4	34/40	0.85
<b>Total</b>		<b>3.60</b>
<b>Average</b>		<b>0.90</b>

Source: Primary data 2022

These findings suggested that the research tools were appropriate for use in data gathering about the financial responsibility for service delivery. According to Kiconco *et. al*, (2023), the average content validity index (CVI) for instruments should be 0.7 or higher. The average index of 0.90 may be higher than the allowable limit. Instruments would be considered valid for the same reason.

**Reliability of research instruments**

These findings suggested that research tools are appropriate for use in data gathering about the financial responsibility for

service delivery. According to Amin (2005, p. 288), the average content validity index (CVI) for instruments should be 0.7 or higher. The average index of 0.90 may be higher than the allowable limit. Instruments would be considered valid for the same reason. The researcher carried out a pilot study on how Kabale District local government's financial accountability affected service delivery. The consistency of the answers among the different study participants was examined. Then, as indicated below, Cronbach's Alpha Coefficient (1951) was calculated.

**Table 3: Reliability Statistics**

Variable List	Cronbach's Alpha	N of Items
Funds disbursement	.812	7
Auditing process	.742	7
Record keeping system	.811	7
<b>Overall</b>	<b>0.788</b>	<b>21</b>

If the reliability test will be 0.7 and above, the instrument will be reliable as the basis to make decision.

**Qualitative data analysis**

To better comprehend the phenomenon under study, the researcher organized all the qualitative data that had been gathered through document analysis, key informant interviews, and qualitative data coding.

**Quantitative data analysis**

Both descriptive and inferential statistics were used in the quantitative data analysis. In order to determine how respondents felt about the impact of financial responsibility on service delivery at the Kabale District local government, the data was first computed using frequencies, which also contained means and percentages. The correlation method

was based on Pearson's coefficient (+ or - to show the direction of the relationship between the variables), and significance will be tested at 99% and 95% confidence levels. It was based on two tailed correlations and significant more than or equal to 0.05. An inverse relationship between the two variables is indicated by a negative correlation, whereas a positive correlation indicates a direct positive relationship between the variables. Determine the strength of the influence of the independent variables on the dependent variable using the adjusted R2 values and significance values from the regression analysis.

**Measurement of variables**

The nominal, ordinal, and interval scales were used to measure the study's variables. Information on variables that can be classified into two or more categories that are equally exclusive and mutually exclusive, such as categorizing gender and educational background, was gathered using a nominal scale. The interval scale was also employed by the researcher to gauge the respondents' varied opinions and attitudes. Responses were evaluated using a 1–5 point Likert scale (1–Strongly agree, 2-Agree, 3-Not sure, 4-Disagree, and 5-Strongly disagree).

**Ethical issues**

The researcher ensured all ethical issues were put into consideration so as not to compromise the quality of the research. The researcher ensured confidentiality by seeking of informed consent from respondents before collecting data

from them; ensure privacy while collecting data from the selected and key informants; as well as strive to minimize issues of plagiarism by acknowledging authors.

**4. RESULTS**

**Funds disbursement on service delivery at Kabale District local government**

This initial goal was to investigate how the distribution of funding affected the provision of services by the Kabale District Local Government. The research question, "What is effect of funds disbursement on service delivery at Kabale District local government?" served as the basis for this study. This research question kept the researcher interested in the subject of the investigation. Once more, it assisted the researcher in maintaining concentration on the study's particular subject and in defining the types of more precise questions that needed to be raised. Both primary sources and secondary data were used to gather the information needed to accomplish this. A questionnaire with five scales—strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D), and Strongly Disagree (SD)—was used for this. The table below provides a summary of the responses.

**Analysis on the five statements that were subjected to the respondents.**

Key: Strongly Agree (SA) 5, (Agree (A) (4), Undecided (UD) 3, Disagree (D) 2 and Strongly Disagree (SD) 1

Response	Agree		Undecided		Disagree	
	F	%	F	%	F	%
The local administration of Kabale district has access to monies from the federal government.	86	100	00	00	00	00
Money is always released when it becomes available.	70	81.4	16	18.6	00	00
quarterly fund releases from the central government	76	88.4	10	11.6	00	00
Kabale district local government produces local revenue.	86	100	00	00	00	00
The municipal administration of Kabale district receives donations and subsidies from sponsors.	68	79.1	18	20.9	00	00

**Source:** Field data 2022

Table 4.5 above indicates analyses on the five statements that were subjected to the respondents and intended to measure funds disbursement on service delivery at Kabale District local government. respondents were asked if local administration of Kabale district has access to monies from the federal government, all respondents with 100% agreed with the statement. Once again respondents were asked if Money is always released when it becomes available, 81.4% of the respondents agreed with the statement during data collection, 18.6% of the respondents were undecided during data collection. Respondents were asked if quarterly fund

releases from the central government, 88.4% of the respondents agreed with the statement during data collection leaving 11.6% of the respondents were undecided. Respondents were asked whether Kabale district local government produces local revenue, all respondents with 100%. Respondents. Respondents were asked if Donations and grants are given to the local administration of Kabale district, 79.1% of the respondents agreed during data collection leaving 20.9% of the respondents undecided

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Responses from One respondent

*“A disbursement is a payment made by the corporation during a predetermined time frame, such as a quarter or a year, in cash or cash equivalents. Each transaction is noted by the bookkeeper, who then uploads it to one or more ledgers like the general ledger and the cash disbursement log. It displays how resources have been used depending on service delivery when it is posted. The date, the payee's name, the amount debited or credited, the payment method, and the payment's objective are all included in an entry for a disbursement.*

Most of the time, all three paradigms of funding (donations/grants, local revenue, and releases from the federal government) have effective methods for funding. The study confirmed that there was a relationship between quantitative and qualitative findings after doing a qualitative data analysis. The two data sets agreed, and it was obvious that qualitative data supported quantitative data.

### Hypothesis testing

To be able to generalize the results from the population samples, the study put the putative hypotheses to the test.

### Correlation analysis for Funds disbursement

		Service Delivery	Funds disbursement
Service delivery	Pearson Correlation	1	.862**
	Sig. (2-tailed)		.000
	N		
	Pearson Correlation	.862	.862
Funds disbursement	Sig. (2-tailed)	.862**	
	N		
		.000	
		86	86

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

Source: Primary Data 2022

There is a correlation coefficient displayed in Table above. Fund disbursement and service delivery have a positive link, as indicated by the value of 0.862. Therefore, a regression analysis was conducted to assess the degree of link between

the disbursement of cash and the provision of services, i.e., the degree to which the independent variable's variance would influence the dependent variable.

### Model summary of Funds disbursement

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862 <sup>a</sup>	.925	.924	.15216

a. Predictors: (Constant), Funds disbursement

The fund disbursement has an impact on service delivery, according to the coefficient of determination (.862), which indicates a considerable positive importance. This implies

that the stronger the service provided; the more money is disbursed. As a result, 92.4% of the money spent on providing services to the Kabale District local government.

Regression output summary on Funds disbursement

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.385	.134		2.882	.005
1 Funds disbursement	.921	.030	.762	30.953	.000

a. Dependent Variable: Service delivery

Source. Field data 2022

The results again revealed a regression coefficient of .862 at 0.01 significance level hence a positive significant. Results further confirm that funds disbursement has an influence on service delivery with a Beta value of 0.762 at 95% level of confidence. Therefore, the researcher holds alternative hypothesis which states that “Funds disbursement has a significant effect on service delivery at Kabale District Local Government.

**Empirical finding on service delivery**

The information in this section focuses on the conclusions regarding the dependent variable, which is the local government of Kabale district's provision of services. This information came from both primary and secondary sources. The table below provides a summary of the responses.

**A summary of the findings on service delivery at Kabale district local government**

Statements on service delivery	Agree		Undecided		Disagree	
	F	%	F	%	F	%
Clear justification for service delivery is provided by access to health services.	86	100	00	00	00	00
Due to effective financial responsibility, access to education is proceeding smoothly.	76	88.4	10	11.6	00	00
In the district, access to roads and infrastructure has grown.	86	100	00	00	00	00
Effective financial accountability is reflected in the Kabale District's service delivery.	80	93.1	6	6.9	00	00

Source: Primary data 2022

Four comments about service delivery at the Kabale District Local government were given to respondents. When asked if access to health services provides a clear basis for service delivery, 100% of respondents said yes throughout data collection. When asked again if access to education is moving along smoothly as a result of effective financial responsibility, 88.4% of respondents agreed with the statement, while 11.6% disagreed. When asked if the district's access to infrastructure and roadways had improved, all of the respondents said "yes." Finally, when asked if the Kabale District's service delivery indicated effective financial responsibility, 93.1% of respondents agreed with the statement, leaving 6.9% of respondents unconvinced.

**5. DISCUSSION**

**Funds disbursement on service delivery at Kabale District local government**

The results of the study on how the Kabale District Local Government's cash disbursement affected service delivery demonstrate that there was a strong and favorable association between the two factors. This was based on quantitative results that were reinforced by qualitative results from key informant interviews about the provision of services by the Kabale District Local Government, which could be influenced by the independent variable of funds disbursement, which makes a sizable contribution. Achua (2019), who defines an in-fund distribution as a payment made by the district in cash or currency equivalents for a specific time, such as a quarter or a year, agrees with the

finding on objective one. Every transaction is documented by a bookkeeper, who then uploads it to one or more ledgers like the general ledger and the cash disbursement log (Adegite, 2015). It displays how resources have been used depending on service delivery when it is posted. The date, payee name, amount debited or credited, payment method, and purpose of the payment are all included in an entry for a disbursement, according to Adegite (2015). The business's overall cash balance is then modified to reflect the payment.

## 6. CONCLUSION

According to the facts and analysis above, Kabale District local government service delivery is impacted by the distribution of funding. This is in line with the conclusions. All respondents who were questioned about the availability of funds from the federal government for the Kabale district's local government agreed with the statement. However, when asked whether funds are always distributed when they are available, 81.4% of respondents said they did, leaving 18.6% of respondent's undecided. When asked if the central government releases funds every three months, 88.4% of respondents said they agreed, leaving 11.6% of respondents unsure.

## 7. RECOMMENDATION

The study suggests that the distribution of finances impacts Kabale District Local Government service delivery through central government releases, local revenue, and donations and grants. More information about the impact of fiscal responsibility and service delivery in Kabale District will once more be generated. The report also suggests emphasizing the discussion of national policy changes related to local government service delivery and funds disbursement to be a priority.

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