

Financial Management Practices and Health Service Delivery in Uganda Local Governments: A Case Study of Rukungiri District

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Abstract

This study examined the effect of financial management practices on Health service delivery in Rukungiri District. The study explored the effect of budgeting, financial accountability and financial controls on health service delivery in Rukungiri District. The study adopted a case study and cross sectional survey designs using both quantitative and qualitative approaches. Data was collected from the study population that included district top management and other administration staff, district and NGO health workers, district councilors, Sub-county chiefs, LC.III Chairpersons, and health users who responded to a five point likert scale survey instrument and semi- structure interview guide. Out of a total of sample size of 118 respondents, 117 returned the survey instruments completely filled representing a response rate of 99%. The survey data was analysed using descriptive statistics, correlation and regression analysis computed using SPSS version 18 and content analysis. The findings revealed that there exists a positive significant relationship between Budgeting and Health service delivery, a positive significant relationship between financial accountability and Health service delivery and a moderate positive significant relationship between financial controls and health service delivery. The study concluded that participatory budgeting was not given attention but left to the top management, that financial accountability was inadequate due to lack of openness, transparency and weak financial systems, and that financial controls are not strictly followed due to poor health monitoring expenditure,

technically hard and not reviewed regularly. The study recommends that the district management should put in place a strong budgetary system by involving relevant stakeholders, strengthen financial accountability that may help to improve on accountability and transparency and reinforce financial controls such as auditing systems, financial monitoring and other internal controls. This enhances financial management practices hence improved health service delivery.

Keywords: Financial Management, Local Government, Service delivery, Uganda.

Introduction

Financial management practices existed in ancient times in different forms. In the early days financial management generally took a form of personal perspective. This was found reflected in almost all families, clubs, churches, health units, games, armies, expeditions and many other socio-economic and political organizations.

In ancient Mesopotamia a group of priests did the work of financial management. To facilitate the work of financial management and maintain their stewardship, they invested some means of notation and writing and ultimately developed groups of scribes to keep records and prepare reports (Basu, 1998, p.176).

The financial management concept has evolved with time and with the transformation of the environment and the circumstances in which companies have operated. The earliest studies conducted on financial management systems saw them as cybernetic and formal systems, focused on the use of financial and accounting information systems, fundamentally through cost accounting and budgets. Subsequently, this viewpoint was enriched with different contributions which centred on analysing the influence of psychosocial and cultural aspects as key variables in the control of organizations (Omopariola, 1983).

These latter studies have stressed the importance of human relationships, leadership, motivation and the organisation's culture as less formalised – yet no less relevant – aspects of financial systems. As a result, organisational financial management practices today is not conceived as a closed mechanistic system but rather as a system with social connotations and open to the influences of the organisation members and its environment.

Uganda fully embraced financial management practices in October 1962 when it formulated the public finance act (cap. 193) an act to provide for the control and management of the public finances of Uganda, for the audit and examination of public accounts and the accounts of certain statutory bodies, and for matters connected therewith.

Commercial history is replete with examples where firms have been liquidated not because their technology was obsolete or because their products had no demand or because their labour was not skilled and motivated but because there was a complete mismanagement of financial affairs (Basu, 1998, p. 357).

Financial management is very important in the case of non-profit organizations because most non- for profit organizations do not pay attention to financial management practices including budgeting, financial accountability and financial controls. A non profit making organization may not be keen to make profits in the traditional sense of the term, but surely it needs to cut down its costs and use the funds at its disposal to its optimum capacity there by adopting financial management practices.

Financial management practices have now gained popularity in every organization both profit and non-profit organizations and is offered as a discipline in the universities. This is because finance is taken as life blood of the organization and hence the need for financial managers in every business either for sole traders, partnerships and companies with financial management practices skills. A finance manager in the health sector would need to plan and ensure that enough funding is available at the right time to meet the needs of the organization for short, medium and long term requirements.

This therefore necessitated an investigation into how financial management practices affect health service delivery in Rukungiri District. The key research questions therefore were:

- i. What is the effect of Budgeting on health service delivery in Rukungiri District?
- ii. What is the effect of financial accountability on health service delivery in Rukungiri District?
- iii. What is the effect of financial controls on health service delivery in Rukungiri District?

Theoretical Perspective

Forester (2002) observed that at the heart of public financial management practices are relationships among those who provide agency services and those who allocate resources to service providers. In other words those who make claims on government resources are agents and those who allocate and ration resources are principals. In this relationship, the principal contracts with the agent to provide services to the public (Khan and Bartley, 2002:p.124). This theory has been used to explain the relationship between the government of Uganda and Rukungiri District Local government on the other, contracting to provide health services to the public and how this relationship has influenced financial management practices and health service delivery on the other side. Therefore Rukungiri District as an agent is accountable for all the health funds it receives, by ensuring proper budgeting, financial accountability and financial controls for its health sector in the district from the principal (central government) by ensuring that financial resources are properly utilized in health service delivery. The findings revealed that principal agent theory was applicable to the study which suggests that the district management (agent) should strengthen the financial management practices to provide better health services to the citizens so as to give proper accountability to the principal (central government). For instance, if you improve on financial management practices based on principal agent theory, you would be able to have improved health service delivery in the district.

The Open Systems Theory by Ludwig Von Bertalanffy (1956)

Bertalanffy (1956) propounded the notion that closed system theory cannot apply to what he called "open systems," which characterize living entities, including individuals, groups, and organizations hence the development of open systems theory. The term "open systems" therefore, reflects the new found belief that all organizations are unique and should therefore be structured to accommodate unique problems and opportunities (Katz & Kahn, 1978). The theory contends that for a new system to be adopted, it needs to be able to adjust to the changes that occur in the environment.

Open systems approach has been commended for its potential usefulness in "synthesizing and analyzing financial management and health service delivery organizations. Katz and Kahn (1978) assert that comprehension of a system cannot be achieved without a constant study of the forces that impinge upon it. This is in agreement with other scholars like Basu(1998), who recommends an open-systems approach for studying contemporary local government entities which now exist in a swift changing social and economic environments.

Open systems theory was preferred for this study over many of the classical theories because it looks at an organization (Rukungiri district) as an open system. Basu (1998, p.189) argues that "the only meaningful way to study organization is to study it as a system" and further observes that the distinctive feature of modern organization theory was in its conceptualization of an organization as an open system. This compelled the researchers to study Rukungiri district as an open system vulnerable to any external forces and internal forces. The three independent variables of the study; budgeting, financial accountability and financial controls were looked at as inputs in an open system theory while dependent variables: quality of services, cost of services, timely services, sustainability and impact were regarded as outputs of the study.

To conceptualise Rukungiri district as an open system was therefore, to emphasize the importance of its external and internal environment upon which financial management, financing and survival as an open system depended in health service delivery. Open systems theory suggests that the secondary results of a given system increase or decrease the continuity of one's system. For instance, if a district health sector was affected by constant drug stock-outs and financial mismanagement, open systems theory suggested that one should develop better systems that accurately determine re-order points and strict measures for better financial management (Basu, 1998).

The systems theory entails an understanding of how people work within systems to deliver services (Rose & Lawton, 1999). People are a resource unlike any other in that their value and availability can be difficult to quantify. Services are also judged partly by subjective criteria, so understanding the quality that is provided by any service system can be tricky. Therefore, Rukungiri district should attempt to understand how to build the best system for the best health services, since health services are a fundamental human right. In addition health services exist as events and cannot be resold or shared with any other district sector. This therefore implies that delivering health services to the citizens involves having a real individual interact with the people as a system and meet their health needs.

In summary, theoretical literature review revealed that Bertalanffy open systems theory is in harmony with the researchers' study findings on both the independent and dependent variables. It revealed the need for Rukungiri District to improve and strengthen its financial management practices of budgeting, financial accountability and financial controls because these as a system positively improve on health service delivery.

However, open systems theory does not provide recommendations on how best health service delivery especially in African settings can easily be improved. It offers no in depth analysis of several financial management practices which inhibit the success of health service delivery in Uganda.

Financial management is defined as the efficient use of funds and a method of showing as well as ascertaining the financial position of government or business entity from time to time (OluOjo, 2009). He further argues that the funds of the local government councils are managed by the key officers of respective councils. Financial management is conceptualized as attempt to use the funds in the most productive manner. In this study, financial management practices is defined as the process of ensuring that financial resources are obtained, used effectively and efficiently in the delivery of health services.

Financial accountability is defined as responsible stewardship for the use of public money (Aleksandra, 2009). It is about verification of legality and regularity of financial accounts, but also about making sure that value for money has been achieved in the use of resources. This is achieved if there are strong accounting systems, auditing and timely financial reporting within an organisation. In this study financial accountability is a means of ensuring that public money has been used in a responsible and productive way in health service delivery.

According to the local government and accounting manual 2007 budgeting can be defined as an annual plan of a local government income from the revenue collected, Government grants and all other revenue source and how such local revenue will be spent in accordance with their objectives, needs and priorities. The process of budgeting in the public sector stretches from the consultation with the central government through the National budget conference to budget preparation through budget approval to the budget implementation. In this study budgeting is taken to mean the process by which the district estimates its revenues and expenditures while ensuring that it can continue to operate within its projected income and expenses in health service delivery.

According to Anton (2000, p.526), "financial control means checking how public revenues are used and inspection of management of public property". Financial controls in this study are the tools that district managers use to satisfy their roles of tracking financial management progress and evaluating financial results, and reporting on the district objectives on what extent they have met health service delivery.

World Health Organization (WHO) defines health service delivery as the way health inputs are combined to allow the delivery of a series of interventions or health actions (WHO, 2001). The service provision function of the entire health system is often identified with just health service delivery (WHO, 2000). The report states that health service delivery is the chief function that the health system needs to perform like reduction in maternal and child mortality. In this study, health service delivery means tangible goods and intangible services offered to the people so as to satisfy their fundamental health needs and wants. In this study, health Service delivery is the dependent variable and it has been interpreted to represent quality of service, time, sustainability, cost of service and impact.

Contextual Background

Health is a fundamental human right as provided for in Uganda's constitution (1995), Uganda's National Health policy, amongst other things, calls for sustainable development, management and use of national financial resources, with the full participation of all stakeholders to provide better health services (Annual Health Sector Report, 2010). Rukungiri Local government founded in 1972 is located in south western Uganda. The District Health department headed by the District Health Officer is decentralized in service delivery.

Rukungiri District has adopted financial management practices as stipulated in the Uganda Public Finance and Accountability Act, 2003 p.3, provides for the development of an economic fiscal policy frame work to regulate financial management of the government funds, prescribe responsibilities of persons entrusted with funds and provide for the audit of state enterprises and other authorities of the state. The financial management practices adopted include budgeting, financial accountability and financial controls (District Development Plan, April 2010).

The district management team with its core departments of finance, procurement, auditing and monitoring units have qualified staff responsible for budgeting, financial accountability, monitoring, and financial control so as to ensure proper use of financial resources in health service delivery in terms of quality, time, cost, sustainability and impact (Local Government Financial and Accounting manual ,2007). The district continues to conduct financial monitoring in the health sector as laid in the frame works. The budget and finance committee conducts quarterly financial management reviews of implementers both at the district level and sub county levels (District Analysis Report, June 2010).

Rukungiri District has demonstrated a commitment to building strong financial management practices, health-organization systems and to developing a sound legal and regulatory

financial framework in health care (District Analysis Report, June 2010). Minimum health care packages have been developed to improve health service delivery and access to health services have improved through construction and upgrading of primary health care centres. Funds channeled to primary health target "best buys" cost-effective interventions which benefit the poor have been used to increase immunization coverage, distribute insecticide-treated nets and antimalarials, expand awareness of HIV risks and increase condom use by vulnerable (District Analysis Report, June 2010).

The health services in Rukungiri District includes medicine management, Antenatal and immunization, malarial control, HIV/AIDS and STI's control, infrastructure development and maintenance, health education, nutrition programs, sanitation, maternal health care ,child days and disease prevention programs. The district relies on 76 health centers and 18 private clinics for health service delivery (District Development plan 2010/11 – 2012/13).The financial management and health performance service delivery of Rukungiri District stands at 73.3% on average (Annual Health sector performance Report November, 2010), well above the national performance.

The Millennium Development Goal number four, five and six put the target at 95% and 100% over all coverage by 2015. The district has attracted funds of shs.11, 100,427,042(District final accounts, 2006-2010) from the central Government towards the health sector with the help of the US government in form of donation as well as Australian Government through the Ministry of health programmes for construction of health facilities, toilets, staff houses, increased medicines and supplies, increase % of deliveries, house hold latrine coverage, increased antenatal care and immunization and establish village health teams(District Analysis Report ,June 2010).

While Rukungiri District figures for financial management and health performance service delivery seem promising in relation to the MDG number four, five and six, most of the health facilities broke down and had leaking roofs in one year like Buhunga HC IV leaving a sharp contrast between the figures of coverage in terms of constructed health facilities (coverage at 73.3%) and actual functionality of these facilities which stood at 67.5% in 2008/2009 FY and 69.73% 2009/10 FY (District Analysis Report, June 2010).

Also, despite the funding received, most Theatres of HC IV's were poorly constructed characterized by poor dusty floors, stance latrines constructed collapsed in six months and are in a sorry state. There is persistent drug stock outs, no medical doctors, absence of reliable medical equipments, and poor houses for medical staff with leaking roofs as the contractors did shoddy work (District Internal Audit Report, June 2010).

The Health worker inventory shows that the district has 256 health workers with three doctors in government health centres that are absent much of the time. There is scanty information on the village health teams established as in 2008/09 FY only 4/15 planned were established and less than 50% of budgeted money was spent, immunization coverage reduced to an average of 73% from 87% in FY 2009/10, there is increased maternal and child mortality , inadequate maternity wards, poor staff houses and no medical equipment like Buyanja, Bugangari and Kibirizi Health Centres and yet funds were released as per the budgets from 2006-2010 FY(District Analysis Report, June 2010).

The District development plan 2010/11-2012/13 indicated that the district does not have any government hospital. It is only served by two PNFP private hospitals namely Nyakibale and Kisizi where services are fairly expensive and not easily accessible by both rural and urban population in the district (District Annual Health report, June 2009).

Although Rukungiri district authorities have adopted financial management practices of budgeting, financial accountability and financial controls put in place by the government of

Uganda to ensure better health service delivery, there has been persistent criticism from the public about health service delivery in terms of quality, time, cost, sustainability and impact (District Analysis Report, June 2010) and District management has not come up with a satisfactory explanation. This study therefore attempted to fill the above gaps.

Statement of the Problem

Financial management practices and health service delivery is a global concern to human life. The Government of Uganda has put in place financial management practices to follow while using government funds to deliver health services. These are stipulated in the Uganda public finance and accountability Act (2003) which among others includes budgeting, financial accountability and financial controls. Rukungiri District has adopted and implemented these financial management practices to have better health service delivery in terms of quality, time, cost, sustainability and impact (District Development Plan, 2010/11-2013/14). Rukungiri District health sector has in the recent five years (2006-2010) attracted funding to the tune of shs.11, 100,427,042 to improve on health service delivery (Rukungiri District Final accounts, 2006 -2010).

Despite the above efforts towards financial management and funding put in place, health service delivery is still far from being realized as evidenced by persistent drug stock outs in all health centres, most health centers had leaking roofs in just 6 months after construction, significant breakdown and non-functional theatres of health centres due to poor construction like Buhunga and Bugangari HC IV's, increased maternal and child mortality rates, little latrine coverage and break downs, no maternity ward and poor staff houses like Buyanja HC III, absence of essential medical equipment and reduced antenatal and immunisation rates by 15% (District Analysis Report, June 2010). This trend of poor performance in health service delivery leaves room for one to doubt the roles of district and health management teams, finance department and monitoring units in budgeting, financial accountability and financial controls in health service delivery.

Methodology

The researchers used both case study design and cross sectional survey. A case study design was used as an in-depth investigation of an individual, group, institution and makes detailed examination of a single subject (Mugenda and Mugenda, 1999, p.173). The case study design helped to make an intensive investigation on financial management practices and its effect on health service delivery at individual unit, group, entire community and family in order to understand the life cycle of that particular unit and collect a firsthand narrative (Amin, 2005 p. 196). The justification for the use of a case study design was that it provided insight into a particular situation and stressed the experiences and interpretations of those involved. In addition, it helped to generate new understandings and explanations of hypotheses about the problem.

The targeted population was 130. This included top authorities who were purposively selected, like RDC, LCV Chairperson, Chief Administrative Officer, District Health Officer, Chief finance officer, District Health Inspector, Doctors, Nurses and midwives, Health Assistants, Sub-county Chiefs, LCIII Chairpersons, Sub-county Councilors and health service user committees. Some selected community members were randomly selected.

The researchers targeted a sample of 118 respondents, both male and female. Of this sample a total of 117 returned the questionnaires which were fully completed implying response rate of 99 %. The response rate gives the perspective to the data and the results and consequently the frame work in which the conclusions can be made. It is a ratio between the number of

returned completed questionnaire and the number of reachable respondents. The response rate of 70% and above is good response in descriptive studies (Mugenda and Mugenda, 2003).

Findings

Budgeting and Health Service Delivery

A correlation analysis was computed, examined and interpreted. This was done to find out the nature and degree of the effect of Budgeting on health service delivery. The results are summarized in the table below:

Table 1: Budgeting and Health service delivery (N=117) Correlation

		Health Service Delivery	Budgeting
Health Service Delivery	Pearson Correlation	1	.305**
	Sig. (2-tailed)		.001
	N	117	117
Budgeting	Pearson Correlation	.305**	1
	Sig. (2-tailed)	.001	
	N	117	117

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

Source: Primary data

In this study the Pearson product moment correlation was used to find out the effect of budgeting on health service delivery. The results presented in the table shows that there is a relatively weak positive and significant effect of Budgeting on Health service delivery in Rukungiri District where the Pearson's correlation coefficient $r = 0.305^{**}$ significant at 0.01 (99% confidence level) as the value of 0.01 is less than 0.05. This implies that when Budgeting is fully supported and properly done by administrators of Rukungiri district local government, health service delivery will be improved significantly.

A regression analysis was also carried out to determine the proportion of variation in health serviced delivery that is able to be explained by the model. The results are indicated in the model summary below.

Table 2: Model summary of Budgeting and health service delivery (N=117)
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305 ^a	.093	.085	.50724

a. Predictors: (Constant), Budgeting

Source: Primary Data

The model summary in table above shows adjusted R Square value of 0.085 between Budgeting and health service delivery suggesting that Budgeting alone predicted 8.5% of the variance in health service delivery. The adjusted $R^2 = 0.085$ and significance 0.001 suggested that budgeting was a strong significant predictor of health service delivery though the variation in health service delivery explained by it was low.

Table 3: Regression ANOVA^{bl} of Budgeting and Health Service delivery (N=117)
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.028	1	3.028	11.768	.001 ^a
	Residual	29.589	115	.257		
	Total	32.617	116			

a. Predictors: (Constant), Budgeting

b. Dependent Variable: Health Service Delivery

Source: Primary Data

The researchers used ANOVA statistical technique to analysis data. The study had the level of significance at $\alpha=0.05$. It can be deduced from the regression that budgeting has got a strong contribution to the health service delivery, $F=11.768(0.001^a)$. Since significance calculated 0.001^a is lower than 0.05, the researchers accepted the hypothesis which was stated that "Budgeting significantly affects health service delivery in Rukungiri District." The results of the correlation and linear regression indicated that at 99% level of confidence (0.05) that 8.5% of variation in health service delivery was accounted for by budgeting and this was statistically proved to be significant.

Table 4: Regression coefficient for Budgeting and Health Service delivery (N=117)
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.745	.269		6.484	.000
	Budgeting	.251	.073	.305	3.430	.001

a. Dependent Variable: Health service Delivery

Source: Primary Data

The researchers used coefficients (beta values) statistical technique to analysis data. This helped to determine the extent of the effect of budgeting on health service delivery and how budgeting impacts on the health service delivery. The study showed that budgeting had beta value of 0.305. It can be deduced from the regression that at 1% increase in budgeting, health service delivery improves by 0.305% and at 100% increase in budgeting, health service delivery is likely to improve by 30.5%. Therefore the management of Rukungiri should strengthen budgeting because it improves on health service delivery.

Financial Accountability and Health Service Delivery

The purpose of the objective was to examine the effect of financial accountability on health service delivery in Rukungiri District. In this Study the variable was measured using a total of ten questions, which solicited the respondents' opinions.

All in all, the study revealed that much as the majority of the respondents were in agreement that financial accountability was good in Rukungiri district but during interviews, it was noted that there are still gaps to be filled like failure to punish those who misuse health funds, failure to produce regular health financial statements for decision making and failure to give financial information to relevant stakeholders. This implied that health service delivery was in one way or another affected by the failure to close the gaps in financial accountability. It therefore gets an overall view of how respondents rated financial accountability and its effect on health service delivery in Rukungiri District.

A correlation analysis was computed, examined and interpreted. This was done to examine the effect of financial accountability on health service delivery.

The results are summarized in the table 5 below:-

Table 5: Financial Accountability and Health service delivery (N=117).
Correlation

	Health Service Delivery	Financial Accountability
Health Service Delivery	1	.249**
Pearson Correlation		.007
Sig. (2-tailed)		
N	117	117
Financial Accountability	.249**	1
Pearson Correlation	.007	
Sig. (2-tailed)		
N	117	117

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

In this study the Pearson product moment correlation was used to examine the effect of financial accountability on health service delivery. The results presented in the table shows reveal that there is a positive significant relationship between Financial accountability and Health service delivery in Rukungiri District where the Pearson's correlation coefficient $r = 0.249^{**}$ significant at 0.01(99% confidence level) as the value of 0.007 is less than 0.05. This implies that when financial accountability improves and is fully implemented by administrators of Rukungiri district local government, health service delivery is likely to improve significantly.

A regression analysis was carried out to determine the proportion of variation in health service delivery that is able to be explained by the model. The results are indicated in the model summary below.

Table 6: Regression model summary between Financial Accountability and Health service delivery (N=117) Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.249 ^a	.062	.054		.51581

a. Predictors: (Constant), Financial Accountability

Source : Primary Data

The model summary in the table shows adjusted R Square value of 0.054 between financial accountability and health service delivery suggesting that financial accountability alone predicted 5.4% of the variance in health service delivery. The adjusted R² = 0.054 and significance 0.007 suggested that financial accountability was a strong significant predictor of health service delivery.

Further regression analysis was made to understand the variation in health service delivery by financial accountability and the results are presented in the table below.

Table7: Regression ANOVA^b of Financial Accountability and Health Service delivery (N=117) ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.020	1	2.020	7.593	.007 ^a
Residual	30.597	115	.266		
Total	32.617	116			

a. Predictors: (Constant), Financial Accountability

b. Dependent Variable: Health Service Delivery

Source : Primary Data

The researchers used ANOVA statistical technique to analyse data. The study had the level of significance at $\alpha=0.05$. It can be deduced from the regression that financial accountability has got a significant contribution to the health service delivery. Since significance calculated 0.007^a is lower than 0.05, the researchers accepted the hypothesis which was stated that "Financial Accountability significantly affects health service delivery". This implies that putting in place strong financial accountability will significantly improve health service delivery.

Table 8: Regression coefficient for Financial Accountability and Health Service delivery (N=117) Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.835	.301		6.092	.000
	Financial Accountability	.222	.081	.249	2.755	.007

a. Dependent Variable: Health Service Delivery

Source : Primary Data

The researchers used coefficients (beta values) statistical technique to analyse data. This helped to determine the extent and direction of the significance between financial accountability and health service delivery and how financial accountability impacts on health service delivery. The study showed that financial accountability had beta value of 0.249. It can be deduced from the regression that at 1% improvement in financial accountability, health service delivery improves by 0.249% and at 100% improvement in financial accountability, health service delivery is likely to improve by 24.9%. Therefore the management of Rukungiri District should strengthen, improve and implement better financial accountability because it helps to improve on better health service delivery.

Financial Controls and Health Service Delivery

The purpose of the objective was to determine the extent to which financial controls affect health service delivery in Rukungiri District. In this Study the variable was measured using a total of eleven questions, which solicited the respondents' opinions. This was done on the basis of a five likert Scale and responses from respondents are summarised. Financial controls in this study was conceptualised as Monitoring health expenditure, Auditing system and internal controls.

The study revealed that much as the majority of the respondents were in agreement that there are strong financial controls in place but during interviews, it was noted that the impact of financial controls is far from being realized because there are still many gaps such as a weak health monitoring expenditure team, complete absence of health monitoring expenditure reports, laxity in continuous auditing of health projects and abuse of internal controls by many officers leading to mismanagement of health funds. This implies that health service delivery was in one way or another affected by the failure to close gaps in financial controls.

In order to determine the extent to which financial controls affect health service delivery, a correlation coefficient was performed.

Table 9: Financial Controls and Health service delivery (N=117) Correlations

		Health Service Delivery	Financial Controls
Health Service Delivery	Pearson Correlation	1	.433**
	Sig. (2-tailed)		.000
	N	117	117
Financial Controls	Pearson Correlation	.433**	1
	Sig. (2-tailed)	.000	
	N	117	117

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

Source: Primary data

The findings reveal that there is a moderate positive significant relationship between financial controls and health service delivery where Pearson's correlation coefficient $r=0.433^{**}$ and $p=0.000$. This implies that when financial controls are improved, strengthened and fully implemented by Rukungiri District administrators, health service delivery will improve significantly to some extent.

A regression analysis was carried out to determine the extent of variation or proportion to which financials controls affect the health service delivery that is able to be explained by the model. The results are indicated in the model summary below.

Table 10: Regression model summary financial controls and Health service delivery (N=117)
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.433 ^a	.187	.180	.48016

a. Predictors: (Constant), financial controls

Source : Primary Data

The model summary in table above shows adjusted R² value of 0.180 between financial controls and health service delivery suggesting that financial controls alone predicted 18% of variance in health service delivery. The adjusted R = 0.180 and significance of 0.000 suggested that financial controls was a strong significant predictor of health service delivery. Further regression analysis was made to understand the variation in health service delivery by financial controls and the results are presented in the table below:

Table 1: Regression ANOVA^b of financial controls and health service delivery (N=117)
ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.103	1	6.103	26.469	.000 ^a
	Residual	26.514	115	.231		
	Total	32.617	116			

a. Predictors: (Constant), Financial Controls

b. Dependent Variable: Health Service Delivery

Source: Primary Data

The researchers used ANOVA statistical technique to analyse data. The study had a level of significance of $\alpha=0.05$. It can be deduced from the regression that financial controls have got a strong effect on health service delivery = 36.469 (0.000a). Since significance calculated of 0.000a is lower than 0.05, the researchers rejected the hypothesis which was stated, "Financial controls do not have significant effect on health service delivery" and accepted the alternative hypothesis. The null hypothesis was therefore rejected and alternative accepted.

Table 12: Regression coefficient for Financial Controls and Health Service delivery (N=117)
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.327	.262		5.067	.000

Financial Controls	.395	.077	.433	5.145	.000
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a. Dependent Variable: Health Service Delivery

Source: Primary Data

The researchers used coefficients (beta values) statistical technique to analyse data. This helped to determine the extent and direction of the significance between financial controls and health service delivery and how financial controls impact on the health service delivery. The study showed that financial controls had a beta value of 0.433. It can be deduced from the regression that at 1% improvement in financial controls, health service delivery improves by 0.433% and at 100% improvement and implementation in financial controls, health service delivery is likely to improve by 43.3%. Therefore the management of Rukungiri District should strengthen, improve and implement better financial controls because they help to improve on better health service delivery.

Hypothesis Testing

To test the hypothesis in this study, regression analysis was conducted. The analysis proved that only two hypotheses are supported and the results are presented using the respective P-values in the table below.

Table 3: Results of the Hypothesis Tests

Hypothesis	R	R ²	F	P-value	Hypothesis
Budgeting significantly affects health service delivery	0.305 ^a	0.093	11.768	0.001	Accepted
Financial accountability significantly affects health service delivery	0.249 ^a	0.062	7.593	0.007	Accepted
Financial controls do not have a significant effect on health service delivery	0.433 ^a	0.187	26.469	0.000	Rejected

R=Pearson Correlation, R²=Coefficient of Determination, F=statistical finding, P-value=Probability value

Source: Primary Data

From the above summarized findings, it is revealed that budgeting positively affects health service delivery (R= 0.305a F= 11.768, at P=0.001), this is followed by financial accountability (R=0.249a, F=7.593, at P=0.007) and financial controls significantly affects health service delivery (R=0.433a, F=26.469, at P=0.000). The analysis further proved that only two hypothesis are accepted, that is; budgeting positively affects health service delivery and financial accountability positively affects health service delivery. However, null hypothesis which stated that, "financial controls do not have significant effect on health service delivery" was rejected. The alternative was accepted because financial controls significantly affect health service delivery. Therefore, for one to realize better health service

delivery, budgeting has to be done very well, financial accountability improved and financial controls strengthened so as to enhance health service delivery.

Conclusions and Implications

Information gathered during the field study indicated that the local people participation in budgeting was not given emphasis and as a result they are not aware of importance of budgeting as a financial management practice that is positively affects health service delivery. It was also found out that budgeting in Rukungiri district has taken top-down approach meaning that it is left to the top management only and key political staff and this is not a representative of the local tax payers who are the primary health beneficiaries.

It was evident that if major stake holders / beneficiary community are involved in the budgeting, health delivery would improve. However, this is not the case as the district and Sub-counties conduct budgeting without integrating the views of local people in the district development plans. This therefore partly explains the negative relationship between budgeting and health service delivery; leading to increased mortality and lack of a clear linkage between budgeting and the actual health service delivery.

Observation from interviewee indicated that while budgeting may no longer be in so called "black box" it is very much still in grey box. Budgeting was consistently suggested to be ineffective and as a result it was impacting negatively on health service delivery.

Participatory budgeting approach should be adopted and used in the health sector where the health user community should be made to participate at each and every possible stage of budgeting(identification, implementation and reporting), such that the expectations and roles are known to all concerned. This will ease implementation because all the health stakeholders will be knowledgeable about their roles that consequently improve on health service delivery.

The local government officials should be open and transparent during health budgeting by involving more relevant stake holders and beneficiaries. Transparency in letting citizens know what happens in health budgeting creates a sense of ownership of budget which encourages them to participate in health service delivery.

The approach to budgeting needs to be from bottom up but not at the top (top-bottom) only. This was noted during the study that, most of health activities are budgeted at the top and health budgets are rarely or sometimes sent to health user communities at implementation stage, something that was established with keen consideration by the researchers that it will continue to negatively impact on the health service delivery. There is a need to distribute the budgets to all relevant stake holders .This was because during the study it was found out that all stakeholders don't receive the budgets. This would help them to make follow up to ensure that good plans and views are actually implemented. There is a need to adequately involve Stake holders in setting goals for the district health budget and budget allocations so as to realize their full potential contributions and how they are going to be utilized in health service delivery.

The research findings revealed that the financial accountability has got a significant relationship with health service delivery in Rukungiri District. Most respondents agreed that proper financial accountability improves on health service delivery. The researchers found out that there was lack of openness in financial accountability in Rukungiri which implies that there is financial mismanagement of health funds that negatively affects health service delivery. It was also established that there are weak systems in place to handle the Officers of the district who fail to account for health finances who are not always prosecuted.

It was also observed that for Rukungiri district, financial accountability was weak and consequently it was negatively impacting on health service delivery such as continuous drugs stock outs, failure to use the health facilities and facility breakdowns leading to increased mortality rates. There was no oversight over health quarterly financial reports and were largely absent at the district accounts department. As such majority of the health centers did not have health quarterly budget and income and expenditure reports.

There is a need to put in place proper mechanisms to penalize those who fail to account for health funds and vandalized the health facilities. There is need for local governments especially sub counties to come up with bye-laws on maintenance of health facilities and those who were vandalizing health facilities.

The study recommends that the number of women be scaled up in top financial management and administration of the District where women were miserably represented compared to their men counter parts, since they are the mostly affected group and they also form the larger percentage of the population.

The government should increase funding in the health sector since there has been a decline in health financing that is likely to worsen the health serviced delivery. The district should try to ensure that budgetary performance reports and income and expenditure reports are produced regularly and timely to enhance decision making and improve on health service delivery.

Financial controls were established as having significant relationship with health service delivery in Rukungiri District. It was found out that the district has strong financial controls, whose aim is to improve health performance and reinforce financial accountability in the public agencies and bodies.

It was also observed that financial controls are complicated and that inadequate understanding of the topic was negatively impacting on the effectiveness of financial management practices and health service delivery. Financial controls are technical but people are not trained to effectively carry out their responsibilities in line with financial controls and this consequently limits the district's ability to use financial management practices as a mechanism to improve health service delivery.

Observation from interviewees indicated that monitoring of the health expenditure was ineffective because the district health monitoring expenditure was weak and no trace of monitoring reports. That's why all stakeholders consulted pointed to poor or absent of health expenditure monitoring reports by district authorities. It was also established that internal controls are never reviewed at the end of every financial year. Much as there were internal controls, there was no established strong system to deal with updating and reviewing the effectiveness of the internal controls in place and that negatively impacted on health service delivery.

There is need for the sub-counties and the district to always conduct health expenditure monitoring and always hold regular health meetings and if they do, then recording minutes of meeting for reference and action should be done. There is a need to equip people with skills in health expenditure monitoring and reporting to minimize on the abuse of financial resources during implementation so as to effectively provide better health services. The district audit department should be vigilant and carry out continuous audits so as to minimize the risks of financial mismanagement in the health sector.

The recommendations of the Public Accounts Committee should be implemented if the value for money audit is to yield better results and improve on the health service delivery.

Sub-county Sub- accountants should always assist the health centers on proper book keeping and management of funds and always conduct monthly or quarterly audits and supervision of user committees.

There is need for district and Sub-counties to conduct regular M& E of health projects , organize exchange visits for different health centers, share lesson learnt from both the and M& E and exchange Visits.

The study offers original information and adds to the body of knowledge in this area of financial management practices and health service delivery. The study has made contributions in making recommendations for subsequent scholarly research effort aimed at enhancing effectiveness of financial management practices and health service delivery. The study has tried to make various recommendations that are significant in policy formulation, financial management practices and theoretical implications to policy makers and implementers. Much of the literature reviewed on financial management practices has focused on expenditure decisions but this study has made contributions by indicating how financial management practices can be used to enhance health service delivery.

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