REVENUE MANAGEMENT AND HEALTH SERVICE DELIVERY IN A DECENTRALISED FRAMEWORK OF NTUNGAMO MUNICIPALITY, NTUNGAMO DISTRICT, WESTERN UGANDA

BY

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A RESEARCH DISSERTATION SUBMITTED TO THE DIRECTORATE OF POSTGRADUATE TRAINING IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER'S DEGREE IN PUBLIC ADMINISTRATION AND MANAGEMENT OF KABALE UNIVERSITY

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DECLARATION

I hereby declare that this dissertation titled, '**Revenue Management and Health Service Delivery in a Decentralised Framework of Ntungamo Municipality, Ntungamo District, Western Uganda'** has never been previously submitted for any academic award at Kabale University or any other University. It is my own work in design and execution and all materials contained therein if not mine have been duly acknowledged.

Signature……... Date……

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APPROVAL

This dissertation titled, '**Revenue Management and Health Service Delivery in a Decentralised Framework of Ntungamo Municipality, Ntungamo District, Western Uganda'** has been done under my supervision and is now ready for examination with my approval.

Signature ……. Date……..

DR. GEORGE STANLEY KINYATA

SUPERVISOR

DEDICATION

This dissertation is dedicated to my beloved husband, Mr. Katema Imaamu Kahima, and my children Kahima Aiman, Kahima Imaamu Muto, Kahima Ihsan and Kahima Hasnah, and my parents Mr Hajji Swaibu Turyaguma and Mrs. Sophia Tweyanze. I also dedicate this dissertation to my father-in-law, Mr. Edrisa Katema and mother-in-law, Namata Agiri, and the District Chairperson, Ntungamo District, Mr. Denis Singahache, and all my workmates of Ntungamo District Local Government.

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LIST OF ABBREVIATIONS

CG:	Central Government
DDHS:	District Director for Health Services
LCs:	Local Councils
LG:	Local Government
LGA:	Local Government Act
LGDP:	Local Government Development Plan
MoFPED:	Ministry of Finance, Planning and Economic Development
MoLG:	Ministry of Local Government
UNDP:	United Nations Development Programme
MTEF:	Medium Term Expenditure Framework
UoN:	University of Nairobi
ABB:	Activity Based Budgeting

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ABSTRACT

The study established the relationship between revenue management and health service delivery in Ntungamo Municipality. The objectives included: to establish the relationship between revenue management planning on health service delivery in Ntungamo Municipality; to investigate how implementation of the revenue management plan influences health service delivery in Ntungamo Municipality; and, to analyse the effect of revenue expenditure control on health service delivery in Ntungamo Municipality. The study espoused a cross-sectional survey research design using qualitative and quantitative research approaches. The study used a sample size of 148 respondents who were selected using purposive and simple random sampling techniques. Information was collected using questionnaire, interview and documentary review checklist. Data was analysed using Statistical Package for Social Sciences. Results indicated a significant positive relationship between revenue management planning and health service delivery (.431**) in Ntungamo Municipality. The study established a significant positive relationship between implementation of the revenue enhancement plan and health service delivery (.392**) in Ntungamo Municipality. The study found out a significant positive relationship between revenue expenditure control and health service delivery (.425**) in Ntungamo Municipality. The study concluded that that if the revenue management is well planned and implemented, there is no doubt that there will be a corresponding improvement in the quality of health services delivered to clients. Findings indicated that there is a positive and significant relationship between revenue management plan and health service delivery. From the discussion held on revenue management planning and health service delivery, it was learnt that Ntungamo Municipality ensures capacity building for its staff in order to better the implementation the revenue plan. The study recommended that there is need for Ntungamo Municipality to implement revenue management strategies in order to generate more local revenues because the revenue management plan has been proved by this study to have significant effect on health service delivery. The municipality needs to deploy adequate enforcement staff to collect revenue since it was established that they ensure timely revenue collection to put in health sector for improved health services. The local governments need to ensure that there is effective implementation of budgets for health as planned and quartery review of the budget needs to be strengthened in Ntungamo Municipality.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study focused on revenue management and health service delivery in Ntungamo Municipality. Revenue in Local Government is the heart which determines its functionality just like the body of a human being. Its effective and efficient collection and utilization takes a central position in ensuring the success of any local government in health service delivery.

In this study, revenue management was conceived as the independent variable while health service delivery was the dependent variable. This chapter presents the background to the study, statement of the problem, objectives of the study, research questions, scope of the study, significance of the study and operational definitions of key terms, all in relation to the study variables mentioned above.

1.1 Background to the Study

1.1.1 Historical Background

Revenue management as far as public institutions are concerned is traceable in early 18th and later 19th centuries when Great Britain initiated some of its projects that required continuous flow of resources from the subjects in form of taxes (Rose, 1950). The need for public revenues required that more taxes become imminent and many people got concerned on how public revenues realized from taxes was planned for and eventually spent to cater for public demands (Agrawal & Ferguson, 2017). To further note, revenue management in public departments is as old as when public institutions started to offer public services to the people without charging for them. For the case of the United States of America, public revenue management can be traced during the deregulation of the USA airline industry in the early 1970s (Rose, 1950). The variable of revenue management is tied to numerous governments and has evolved as one of the best ways of boosting revenue bases and be able to fund budgets which are intended to benefit citizens in form of roads, markets, health centres, safe water, among others, to the citizens (Ssenjala, 2017).

In Africa, for local governments to provide health services required adequately and efficiently, they need best methods and ways of revenue management (Tibaijuka, 2015). Studies from South Africa have shown that Kenyan Local Authorities have not been vigorous

in generating and collecting their own revenues (Tibaijuka, 2015). Some of the reasons given for not realizing adequate revenue include lack of adequate human resources, non-compliance by the residents to pay council dues and lack of goodwill by the government to support local governments in realizing the uncollected revenues. Weak by-laws and lack of appropriate financial strategies have also been cited as contributing to the low revenue generation and collection (Republic of Kenya, 2018).

Meanwhile, in Uganda decentralization was introduced in 1993 with many finance and revenue reforms and prominent among which was local revenue management. Under Fiscal decentralization, local revenue management is an important aspect of financial management which involves resource mobilization or revenue generation, revenue sharing, budgeting, budget implementation, monitoring and accountability. This understanding of local revenue management, is consistent with the work of Paddey (2005), cited in Akonyo (2012), that focuses Local revenue management in the broader perspective of financial management as financial decision (acquiring finances), investment decision (allocating finances) and conserving finances (controlling financial resources). However, prior to the adoption of decentralization policy in Uganda, local revenue management can be traced way back to the British colonial administration. At the time the focus was on local revenue generation through taxation. The main objective of taxation was to develop the colonies and ensure that they were also self-sufficient (Atama, 2011). Opio (2012) underscored the importance of taxation in sustaining the existence of the state in terms of providing health services or financing local government spending on goods and services.

For the case of Uganda, revenue management is still a very sensitive and has stemmed from the time when Uganda had independence in 1962 under Britain as its colonial rulers. It is during this period that Uganda was structured into districts with each district segmented to manageable departments tasked to administratively manage their routine operations supported with locally generated local revenue (Uganda Constitution, 1995). To date, the issue of revenue management is a task that is closely executed by government departments, specifically the Local Government. These LGs see revenue management as a very sensitive role that has been provided and guided by the Local Governments Act of 1997 and enshrined in Chapter XI of the Constitution (Local Governments Act of 1997). Ntungamo Municipality is based on a five-tier structure of the LG including sub-counties and town councils. It is at these entities that local revenue management needs to be closely managed through ensuring that planning, coordination, staffing are well managed and therefore able to improve

revenue collections, not forgetting using it to provide better service to taxpayers (Organisation for Economic Co-operation and Development, 2016).

For the case of the study area, Ntungamo Municipality is entirely responsible for its operations including its social economic status. The major revenue sources for the municipality are: permits, trading licenses, taxi park fees, cyclist fees, urban authority permits, property tax, local service tax and market dues. However, it is envisaged that more revenue is realized through property tax, local service tax, and land premium (Local Revenue Performance Report, 2017). To supplement this revenue calls for effort to strive towards meeting the minimum conditions as provided for in the Local Government manual so as to be able to access LGMSD funds (LGFAR, 2014). Additionally, its other main source of funding is central government transfers advanced to the municipality through the district including conditional grants like LGDP, Funds for urban roads, community-driven development funds and others. To realize all its plans, the council has closely engaged in budgeting and management of financial resources. The exercise of revenue management involves preparation for a period of between June and July of each year where key budget activities are well documented in the budget reflecting how resources of the council were obtained (planned, mobilizes/collected and utilized over a specified period of time (Uganda LG Act of 1997).

More to note, local revenue management at the municipality has focused on key priority activities. These have ranged from preparing budget estimates and revenue enhancement plan; carrying out a comprehensive tax assessment and registration of new businesses. Additional registration, mobilization and sensitization of revenue sources has been done and organizing as well as conducting sensitization meetings on different taxes for effective revenue collection, among others, have been frequently done to better revenue management.

1.1.2 Theoretical Background

The second theory underpinning this study is the Resource Dependency Theory (RDT).The core argument of RDT as advanced by Pfeffer and Salancik (1978), cited in Nyakato (2009), is that organizations will respond to demands made by external actors or organizations upon whose resources they are heavily dependent, even if those organizations would try to minimize that dependency as much as possible. In this theory, the management style in a given organization will follow, and to that extent, will depend on external circumstances. This theory is one of many

theories organizational studies have used in understanding the behaviour of organizations. From the fiscal decentralization point of view, Local governments heavily depend on central government financial transfers (LGA, CAP 243) and donor funds as argued in the work of Rioja (2003). Therefore, because of the dependency nature of local governments on external resources for executing most of their mandates, RDT as an underpinning theory was very paramount in this study as exhaustively explained in next chapter.

1.1.3 Conceptual Background

The key variables in the study were revenue management and health service delivery in local governments. Revenue management in the broader perspective of financial management refers to financial decision (acquiring finances), investment decision (allocating finances) and conserving finances (controlling financial resources) (Paddy, 2005, as cited in Akonyo, 2012). Under Fiscal decentralization, local revenue management is an important aspect of financial management which involves revenue mobilization and collection or revenue generation, revenue sharing, budgeting, implementation of the budget, monitoring and accountability.

The quality of health care services was the dependent variable (dv) of the study with three dimensions: availability and accessibility of health services. Government policies on health, corruption rate and political interference constituted the intervening variables (MV).

Zeithaml (1988) defines access to services as being approachable and easy to contact; interpersonal relations as politeness, respect, consideration and friendliness of contact personnel; effectiveness of care as willingness and ability to perform the promised service dependably and accurately. These concepts are also defined by PAHO (2003: 6): access to services as the removal of geographic, economic, social, organizational or linguistic barriers to care; effectiveness of care as the degree to which the desired health results are achieved; interpersonal relations as effective listening, communication, establishment of trust, respect, responsiveness and confidentiality.

1.1.4 Contextual Background

Uganda is among the countries in Sub Saharan Africa that are implementing reforms in the Health Sector in the framework of fiscal decentralization. This process started in 1999 when the National Health Policy was launched (Ongodia, 2016). This was done as a way out of the broken health system since the 1970's due to a combination of economic, political and

social factors. Before the fiscal decentralization was introduced in Uganda by the central government in accordance with Article 176 of the 1995 National Constitution and Sections 78-86 of the Local Governments Act (Cap. 243), Uganda was faced with many problems related to the quality of health care services including high infant mortality rates, high maternal mortality rates, poor facilities, inadequate personnel, poor responsiveness and reliability (Ongodia, 2016). The primary health care services were not reliable and responsive and the associated infrastructure was not meeting the standards.

Uganda began its health sector decentralization process in 1997 following the enactment of the Local Government Act, 1997. The rationale was to increase both allocative and productive efficiency in health service provision. Decentralization of health service delivery facilitates decision making and monitoring at districts and lower-level local governments involving community participation. In the process, the District Local Governments (DLGs) became accountable for resources allocated and monitoring the quality of services provided. It is believed that decentralized systems offer opportunities for increased beneficiaries' involvement in the direct decision making process in health service prioritization, quality, cost and preferences. This is attributed to the fact that DLGs are more acquainted with the beneficiaries' requirements, responsive to new developments and are in contact with communities. Administratively, this proved attractive to the central government because part of the burden of financing health services could be shifted to sub-national units and private providers.

The medium-term policies to improve health service delivery are clearly documented in Uganda's Poverty Reduction Strategic Plan (PRSP) in which the DLG system has been mandated with the implementation of the national health policy. The National Health Sector Strategic Plan (HSSP) is the major policy framework which documents all the strategies for the provision of public health services within a decentralized system in Uganda. This is in line with observation in the Poverty Eradication Action Plan (International Monetary Fund, 2013), which states in part that "ill-health affects productivity and economic activities". Thus, to achieve and maintain sustainable development, Uganda identified health and economic growth as mutually reinforcing. This means the efficient provision of health services through the decentralized system was identified as an essential prerequisite for sustained development because without good health, the entire productive population (namely; individuals, families, communities and the nation) cannot effectively achieve identified social and economic goals.

Whereas policy has given the district local governments and lower-level local governments central roles in the management of health service delivery, the performance of the decentralized system has run short of expectations in some district local governments, which has widened regional disparities in equity to access quality health services. The poor performance has largely been attributed to local government capacity constraints. The Republic of Uganda (2013), for example, notes that although there was an improvement in the national performance against the Health Sector Strategic Plan (HSSP) indicators, there were marked variations in performance between district local governments, which have largely been attributed to inadequacy of management capacity in some districts. Obwona (2015) indeed pointed out that ”financial and institutional constraints have adversely affected the ability of the sub-national governments to adequately deliver services of sufficient quality.” The constraints identified include weaknesses in the institutional arrangements for monitoring health service delivery, local capacity to manage service delivery and poor framework for accountability. This has led to instances where the intended beneficiaries do not get access to the services or if they do, they will be inefficient and of low quality. The central government’s capacity to monitor such services is often undermined by human resource and financial constraints (Obwona, 2015).

Health sector planning, budgeting and efficient financial management are key to ensuring rational prioritization and use of limited resources and in responding to community priorities, broader political interests, and the fiduciary requirements of national bodies and external funders (Green, 2016). However, a major and constant challenge has been the misalignment between identified sectoral policies, technical planning and budgetary allocation; and at the same time ensuring full community involvement and participation in the priority setting activities (Muchiri, 2015). The misalignment between planning and budgeting within the health sector in many developing countries has often been as a result of institutionalized separation between these processes (Tsofa, 2015). This problem has resulted in an inability of the health sector to influence additional resource allocation in the broader government resource allocation processes; and could explain why most developing countries are constantly unable to achieve their health sector medium-term goals (Tsofa, 2015).

To address these dual challenges of misalignment between planning and budgeting and poor community involvement, health system decentralization has for many decades been promoted as a priority reform agenda (Mills, 2013). Decentralization involves the transfer of decision

making power and authority over management of public affairs from a central level of government to sub-national levels. It has been argued to promote community participation, accountability, and technical efficiency in the management of public resources (Mills, 2013).

The transfer of power and authority may involve revenue generation, priority setting, resource management and/or decision making, and the sub-national units may be elected directly by the population, or appointed by the central level or by private entities. Despite these challenges to decentralized health service delivery, there has been no rigorous empirical analysis and documentation of the institutional framework and relationship between district local government capacity and efficiency of health service delivery in Uganda. This study aimed to fill this gap in the literature by empirically analysing the impact of district local government capacity on efficiency in health service delivery in Uganda.

In Ntungamo District, health service delivery has been minimal, there is one government hospital called Itojo Hospital in the district thus a district hospital. It is located on the Mbarara-Kabale highway, approximately 52 kilometres (32 miles) by road, and lies approximately 22 kilometres (14 miles) northeast of Ntungamo district headquarters. The hospital was built in 1968 by the administration of former president Milton Obote. Itojo Hospital serves the district population of over 380,000 and other neighbouring parts of Northern Tanzania and North-eastern Rwanda. It has a bed capacity of 120 which is not enough to accommodate all patients admitted to the hospital. Hence, most of the admitted patients sleep on the floor while others share beds (District Report Study, 2003).

The hospital health care is still far from adequate. Services are so minimal due to the poor state of equipment like: Chronic Care Clinic, laboratory, an obstetric theatre, medical waste incineration facility (waste is burnt in open air), lack of requisite radiation protection by X-ray staff, no records of medical waste generation is maintained by the hospital, inadequacy of staff, and staff housing as well as no reliable electricity supply. All these caught the attention of legislators during the ”fact finding mission on how to influence budgeting policy at the lower health units and district hospitals”. In the past years, the hospital infrastructure changed from bad to worse and this called for the intervention of the area Member of Parliament (the First Lady of Uganda), Janet Museveni, in the year 2006. The area Member of Parliament launched a funding campaign from both internal and external sources to rehabilitate the hospital. In 2007, the Egyptian Government through the Egyptian Fund for Technical Cooperation with Africa gave a donation of US$280,000 to rehabilitate the hospital. This

included the construction of three new staff houses. In the following year, Egypt also made further donations of pharmaceuticals, electricity generator and other hospital supplies with a pledge to offer three specialists (a paediatrician, a surgeon and an obstetrician/gynaecologist) to work at the hospital as part of the assistance package.

Ntungamo Municipality has time and again operated in accordance with schedule 2 of the LG Act 1997 which gives mandate to LGs including Ntungamo Municipality to collect revenues to finance health service delivery such as provision of primary health care services. Such local revenue has been obtained from a number of sources namely, property tax, licenses, permits, fines and penalties, market dues, parking fees, among others. It is based on such a financial base that financial decisions are undertaken by the municipal council authorities to provide required health services to the communities within the council while adhering to the prevailing Financial and Accounting Regulations 1998.

Ntungamo Municipality mobilised 4,420,546,000 UGX in the year 2017/2018 and indicators of health service delivery still show that there are still some gaps in health service delivery (Ntungamo Municipality Fourth Quarter Budget Performance Report for Financial Year, 2017/2018). The resources allocated correspond to an assessment survey that was done by the Ministry of Local Government 2012/2016, which revealed that 66 per cent of the population of Uganda was within 2km from the health facility.

In Ntungamo Municipality, there is delayed and poor quality health service delivery. This poor performance of health service delivery can be explained by a range of factors among which are financial resource mismanagement and allocation patterns at local level and personnel quality and management. Following fiscal decentralization, funds intended for health facilities are used for administrative costs, health workers are rarely present and drugs and supplies are diverted for personal gain. The indicators of ineffectiveness in performance are evidenced by high mortality rate and uncontrollable referrals and inadequate clean water.

These indicate that there is no significant improvement in health service delivery as most indicators are still below the national standards. For instance, the Ministry of Health (2018) and the Uganda Annual Health Sector Performance Report (2017/2018) in respect to quality of care indicates that the facility-based fresh still births (per 1,000 deliveries) reduced to 9.4 per 1,000 deliveries from 10.1 per 1,000 in 2016/17 and above the HSDP target of 13/1,000 for the year. The number of maternal deaths among 100,000 health facility deliveries also reduced by 30% to 104 per 100,000 health facility deliveries from 148 per 100,000 in 2016/17.

Haemorrhage (48.5%) and hypertensive disorders of pregnancy (12.5%) were the major causes of maternal deaths. The rate of under-five deaths among 1,000 under 5 admissions increased to 22.4 per 1,000 admissions compared to 20.2 per 1,000. The Health Sector Development Plan target was 16.9 per 1,000. ART retention declined to 76% in 2017/18 from 82% in 2016/17 which is short of the Health Sector Development Plan target of 84% and TB treatment success rate declined to 77% in 2017/18 from 80% in 2016/17 which is still far below the Health Sector Development Plan target of 86% for the year (Annual Health Sector Performance Report, 2017/2018). The study therefore sought to establish the effect of revenue management on health service delivery in Ntungamo District with reference to Ntungamo Municipality.

1.2 Statement of the Problem

Improving the health of the nationals of any given country is an international priority and a Sustainable Development Goal. To this effect since the late 1980s, Uganda has instituted numerous health sector reforms and policies aiming at improving the functioning and performance of the health sector and ultimately, the health status of the population. For example, the Public-Private Partnership in Health (PPPH) was initiated in 1997 by the Ministry of Health in Uganda with the support of a parliamentary resolution implementation in July 2000. In 2001, PNFP health sub- sector in Uganda was commended as an indispensable subsystem that offered comparable better and acceptable quality of health care than government (Muwanga, 2001). Revenue management ensures that there is adequate funding for health which increases health service delivery. Ntungamo Municipality has also taken actions to improve health service delivery in the areas of primary health care through revenue mobilization which would increase revenue to be allocated in health sectors for the provision of health services, revenue management planning, implementation of the revenue plan for health sector, sensitization of taxpayers about the role of revenues in the health sector and training of tax collectors about tax assessment and recruiting of medical staff. Despite all these actions taken, health services are not being delivered effectively. For example, the audit inspection of Ntungamo Health Centre IV revealed that the health centre lacks appropriate medical equipment, has limited medical facilities and limited drugs to effectively deliver health services. Thus, patients do not receive the needed medical care and are referred to distant facilities to receive the same health services, thus putting their lives at risk of death (Auditor General Report, 2018). It is against this background that this study was conducted to investigate the effect of revenue management on health service

delivery in Ntungamo District with reference to Ntungamo Municipality.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective was to establish the effect of revenue management on health service delivery in Ntungamo District with reference to Ntungamo Municipality.

1.3.2 Specific Objectives

i. To establish the relationship between revenue management planning on health service delivery in Ntungamo Municipality;
ii. To investigate how implementation of the revenue management plan influences health service delivery in Ntungamo Municipality;
iii. To analyse the effect of revenue expenditure control on health service delivery in Ntungamo Municipality.

1.4 Research Questions

i. What is the relationship between revenue management planning on health service delivery in Ntungamo Municipality?
ii. To what extent does implementation of the revenue management plan influence health service delivery in Ntungamo Municipality?
iii. What is the effect of revenue expenditure control on health service delivery in Ntungamo Municipality?

1.5 Scope of the Study

The scope of this study was tackled in 4 dimensions; geographical location of the area where the study was conducted, the content of the study, theoretical scope and the timeframe of the study.

1.5.1 Geographical Scope

The study was conducted in Ntungamo Municipality, Ntungamo District, which is composed of three divisions (Western, Central and Eastern). The study area was chosen because of the poor state of health service delivery in the area (Auditor General Report, 2018).

1.5.2 Content Scope

The study was about revenue management and health services delivery in a decentralized framework: A case for Ntungamo Municipality. The study focused on the effect of revenue

management planning; effect of implementation of the revenue management plan; and effect of revenue expenditure control on health service delivery.

1.5.3 Theoretical Scope

The resource dependency theory was used for this study. The basis of resource dependency theory posits that power is based on control of resources that are considered strategic within the organization and is often expressed in terms of budgets and resource allocations (Mudambi, 2013). The Resource Dependency theory proposes that actors lacking in allocation resources would seek to establish relationships with (i.e. be dependent upon) others in order to obtain the needed resources. This questions the argument that Local Governments are autonomous and have powers of planning and budgeting. In this case the relationship between central government and local governments in Uganda is based on the Resource Dependency Theory. Local Development Grants are incentive-based policy instruments predicated on resource dependency theory. This theory puts forth that changes in resource availability would threaten organizations and encourage adaptation for continued existence.

1.5.4 Time Scope

Regarding the timeframe, the study covered a 5-year period, i.e. financial years 2013 to 2018. This timeframe was thought sufficient to provide a sound analysis on revenue management and health service delivery in a decentralized framework.

1.6 Significance of the Study

This study will also contribute to a valuable body of knowledge on revenue management and how the identified revenue management factors influence service delivery. Therefore, it adds to the existing knowledge on the subject and forms useful material for academic and policy reference.

The research findings and recommendations will provide government and policy makers with information to enhance accountability and equity in service delivery and improve on programme management in regard to revenue.

The study findings will help to improve on revenue management in Ntungamo Municipality which will enhance the understanding of council and its staff by providing them with vital information regarding the relevance of proper revenue management. This may improve on all possible threats that may occur when it comes to the management of local revenue. The taxpayers will benefit from the study as they may be aware of how Ntungamo Municipality apportions the local revenue that has been contributed by taxpayers to extend more services

to them. Hence the study will enable the taxpayers to demand for services that have been prioritized but not provided.

It is planned that the findings of this study will help Ntungamo Municipality leadership to use proper local revenue management strategies to improve on health service delivery and avoid corrupt tendencies that have marred a numerous government departments.

1.7 Operational Definitions of Key Terms and Concepts

Revenue management: Revenue management from a public context is the process of planning, mobilization & collection, staffing, coordinating and expenditure (controlling) of public funds that are generated by the Government to provide public services for instance education, water, road and sanitation to the general public nationally

Health service delivery: The prevention and management of disease, illness, injury, and other physical and mental impairments in individuals delivered by health care professionals through the health care system and can either be routine health services, or emergency health services.

Revenue: All the monies collected by the council in the form of supplementary charges, fees and penalties, rents, interests, licenses, loans, land development levies, donations and also grants frm the central government.

Revenue management planning: The concept of revenue planning referred to how local governments forecasts for the local revenue. The concept entailed identification of revenue sources, assessment and enforcement and how to use it.

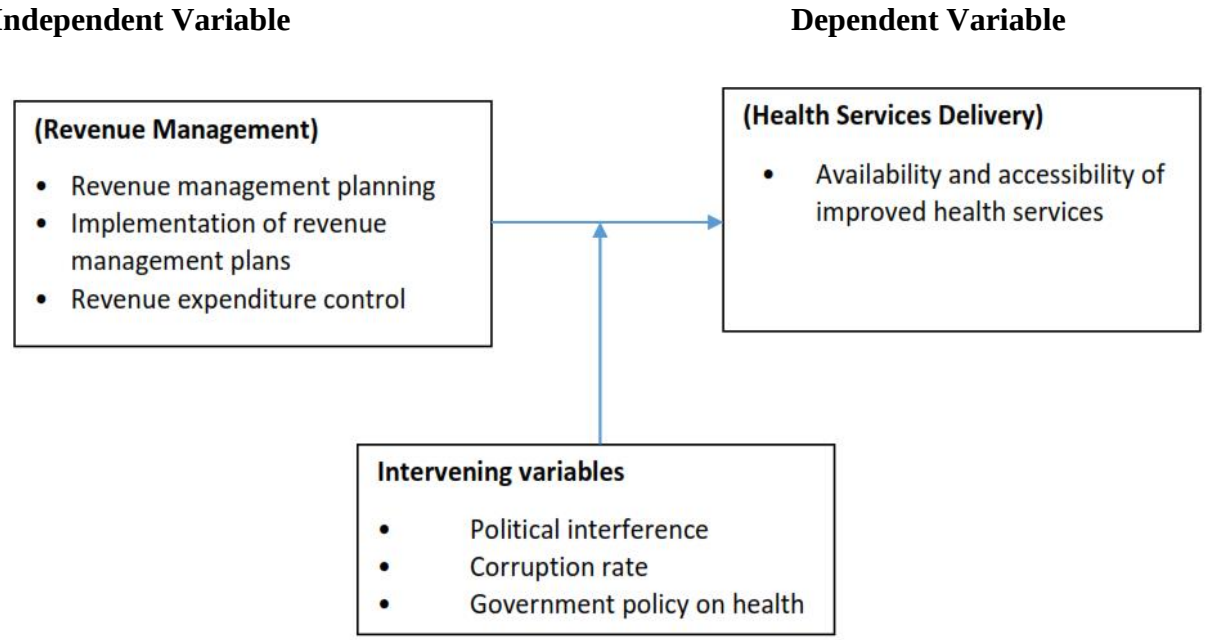
Implementing the revenue plan: This concept entails how local governments manage their local revenue and personnel in terms of their structure, motivation levels, capacity building and recruitment of its skilled staff.

Revenue expenditure control: The concept of revenue control refers to the efforts that local governments deploy to determine and compare revenue performance to defined standards, plans and objectives. In addition, the concept was used to determine whether revenue performance is in line with these standards or else a required action is undertaken.

1.8 Conceptual framework

The conceptual framework provided in Figure 1.1 gives a diagrammatic insight of the proposed study. On the right hand side is the independent variable (revenue management) and on the right is the dependent variable (health service delivery).

Figure 1.1: Summary of the conceptual framework



Source: Grace Ikirimat, 2014 and modified by the researcher 2019

Referring to the conceptual framework for this study presented in Figure 1.1 above, the independent variable is revenue management while the dependent variable is health service delivery. Effective health service delivery depends on how well revenue is managed. This focuses on revenue planning, implementation of revenue management plan and revenue expenditure control. Revenue planning as a dimension of the independent variable is a very important function for revenue performance improvement, through formulation of revenue management plans and budgets, proper business registration and revenue assessment. These measures or constructs form the basis for mobilizing the financial resources required for health service delivery.

Implementation of revenue plan for revenue embraces the community taking part in planning at all local government levels and is perceived to have an effect on the quality of health services delivered. Revenue expenditure control as a revenue management dimension is concerned with allocation of funds collected in the local government to other sectors in accordance with the budget and local revenue sharing mechanism. Proper allocations, timely

release of funds will ensure effective and efficient budget implementation. In addition, effective internal controls such as audits, accountability, monitoring and evaluation will lead to increased accessibility and sustainability of health services.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the review of both theoretical and empirical literature which underpins the study. The chapter also provides a critique of the reviewed literature and the emergent research gaps which the study sought to address. The literature was reviewed on the relationship between revenue management planning on health service delivery, the influence of implementation of the revenue management plan on health service delivery and the effect of revenue expenditure control on health service delivery.

2.1 Theoretical Perspective

The resource dependency theory was used for this study. The Resource dependency theory (RDT), as advanced by Pfeffer and Salancik (1978) and cited in Nyakato (2009) is based on the core argument that organizations would respond to demands made by external actors or organizations upon whose resources they are heavily dependent and those organizations will try to minimize that dependence as much as possible. In this theory, the management style in a given organization will follow the extent to which it depends on external circumstances (Pfeffer and Salancik 1978). The main issues basically concern what the cost of giving in to external demands is; what the costs of abandoning the use of the resourceare; and what are the demands in conflict with other demands from actors on whose resources the focal organization is dependent? Resource dependence theory is one of many theories in organizational studies regarding the behaviour of organizations. From a fiscal decentralization point of view, the theory supports the study given that Local governments heavily depend on central government financial transfers. The Central Government remits conditional, unconditional and equalization grants direct to the District, Municipal and Town Councils. Under section 83 subsection 5 of the LGA CAP 243, Local Government councils are required to indicate how Conditional and Equalization Grants obtained from the Centre are to be passed on to lower Local Government councils. The high level of dependency can be evidenced in the proportion of central government transfers to Ntungamo District Local Government and subsequent transfers to lower local governments. The resource dependency theory is also very important in informing the study in that many projects in developing countries depend on donor funds as argued in the work of Rioja (2003), noting that in developing countries, new public projects are mostly financed by international donors and the

health service delivery, conversely, is financed by taxation. In that respect, the researcher contends that this study is grounded on resource dependency theory.

2.2 Revenue Management Planning and Health Service Delivery

Revenue management planning can be categorized into identification of revenue sources, assessment and enforcement. These indicators have been explained in line with service delivery, for instance the Article 191 section 2 of the constitution of the Republic of Uganda clearly stipulates that the fees and taxes to be levied, charged, collected and appropriated to include rent, rates, royalties, stamp duties, fees on registration and licensing and any other fees and taxes that parliament may prescribe whereas Pradeep (2015) argues that local governments derive revenue from fines and penalties among others. The scholar adds that tax is the most important source of local government revenue; it is noteworthy that tax revenue can hardly finance a big fraction of the district local government to ensure service delivery to the people. The above author only talked about the sources of revenue not the relationship between revenue management planning and health service delivery which the current researcher was interested in investigating.

Furthermore, Mbufu (2014) argues that revenue planning includes identification of revenue sources, assessment of revenue and collection of revenue, debt and credit management. On the contrary, USAID (2017) highlights that a large portion of municipal customers are indigent and therefore cannot afford to pay for services. This has to be factored into financial planning and strategy development. Additionally, Byrnes (2016) acknowledges that to curb and reverse the declining local revenue, many LGs come up with revenue enhancement plans that entail identifying revenue sources, among others, to increase the revenue base. The scholar adds that the actual collections could be less than the budgeted. This shows negative performance in revenue collection and it is not desirable if the Local Government is to deliver quality and sufficient health services to its people (Tregilgas, 2016). The challenge with the above scholarly works is that local governments are time and again affected by the prevailing sources of local revenue which are fewer and therefore negatively affecting their revenue management and health service delivery in local governments.

Fjeldstad (2015), while referring to a study in Tanzania found out that LGs needed to meet certain minimum conditions in order to access development funds. The scholar goes ahead and argues that such conditions are intended to reinforce good governance,

for instance approved annual plan and budget; submission of final audits on time; no adverse opinion audit certificate awarded to latest accounts of the council; and submission of quarterly financial reports. Such requirements are seen as minimum safeguards for handling funds and aim at entrenching accountability on the part of the staff and leaders of the councils. Furthermore, Tregilgas (2016) stresses that local governments fail to avoid unrealistic increases from revenue enhancement activities, which make the realization of revenue and health service delivery such as peadiatrics and gaenacology to be more of a dream than a reality.

Norton and Kaplan (2014) argue that local governments improve their local revenue collection when they deploy a team of enforcers to oversee its collection. The scholars argue that to ensure smooth financial health of an organization, a number of interrelated factors need to be considered; they argue that using strategic plans, enforcement inclusive, fulfils objectives of an organization. This task requires the setting of goals, which has to do with the quality of service with other drivers directed at attaining organizational goals.

Conclusively, Vazquez, Smoke and Slack (2015) stress that well designed revenue assessment strategies improve the efficiency of revenue collection, win public support, incentivize economic activity, and improve urban affordability for the poor. More still, budgetary improvements can allow municipalities to make strategic investments in their cities, stimulating a virtuous cycle of growth, revenue generation, and prosperity. On the other hand, Odd-Helge (2016) says that the local government ”own revenue” systems across Anglophone Africa are often characterized by a huge number of revenue instruments. However, the main sources of “own revenues” are usually property rates in urban councils, business licenses, market fees and various user charges, often in the form of surcharges for health services provided by or on behalf of the local government authority.

Coelho and Nobre (2014) state that local councils are responsible for overseeing and authorizing annual plans from the “ health service managers” at every government level. “Decentralization of health services provision has also resulted in the mandatory establishment of local health councils at state and municipal levels. As well as guaranteeing local access to national funds, these councils have come to play a key role in local politics, becoming important arenas for participation, decision-making and public accountability for the government’s actions (Menino, 2014). In addition, Litvack and Seddon (2015) contend

that the general argument for decentralizing health care is that greater citizen/community participation in health policy and local accountability could lead to improved quantity (including coverage) and quality of health services. The authors' studies focused on decentralized health services but did not show how revenue planning as a dimension of revenue management affects health services in Uganda. This was thus the essence of this study.

Decentralization has been linked with enhanced local-level internal health sector resource mobilization through allowing districts to make local decisions on user fees (Bossert, 2015). The use of both discretional block grants and conditional grants as mechanisms for resource allocation to decentralized units has been reported in many countries. The increase in discretional authority over local level health sector priority setting has been linked with reduced allocations for Primary Health Care (PHC) in decentralized units in some counties (Glenngard, 2014). It is therefore evident that, despite its growing popularity as an approach to tackling poor health system governance, the experiences of health sector decentralization in most developing countries have been varied, irrespective of the form or mode of decentralization adopted (Glenngard, 2014).

The decision making process through participatory, bottom-up planning, local needs focused at all levels of local governments is a very important aspect of revenue management (Steffensen, 2010). This is in line with the principles of decentralization. Wong and West (2015) point out in their study that setting conditions while planning minimizes ambiguous decision making and tends to depend on local leaders' personal decisions. This is in agreement with the reason for conditional grants. In Uganda, the legal instruments such as the Constitution of Uganda, 1995 and Local Government Act 1997 empower the local governments with responsibility of delivering health services and promoting participatory decision making.

Steffensen (2010) contends that in planning for revenue for local governments, across and within the health sector, decision making and budgeting in the local government play a major role in determining the efficiency and effectiveness of local governments in delivering services to their citizens. The Constitution of the Republic of Uganda (1995) and the Decentralization Policy empower the local governments, with the responsibility of service delivery and promotion of popular participation and empowerment of local communities in

decision making on matters that concern them. Article 190 of the Constitution of Uganda (1995) specifically provides that District/Municipal councils shall prepare comprehensive and integrated development plans incorporating the plans of lower local governments and thereafter submit to the National Planning Authority.

Anwar (2013) asserts that there is always some degree of conflict among priorities established by various levels of government and one way to induce local governments to follow priorities established by central government is for central government to use its spending power in providing conditional grants. This is in agreement with the resource dependency theory. Contrary to the above, by central government overly getting involved in local government decision making, this biases the system towards centralized outcomes and yet the grants are intended to facilitate decentralized decision making for the delivery of services.

WHO (2018) declares a new approach for primary health care which advocates for community participation and greater responsiveness to the needs of the community through decentralized planning. The approach recognizes that there is need to involve the local community in planning so as to promote participation and control for a community- oriented quality health system (Bhattacharyya & Murray, 2017). The democratic theory considers the involvement of the beneficiaries in planning as a social value in an ideal and standard decision environment. It argues that decision making is improved when there is participation of the beneficiaries, increment in responsiveness and cooperation among stakeholders. This leads to a rise in productivity as a result of correct decision making. Putting decision making in the hands of those who have the information that outsiders lack gives them a strong incentive advantage. Local information can often identify cheaper and more appropriate ways to deliver public services (Dethier, 2015).

Shah (2017) asserts that in local government revenue planning, the citizenry should be involved in each stage of the process, as a means of making government responsive to public interests and as a means of monitoring the results of government programmes. Citizen participation has traditionally been political, that is: involving voting, lobbying, and sometimes testifying at hearings, aimed at influencing public representatives and officials. However, a new philosophy and system of participatory planning incorporates citizens' views as stakeholders identify and rank priorities. So, citizen input is considered earlier in the process than has been traditionally the case. Participatory planning has been successfully used by local governments in Brazil, the Philippines, Ecuador, India, Indonesia, Serbia, South Africa,

Sri Lanka, Tanzania, the United Kingdom and Uruguay. The above studies did not focus on Uganda, there was therefore a need to conduct this study on revenue planning and health service delivery in Uganda with a focus on Ntungamo Municipality because the situation would be different.

Rondin (2015) notes that the problems of providing and maintaining public services have increased calls for decentralization to improve on revenue management. Many decentralized developing countries, however, have not translated the policy to address the problem of maintenance of public infrastructure due to inadequate funding for infrastructure maintenance. Consistent with this, Therkildsen and Semboja (2016) argue that whereas rural local governments in Tanzania were introduced in 1984, they face a serious problem of financing the operation and maintenance of basic services. A similar view was held by Grundy, Healy, Gorgolon and Sandig (2014) adding that since the advent of devolution in the Philippines the under-financing of public health services had resulted in their slow decay in terms of unmaintained infrastructure and unrepaired or unreplaced equipment, among others. Accordingly, the researcher believes that these phenomena negate the aim of decentralization which is meant to widen decision making space of middle level managers, enhance resource allocation from central to peripheral areas and to improve the efficiency and effectiveness of service delivery. The above studies focused on revenue management and infrastructure maintenance yet the dependent variable is health services delivery. Thus, this study was done on the effect of revenue management on health service delivery in Ntungamo Municipality.

Decentralized revenue planning has become crucial and the need for proper revenue planning practices has been identified as essential for developing nations, including those in Africa. Siswana (2014) notes that proper revenue planning assists public sector entities to ensure that expenditure patterns in relation to programmes and projects occur within a budgeted vote. Furthermore, as noted by Russell and Bvuma (2013) there is a need to plan, budget for and implement actions which have the potential of radically improving the reach, accessibility and quality of health service delivery in the Africa. According to Tsheletsane and Fourie (2014), revenue management fulfils an important role in the South African public sector, because without public funds to cover operational and capital costs and without appropriate personnel, no public institution can render effective services. Although the studies focused on

revenue management and health service delivery, they did not specify which dimensions improve health service delivery. It was on this basis that the study was conducted on revenue planning, implementation of revenue management plan and expenditure control to establish their effect on health service delivery.

Adam (2016) carried out a study in Europe and America to empirically examine the relationship between revenue planning and public sector efficiency. The study found that irrespective of whether public sector efficiency concerns education or health services, an inverted U-shaped relationship exists between government efficiency in providing these services and revenue planning. In contrast, Elhiraika (2017) used data from nine provinces in South Africa to investigate the impact of revenue planning on basic service delivery, focusing on the role of own-source revenue. The own-source revenue variable was found to have a negative and significant impact on demand for health relative to demand for other public services. The researcher argued for improved revenue planning and greater revenue autonomy in particular if sub-national governments in South Africa improve service delivery by enhancing transparency and shifting accountability to the local population rather than the central government. These studies were done in developed world where the situation could be different from Uganda. Therefore there was need for the same study to be done in a developing country such as Uganda. The studies by Adam (2015) and Elhiraika (2017) focused on fiscal decentralization and public sector efficiency but not on revenue planning and health service delivery in Ntungamo Municipality. So, for carrying out this study, I was interested in establishing how revenue planning affected health service delivery in Ntungamo Municipality which nobody in the literature had dealt with.

Uchimura and Jütting (2017) analysed the effect of fiscal decentralization on health outcomes in China using panel data set with nationwide county-level data. They found that counties in more fiscally decentralized provinces have lower infant mortality rates than counties where the provincial government remains the main spending authority, if certain conditions are met. The findings supported the common assertion that fiscal decentralization can lead to more efficient production of local public goods, while also highlighting the conditions required for this result to be obtained. More recently, Olatona and Olomola (2015) analysed the influence of fiscal decentralization on health and educational service delivery between 1999 and 2012. The study found that fiscal decentralization has positive link with educational service delivery, while high degree of fiscal decentralization is negatively related to health care

delivery. These studies did not focus on how revenue management under decentralized framework affects health service delivery. Hence the study was conducted in Ntungamo Municipality to explain the effect of revenue management on health service delivery. Uchimura and Jütting (2017) and Olatona and Olomola (2015) talked about fiscal decentralization and health outcomes and educational services in China but not revenue planning and health service delivery in Ntungamo Municipality. This was the essence of conducting this study

Kigochi (2018) did a study on Survey of operational Budgeting Challenges in the insurance Industry in Kenya. The study surveyed the challenges of the operational budgeting system in the insurance industry in Kenya. The study sought to bring out the challenges in formulating operational budgets in the insurance industry in Kenya and to propose solutions to the major challenges. The objectives of the study were to determine the challenges faced when formulating an operational budget in the insurance industry in Kenya; and to establish the effectiveness of those operational budgets. This study was descriptive in nature and the researcher used the survey method. The population of this study consisted of 42 currently licensed insurance companies in Kenya. Data for the study was collected using a structured questionnaire. The data collected was then analysed with the help of Excel Spreadsheets.

From the findings, the researcher found that operational budgets were effective in the insurance industry as they served their purpose of forecasting the future; assisted in control; acted as a means by which management communicates to other levels of department; acted as a means of performance appraisal; and motivated employees to do better. The study also found that the challenges faced when formulating the operational budgets were inability to achieve the required value of new business; management of acquisition and maintenance costs; time constraints; desire for comfort budgets; lack of continuity in the committee; competence levels of budgeting teams; non-adherence to the laid down budgets by departments; lack of adequate authority to spend despite allocation; non-achievement of the main top-line income earners; cost fluctuation or inflation on costs; lack or poor participation; poor coordination of the exercise; x measurement of some factors was difficult (estimations) and at times it is inflexible to changes/adjustments and also it was expensive as a control/monitoring tool.

Obulemire (2016) did a study on survey of budget practices in secondary schools. The study's aim was to look at benefits of budgeting by Public Secondary Schools Managers and to establish factors that secondary schools consider when undertaking a budgetary process. The study established that most secondary schools do not have a strategic plan to guide them

towards the achievement of both long-term and short-term objectives. The head of schools had received training in financial management on preparing budgets and the commonly prepared budget was income and expenditure budget with only a few schools preparing the cash budget and long-term assets acquisition budget, despite the fact that most of them had incurred expenditure on long-term investments. He notes that there is lack of a solid base to enforce the budgetary approach. The research finding concluded that activity based accounting was commonly used, but it could not be proved if it was actually done based on the principle of ABB. Obulemire's (2016) study focused on budget practices in secondary schools yet the present study was on revenue planning as a dimension of revenue management and health service delivery in Ntungamo Municipality. This was therefore the motivation to carry out this study.

Diaz-Serrano and Rodríguez-Pose (2015) assert that the impact of decentralization on satisfaction with government, democracy, and the economic situation of a country is ambiguous. More specifically, they indicate that fiscal decentralization, measured by the expenditure capacity of sub-national governments, exerts a positive influence on satisfaction with political institutions. In addition, they reported that if fiscal decentralization is proxied by revenue, the impact is negative. Consistent with the above are the findings of Balunywa (2015) who established that fiscal decentralization helps to reduce corruption, leads to improved revenue performance, enables better planning for revenue collection, reduces on tax evasion, enables the local unit to get more sources of revenue, makes it easy to handle taxation disputes and also that fiscal decentralization reduces on taxation bureaucracies hence better revenue performance.

2.3 Implementation of Revenue Management Plan and Health Service Delivery

Implementation of revenue plan entails three indicators namely, motivating staff, capacity building and recruitment of skilled staff. The indicators are explained below in line with service delivery by several scholars. For instance, Abelson (2016) stressed that LGs are capable of providing health services, mobilizing community resources, stimulating private investments, expanding rural-urban linkages, adopting national development to local conditions and investing in local infrastructure based on the collected low revenue. This was found to be true of Ntungamo Municipality because it failed in its attempt to successfully hit the revenue threshold, therefore negatively affecting the delivery of health services to its communities.

Additionally, Mbufu (2014) argues that most LGs produce optimistic and thus unrealistic

revenue budgets which in turn create frustration amongst the implementers who have to slow down or put on hold ongoing and planned activities. This frustration could, however, be avoided if the principle of producing sound revenue budgets was taken seriously by the politicians and technocrats which is always difficult to adhere to due to political interests as well as lack of well trained personnel to formulate sound revenue budgets (Robert, 2016). Similarly, Onwe (2015) reveals that the manpower capacity of the LG composition of the staff of the local government will not yield the desired result, and there is also a skill gap among the few senior staff of the local government. The revenue forecast issue has since remained complex even with LG that have the technical capacity to mobilize for local revenue since what they actually plan does not conform the actual collected, hence a revenue gap. This study therefore proved that this was right with Ntungamo Municipality, which negatively affected the delivery of health services.

Odd-Helge (2016) while referring to a study on revenue mobilization argues that three dimensions of trust seem to affect citizens‟ compliance; trust in the local government to use local revenues to provide expected health services; trust in local governments to establish fair procedures for revenue collection and trust in other citizens to pay their share. The above scholarly findings did highlight the situation in Ntungamo Municipality where its local revenue plans are implemented but fewer health services are extended to the local communities.

Premchand (2015) states that budget implementation is public expenditure policy and therefore the manner in which public expenditure is managed would impinge on the implementation of the budget. Implementation or execution of the budget is an activity that took place throughout the financial year and was the cutting edge of the budget as it involved all branches of the government unlike the more technical and selective participation of officials in budget formulation. The way revenue and expenditure are grouped for decision making is the most important aspect of budgeting.

Implementation of the budget required an advance programme of action evolved within the parameters of the ends of the budget and means available (Premchand, 2015). Budget is not only a financial plan that sets into view cost and revenue within an organization, but also a tool for resource allocation, control, co-ordination, communication, performance evaluation and motivation. According to Weetman (2016) budget aimed to serve the needs of management decision and to provide the basis for management functions of planning and

control. In the case of UoN, resource allocation is one of the key difficulties facing the institution. Thomas (2015) says it is a primary means to control organizations' activities. Budgetary systems should be implemented to face the internal and external pressures. A key area in the budget implementation process is to ensure the fulfilment of the financial and economic aspect of the budget.

Kiringai and West (2016) did a study on budget reforms and the medium-term Expenditure Framework in Kenya. The study reviewed various budget systems and evaluated the strengths of the MTEF process and the threats to its sustained implementation in the context of developing countries like Kenya. The study identified a number of weaknesses in the planning and budgeting process that had continued to contribute to its poor performance namely, poor forecasting ability, lack of medium-term perspective, failure to cost future resource requirements, too many budgets, excessive political interference in budgeting, separation of the planning and budgeting process, failure of Planning groups to integrate strategic planning concerns into the budget cycle, failure of expenditure controls by line item, incremental recurrent budgeting especially on ongoing programme resulting in redundant and rising programme implementation costs, delays in issuing resources due to unforeseen changes in revenue, emergency expenditures and unplanned activities, inadequate provision for the recurrent implications of development projects; funding of recurrent activities through the development budget to attract donor funding at the expense of accountability and transparency, discrepancies between development estimates and public investment programme poor quality of development projects due to poor targeting, high per unit costs and low completion rates, weak accounting systems, inadequate and at times lack of monitoring and evaluating systems and failure to develop management information systems. The paper concluded that, MTEF was a powerful tool if fully implemented and adopted as the best practice. However, it noted that resource allocation and implementation was flawed, citing the following reasons: there was lack of comprehensive development strategies that were based on realistic national resource constraints, excessive size of the government, failure to achieve aggregate fiscal discipline and poor quality of public expenditure.

Muleri (2015) did a study on budgeting practices in NGOs in Kenya. The aim of the study was to establish the effectiveness of budgeting practices among British NGOs in Kenya. The researcher looked at the concept from a different point of view and found that most organizations used x modern practices as zero-based and philosophies to reduce financial mismanagement. The researcher observed that there is a limitation on budgeting process which

leads to cost cutting to achieve cost effectiveness; there is lack of solid base to enforce budgetary controls as a motivator; and, he concluded that although profit was the main indicator of performance in the public sector, budget management should be measured against the background of sound financial policies. The researcher concluded that budgeting is well accepted in evaluation and generally used to communicate plans and operations.

Olatona and Olomola (2015) conducted a study on the analysis of fiscal decentralization and public service delivery in Nigeria. The study found that fiscal decentralization (transfer from federal government, internally generated revenue, loans and grants) has positive link with educational service delivery, while high degree of fiscal decentralization is negatively related to health care delivery. The current study differs significantly from the reviewed study in various conceptual areas, for instance the reviewed study suffers from conceptual gaps since it measured fiscal decentralization which restricted generalization of its finding. This study also focused on service accessibility and disregarded other measures of service delivery namely, quality of service and citizens' satisfaction. The reviewed study was also based on secondary data and confined to Nigerian culture while the current study was carried out in Kenya. Finally, the reviewed study was inconclusive since it found decentralization was positively related to educational service delivery but negatively related to health care delivery.

2.4 Revenue Expenditure Control and Health Service Delivery

Revenue expenditure control entails three indicators namely, budget implementation reviews, quarterly audit reports and quarterly progress performance reports. The indicators are explained below in line with health service delivery by several scholars, for instance Todd (2015) argues that accountability as a revenue control is often best strengthened by working through a multi-stakeholder approach involving citizens, government and health service providers. The scholar argues that it is important to recognize and strengthen systems of mutual accountability and partnership at local level inclusive of LGs. The ability to ensure joint responsibility for health service delivery runs the risk of everyone's responsibility becoming no-one's responsibility. In addition, Mbufu (2014) further argues that formalizing revenue enhancement plan, budget priority allocations and effectively implementing the plan are issues that can ensure availability, accessibility of improved health service delivery.

Namanya (2015) asserts that in order to enhance local government revenue, accountability of such revenue would be seen in terms of the quality and quantity of health services extended to the local communities. The scholar further notes that accessing such services would drive

more people to pay taxes that are allocated to the provision of such services; however, local governments would register more taxes if they strengthened enforcement of laws and adherence to revenue controls. In this study, it was found out that Ntungamo Municipality collected more local revenue whenever its staff observed the local government local revenue controls.

Further to note, Miller and Svars (2013) argue that budgetary expenditure controls within local governments improved local revenue availability, decreased misappropriation of public funds, decreased unnecessary spending and improved the delivery of health services. Additionally, to Kadiresan (2015), the creation of new districts has put more expenditure pressures on the local governments, reducing and in some cases taking away completely resources that would have been used in increasing and improving service delivery. The study therefore found out that Ntungamo Municipality staff adhered to the prevailing controls, and despite gaps, this ensured the timely delivery of quality health services to its communities.

Luzige (2016) notes that sources of revenue for instance parking fees, rent, licenses, and permits among others are instrumental in realizing service delivery in LGs including expenditure on health, education. To the scholar, any increase in local revenue collection improved health service delivery, thus a significant relationship between local revenue performance and health service delivery.

Wei-qing and Shi (2017) undertook an empirical study in China and revealed that fiscal decentralization on expenditure tended to encourage governments to allocate fiscal expenditure in infrastructure, to attract outside capital to develop local economy, but at the same time, reduced provision of public services, such as education. The study also found negative effect of fiscal decentralization on public education provision is the highest in Central and West China, and the lowest in Northeast China. Similarly, Busemeyer (2016) uses a pooled-data of 21 OECD countries' analysis, and finds that fiscal decentralization decreases public education expenditures at national level but increases public education spending at regional level.

In a related study in Europe, Sow and Razafimahefa (2015) concluded that fiscal decentralization improved the efficiency of public service delivery but only under specific conditions of adequate political and institutional environments and sufficient degree of decentralized expenditures and revenues. The researchers also noted that in the absence of those conditions, fiscal decentralization can worsen the efficiency of public service delivery.

The study by Wei-qing and Shi (2017) focused on education and not health service delivery and was more so done in China where the situation may be different from Uganda. The present study thus focused on health service delivery to establish the effect of implementation of revenue plan on health service delivery in Ntungamo Municipality which nobody in the literature talked about.

Pradeep (2015) classified reports in LG as being financial reports, council reports and performance reports, among others. He further explains that financial reports are formal records of a business or organizations' financial activities while Mbufu (2014) argues that records are used by the management for decision making as they are used for future references to know which period had a decline in revenue collection and which one had the highest collections. The scholar adds that records and reports are used for audit purposes and as supporting documents in case a local government is to request for funds from the Central Government and donors (Okotie, 2013).

Ibeogu and Ulo (2015) based on their recommendations on how to improve internally generated revenue argued that the power to raise revenue and incur expenditure as appropriate, independent of the close supervision and control of another body is paramount in any democratic system. LGs should, therefore, be allowed not just to collect revenues from their assigned source but should also prepare, discuss and approve their annual budgets. However, Miller and Svars (2009) argue that local governments experience budgetary expenditure increases attributed to the reduced self-funded local unemployment funds. The scholars add that together, these factors force local governments to increase taxes, decrease expenditures, or both increase taxes and decrease spending. In this study, it was found out that Ntungamo Municipality prepared, discussed and appropriately approved its annual budgets and it was based on such a budget that more health services were found to be improving.

Uguru (2013) holds that the sub-national governments, specifically LGs are always well placed to render welfare services to their people and make them participate in the decisions that affect them if fiscal powers are completely transferred to them by the central government. Furthermore, Ibeogu and Ulo (2015) stressed that the success or finance of any organization, LG inclusive, largely rests on financial relationship between her and other tiers of government; the extent of viability and unquestionable locality which suggests that LGs need more reliable, lucrative and elastic revenue sources. The scholars add that if LGs cannot

finance the service allotted to them due to insufficient funds, they should then rely on the state or federal government for assistance.

Norton and Kaplan (2014) stress that finance focus is not enough to effectively handle the diverse types of revenue to be collected. Even though the financial health of an organization is essential, there are other interrelated factors which are necessary for success. Strategic plans aimed at achieving organization goals should consider the satisfaction of everyone that is connected to achieving the revenue collection goal. Hence improving the approach to the task requires setting of goals, which has to do with the quality of service, income generation mix along with other drivers directed at attaining organizational goals.

Due to scarcity of resources, a budget acts as an important tool for economic planning as well as necessary tool for effecting good planning which leads to effective mechanism for managing not only the economy and the scarce resources (Petershie, 2018). Financial allocations provide factors of production such as capital, labour, land and all other resources used in production in the agricultural sector. According to Ozor et al. (2017) government can co-partner with farmers to enhance the provision of funds for agricultural production and technology transfer. To expand scope of operations, research, investment and production in the agricultural sector, effective and timely provision and other forms of agricultural (farm) credits, including insurance provision from the government often help (Ibitoye, 2015). Government often makes budget provisions in different levels for agricultural development in Kenya. However, the authors did not show the effect of revenue control expenditure on health service delivery in local governments in Uganda. This was the essence of this study.

Studies that have compared the allocation of public expenditure on infrastructure investment and maintenance in an endogenous growth framework, have shown that maintenance spending affects both the durability and efficiency of public capital (Agenor, 2015). In line with the foregoing, the study was to give a thorough assessment of the contribution of the allocation of public revenue or expenditure on maintenance of infrastructure. Increased funding for new infrastructural investments has been witnessed in many African countries (Foster and Morella, 2016).

Stiefel, Rubenstein and Schwartz (2016) analysed the relationship between the spending of public schools in Chicago and patterns of budget allocation by constructing and using adjusted performance measures. They concluded that, even though the total spending

differences between low-performing schools and high-performing schools were small, there were significant differences in the distribution of discretionary spending across function. They concluded that "high performing schools average almost five percentage points more discretionary spending on instruction and less on instructional support and administration". The above authors focused on the relationship between the spending of public schools in Chicago and patterns of budget allocation by constructing and using adjusted performance measures yet the current study was on revenue management focusing on revenue expenditure control as a dimension of revenue management and health service delivery which indicates that there was a gap to be filled by investigating the effect of revenue control on health service delivery in Ntungamo Municipality.

Studies have been carried out on revenue allocation of government budgets. The majority of these studies, such as Adedokun (2016), Oriakhi (2015), Baghedo (2016) and Nebo and Chigbo (2015) were on revenue allocation at the Local Government level or revenue generation and utilization at the Federal level. These studies did not relate revenue generation to social service delivery at the state level, except for Oriakhi (2015) that considered the relationship between revenue allocation and service delivery in the federation (Federal, States and LGs) as a whole. Most of these studies used exploratory research design. However, this study intended to find the impact of revenue expenditure control on health service delivery in local governments in Uganda with a focus on Ntungamo Municipality. This study is motivated on the premise of deficiencies in empirical researches on states' revenue expenditure control for the provision of public service. Researches in this area could not fully utilize the use of the study"s variables at local government level, which is revenue expenditure control and health service delivery. Therefore, a study of this kind pushed the frontier of existing knowledge in this area.

Furthermore, studies have been conducted in the field of revenue allocation and spending but focused on different aspects other than the relationship between revenue allocation and health service delivery in Uganda. Mwangi (2016) studied on the relationship between donor funding and performance contracting score of state-owned enterprises in Kenya. Nkanata (2017) studied on the factors affecting the government spending on the budget allocations by accounting officers, a case of Ministry of Education, while Kirimi (2014) studied the factors affecting budget utilization by government ministries in Kenya, Also, Biwott (2015) studied the budgetary allocation process in ublic sector institutions, a case of University of Nairobi.

These studies did not cover the relationship between revenue expenditure control and health service delivery in Local Governments in Uganda. The purpose of the study was to fulfil this gap in literature by addressing the following question: What is the effect of revenue expenditure control on health service delivery in Ntungamo Municipality?

WHO (2016) states that appropriate mechanisms need to be established for quality monitoring, assessment and continuous quality improvement at all levels of health care services. The same organization however notes that local governments lack appropriate mechanisms for monitoring. Government of Uganda (1997) in the Local Governments Act Cap. 243 Section 27 (d) & (j) empowers executive committee of a local government to monitor the implementation of policies, programmes and projects and take action where necessary. Section 27 (f) of the Act empowers the executive committee to evaluate the performance of the council against approved work plans and programmes. Government of Uganda (2007) states that monitoring is a continuous function that involves collection and analysis of data about project implementation that would lead to timely decision making, ensuring accountability and quality. The above literature lacks empirical information analysing the effect of budgeting on the quality of health services. This study set out to fill this gap. The study findings revealed that budgeting significantly affects the quality of primary health care services. The above study did not talk on expenditure control and health service delivery. Thus, there was a need by the researcher to investigate the effect of expenditure control and health service delivery focusing on Ntungamo Municipality.

Ahmad (2017) argues that with the increased responsibilities under decentralization, there are limits to which local revenues of local government can meet the expenditures. This generates a need for local governments to obtain intergovernmental transfers. Shah (2015) agrees that the way intergovernmental transfer system is designed plays a critical role for quality and equity of local service delivery. To bridge fiscal gaps, grant design should include tax base sharing; to reduce regional disparities, there is need for fiscal capacity equalization; to set national minimum standards on block transfers and conditions on service standards are preferable and to influence local priorities there is need for open ended matching.

Bossert and Beauvais (2015) observe that the central government should retain some control over expenditure responsibilities for health to achieve equity and specific minimum health outputs. It is more appropriate for the responsibility of redistribution and equity to lie with the central government (Shah, 2015). Another rationale for the conditional grants is that the

policy on equity should be set and implemented by one level of government. The extent of inequities in resource allocation across local jurisdictions makes a case for the central government to intervene in order to achieve a more equitable distribution of allocated resources for primary health care (Okorafor, 2017).The World Bank (2014) however notes that accountability for conditional grants may be poor as citizens may not have adequate information on the grants since they are not the specific taxpayers. The study findings however showed that the problem of conditional grants lies with their tight conditions and inadequacy and not mismanagement.

Fiscal decentralization policies can assume different institutional forms. An increase of transfers from the central government, the creation of new sub-national taxes, and the delegation of tax authority that was previously national are all examples of fiscal decentralization. Financial decentralization are policies designed to increase the financial autonomy of sub-national governments (Ozmen, 2014). It is an important tool in revenue performance and therefore instrumental in providing services closer to people in large and densely populated economies (Clegg &Greg, 2016). The theories underpinning financial decentralization include the Souffle theory, Sequential theory of decentralization and the new public management theory.

Devolving financial authority to lower levels of government reduces central government's control over public expenditure. It involves the transfer of power to local authorities to make autonomous decisions about revenue collection strategies and expenditures decisions. With such autonomy comes local responsibility such as that of cost recovery through user charges and property taxes (Stanton, 2015). Fiscal decentralization may confer power on locally-elected officials to collect and spend own revenue. In the most fulsome application of fiscal decentralization, local government is awarded substantial taxing powers and the freedom to determine the extent of public service delivery (Grindle, 2017). By distributing authority and responsibility for fiscal management and public service delivery, minorities are given a stake in the system and this helps in conflict management (Ndung'u, 2014).

Halaskova and Halaskova (2014) posit that measurement of fiscal decentralization includes expenditures of lower levels of government as a percentage of total expenditures or Gross Domestic Product (GDP). Secondly, it also includes revenues of lower tiers of government as a percentage of total revenues or GDP; division of tax revenues between central and local

governments. Lastly, is the level and extent of tax authority and share of expenditures in selected public sector areas such as education, health, social security as a share of total expenditures of lower levels of government. The efficiency of a decentralization framework is high when the intergovernmental fiscal framework is welfare enhancing, incorporates incentives to encourage prudent fiscal management at all government levels and responsibilities to tax and spend at the sub-national levels is accompanied by adequate political authority (Ndung'u, 2014). For instance, Shah (2017) identifies matching grants and tax revenue assignments as incentives that may motivate the enhancement of fiscal effort at the sub-national levels of government.

Ibok (2014) carried out a study on local governance and service delivery and states that lack of funds occasioned by low budgetary allocation, restricted revenue sources available to local government and inability to effectively utilize its internal sources of revenue generation had impacted negatively on the provision of public goods at local level. Simiyu (2014) using a descriptive survey design and a sample of 98 respondents carried a case study in Kimilili, Kenya to examine the effects of devolved funding on socio-economic welfare services. The study measured socio-economic welfare services by literacy level, access to health facilities, security level, employment level, income levels, water and sanitation and food security. The researcher revealed that the constituency development fund plays an important role in social economic aspects of the lives of the locals and called on policy makers to improve on management of the devolved funds. Ibok (2014) and Simiyu (2014) focused on devolved funds and provision of public goods but not the revenue expenditure control and health service delivery in Ntungamo District which the present study was trying to address.

In Russia, Beuermann and Amelina (2017) evaluated the participatory budgeting model and increased satisfaction levels with public services. The research concluded that the extent to which citizens participate in the process of public decision making is likely to influence the expected benefits of the decentralization of public services. In the case of Indonesia, Olken (2015) used a sample of 49 Indonesian villages randomly selected and found that direct participation in political decision making can substantially increase satisfaction and legitimacy. Goncalves (2014) carried a study in Brazil to investigate whether the use of citizen participatory budgeting in Brazilian municipalities during 1990–2004 affected the pattern of municipal expenditures and had any impact on living conditions. The study found that

municipalities using participatory budgeting favoured an allocation of public expenditures that closely matched popular preferences. Further, they found that municipalities channelled a larger fraction of their budgets to investments in sanitation and health services which was accompanied by a reduction in infant mortality rates. The researchers concluded a more direct interaction between service users and elected officials in budgetary policy can affect both how local resources are spent and living standard outcomes. These studies were conducted in developed countries where the situation may be different from Ntungamo Municipality. More still, their focus was on participatory budgeting not revenue expenditure control which the present researcher talked about in the present study.

2.5 Gaps in the Literature Review

The review of literature looked at the following thematic areas: revenue management planning and health service delivery, implementation of revenue management plan and health service delivery, revenue expenditure control and health service delivery in local governments.

Olatona and Olomola (2015) conducted a study on the analysis of fiscal decentralization and public service delivery in Nigeria. The study found that fiscal decentralization (transfer from federal government, internally generated revenue, loans and grants) has positive link with educational service delivery, while a high degree of fiscal decentralization is negatively related to health care delivery. The current study differs significantly from the reviewed study in various conceptual areas, for instance, the reviewed study suffers from conceptual gaps since it measured fiscal decentralization which restricted generalization of its finding. This study also focused on service accessibility and disregarded other measures of service delivery namely, quality of service and citizens satisfaction. The reviewed study was also based on secondary data and confined to Nigerian culture while the current study was carried out in Uganda. Finally, the reviewed study was inconclusive since it found decentralization was positively related to educational service delivery but negatively related to health care delivery.

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accompanied by a reduction in infant mortality rates. The researchers concluded a more direct interaction between service users and elected officials in budgetary policy can affect both how local resources are spent and living standard outcomes. These studies were conducted in developed countries where the situation may be different from Ntungamo Municipality. More still, their focus was on participatory budgeting not revenue expenditure control which the present researcher was concerne with in the present study.

In summary, the review of the literature revealed that decentralized governance still has challenges in bringing about effective revenue management that translates into effective health service delivery or investments in local governments. There are challenges in the implementation of the financial management framework in order to generate sufficient revenues required for effective health service delivery including health. There are also ineffective revenue collection mechanisms despite many different sources of local revenue; as such there is declining local revenue mobilization and collection. In addition, there is poor prioritization of funds generated from local revenue.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the research methodology which includes: research design, study population, sample size determination, sampling techniques, data type and sources, data collection methods, data collection instruments, data collection procedures, validity and reliability, data analysis, ethical considerations and limitations of the study.

3.1 Research Design

Cross-sectional survey research design was used in the study. This design was chosen because cross-sectional research design helped to collect data from a large number of cases at a particular point in time (Sekarani, 2009). Quantitative and qualitative approaches were used to support the research design. Qualitative approach was of particular importance to this research because of its ability to penetrate into the different expressions and experiences of respondents to the subject matter. Quantitative approach was used due to the desire of establishing the magnitude of the problems using statistical data and evidence.

3.2 Target Population

The study population was 250 and it comprised 10 administration staff, 1 mayor, 67 councillors, I finance officer, 9 tax collectors, 15 health workers and 147 service users. Staff in the health sector such as nurses, health inspector and town clerks were considered because they were technical people in health service delivery and they implemented health policies. Councillors were considered because they formulated health policies in Ntungamo district while service users were service consumers and they knew how health services were delivered in health centres in Ntungamo Municipality.

3.3 Sample Size Determination

A sample size is a subset of a population. The sample size for the study was determined using Krejcie and Morgan (1970) Table, as cited in Amin (2005), and from a population of 250 a sample size of 148 respondents was drawn. The distribution of the sample is shown in Table 3.1 below;

Table 3.1 Sample Size and Composition

Category of respondents	Target Population	Sample Size	Sampling strategies
Administration staff	10	10	Purposive sampling
Mayor	1	1	Purposive sampling
Councilors	67	30	Simple random sampling
Finance Officer	1	1	Purposive sampling
Tax collectors	9	9	Purposive sampling
Health workers			Purposive sampling
Service users	147	82	Simple random sampling
Total	**250**	**148**	

Source: Municipal Planner, Principal Human Resource Officer, Ntungamo Municipality and determined using Krejcie & Morgan (1970) as cited in Amin (2005)

3.4 Sampling Techniques

Arising from Table 3.1 above, the sampling techniques which were used to select respondents include purposive and simple random sampling. In order to ensure representation of the study population, the sample was selected from a cross-section of the population of 250.

3.4.1 Simple Random Sampling

The selection of 82 service users and 30 councilors was through Simple Random Sampling because it gives all the respondents an equal chance of being selected in the sample and avoids bias on side of the researcher (Mugenda & Mugenda, 2003). Service users/patients were selected from Ruhoko Health Centre II and Ntungamo Health Centre III. The names of service users/patients were got from register at the Health Centre II and III and these names were written using initials on tags that identified elements of the population to be sampled. The tags were placed in a container and well shuffled. A tag would then be drawn from the container and the process would be repeated until the required number of tags were obtained. The 82 names were then randomly picked giving each an equal opportunity to be picked. Two months of 2019 (July and August) were randomly selected for the services to clients. The study selected two months because the performance reports of the health centres are compiled monthly and each month's report tends to be unique.

3.4.2 Purposive Sampling

The selection of the 10 Administrative Officers, 9 tax collectors, 15 health workers, 1 mayor and 1 finance officer was purposive totalling to 148 respondents. Purposive sampling was

preferred because of these categories' unique skills, knowledge, central role and responsibility in financial management in local governments and access to other information of interest to the study; hence, they were regarded the key informants in this study. The respondents in five categories of administration and health workers, political leaders/councillors and tax collectors were purposively sampled for the study. This enabled the researcher to obtain the data necessary for the study, because these categories are key stakeholders for the services delivered.

3.5 Data Collection Instruments

The study used three methods namely, questionnaire, interview and documentary review to aid data collection. Primary and secondary data sources were the main sources of data used in the study. Concerning the primary data, the study used a questionnaire and interview guide while secondary information was obtained from sources like; Ntungamo Municipality Health report 2017, Ntungamo District Response Initiative on HIV/AIDS Action Research report, Ntungamo Municipality Local Government Quarterly Performance Report for Financial Year 2018/2019) and Ministry of Health Annual Health Sector Performance Report Financial Year 2018/2019.

3.5.1 Questionnaires

A questionnaire is method that utilizes a standardized set or list of questions given to individuals or groups, the results of which can be consistently compared and contrasted. This method is mainly used to generate quantitative data. In this study it involved the use of self administered questionnaires to respondents who were health workers, 10 administrative officers, mayor and finance officer, councillors and tax collectors. These instruments aided the collection of quantified data from the field of study. The questions designed in the instruments were based on five-point Likert-type scale to measure variables (strongly agree, agree, undecided, disagree, strongly disagree). The five-point Likert-type scale provided less bias in mean, variance, correlation coefficient and the reliability of scores. In addition, using questionnaires helped to elicit primary information and respondents provided their opinions from alternative answers and also expressed their feelings about the study.

3.5.2 Interview Guide

This instrument was used to collect qualitative primary information. Interview is face-to-face interpersonal communication in which an interviewer asks participants questions aimed at eliciting answers related to the research questions. The structured interviews which comprised open ended questions that elicit a variety of responses which were elaborate and

truly reflected the opinions of the respondents were used on the personnel officer and municipal health inspector. It usually yields the richest data, details, new insights and permits face-to-face contact with respondents; provides an opportunity to explore topics in-depth and allows the interviewer to experience the affective as well as cognitive aspects of responses; it allows interviewer to explain or clarify questions; increases the likelihood of useful responses and allows the interviewer to be flexible in administering interview to particular individuals or in particular circumstances (Amin, 2005). Therefore, a-face-to-face interview with the personnel officer and health inspector was conducted because they had key information about local government administration and the management of health service delivery.

3.5.3 Documentary Review Checklist

The following documents were reviewed during the study: Ntungamo Municipality reports on health outcomes and finances, health centre's performance reports, Municipal Council budgets and their corresponding final accounts for 2017/2018 financial years, health unit management committees" minutes, staff work schedules, primary health care implementation guidelines and health policy, Annual expenditure performance reports, Workplan Revenues and Expenditures by source, 2018/2019, Ntungamo Municipality Local Government Quarterly Performance Report for Financial Year 2018/2019) and Ministry of Health Annual Health Sector Performance Report Financial Year 2018/2019 and Section 35 of the Local Government Act Cap 243, Amendment (2010). This constituted a secondary source of data for the study. Documentary review checklist was preferred because of advantage in gathering written information to back up primary data collected using questionnaires and interview guide.

3.6 Reliability of the instruments

3.6.1 Reliability

To ensure that the instrument measures what is supposed to be measured, a test for reliability of instrument was done. Reliability entailed identifying a group of ten respondents who would be requested to answer the sampled questionnaire. To ensure the effectiveness of the questionnaire, reliability was computed using Alpha Cronbach. A reliability score of 0.5 suggests that the instrument is reliable (Amin, 2005).

So, reliability was obtained using Cronbach's coefficient test as stated in the following formula:

$$r = \frac{K}{K-1}\left(1 - \frac{\sum pq}{d^2}\right)$$

Where a is the alpha coefficient, d^2 is the variance of the total test, K is the number of items in the research instrument and $\sum pq$ is the sum of variance of K questions on the instrument. The reliability became 0.9 which was above 0.7 and this showed that the instrument was reliable for data collection.

– k is the total number of test items (20) – Σ indicates to sum, p is the proportion of the test takers who pass an item (0.8) – q is the proportion of test takers who fail an item (0.2)– $\sigma 2$ is the variation of the entire test (5.57).

$$r = \frac{20}{20-1}\left(1 - \frac{1-(1)}{5.57}\right)$$

The reliability outcome was found to be 0.86 which was over 0.7 as recommended by Amin (2005). Therefore the instrument was considered reliable.

3.6.2 Validity

Validity refers to the ability of the instrument to measure what it is expected to measure. The study used face, content and construct validity to ensure validity of the instruments (Questionnaires and interviews). Face validity refers to the appropriateness of the instruments by appearance. Content validity focuses on whether the full content of a conceptual definition is represented in the measure. Thus, two steps are involved in content validation; specifying the content of a definition and developing indicators which sample from all areas of content in the definition (Punch, 2005). Construct validity aims at linking the instruments used and the theories of the study. A validity test was carried out prior to the administration of the research

instruments. This was done in order to find out whether the questions were capable of capturing the targeted data. Content validity index of the instruments was determined by giving a list of objectives, research questionnaires and interview guides to experts in the area of study and questionnaire construction. The experts were requested to evaluate each item in the questionnaire to determine the relevant items. It was then calculated using the formula as follows:

CVI= Number of Valid items = CVI= 17
=0.85
Ttotal number of items 20

The content validity index was 0.85 which was greater than 0.7, according to George and Mallery (2003). Thus the questionnaires were considered valid because the items in the instruments were relevant and sufficient to cover the content validity index.

In determining the validity of the interviews, a pilot test was conducted on ten respondents. The research instrument used in the pilot test was open-ended questions of semi-structured interview which allowed the researcher to not strictly follow a formalized list of questions. The questions were based on the issue related to revenue management and health service delivery in Ntungamo Municipality.

3.7 Data Collection Procedure

The researcher respected human dignity by not revealing the identity of the respondents in the study. A letter of introduction was obtained from the Directorate of Postgraduate Studies. This letter was presented to the authorities of Ntungamo Municipality where the study was conducted so that permission to carry out the study would be granted to the researcher. After being granted permission, the researcher administered questionnaires and carried out interviews within a period of two weeks; then coding was done and report compilation followed.

3.8 Data Analysis

Analysing data was done both qualitatively and quantitatively as indicated below.

3.8.1 Qualitative analysis

Qualitative data from the interview responses and documentary review was analysed using thematic procedures. This involved organizing the statements and responses (through summaries, coding and testing out main study themes) and useful conclusions and

interpretation was generated based on patterns and explanations of the study findings and research objectives.

3.8.2 Quantitative analysis

After data collection, tallying of the information started immediately. Frequencies and percentages were used to determine the profile or demographic characteristics of respondents while basic descriptive statistics such as mean and standard deviation together with correlation and regression analysis were used to characterize the data. Pearson Correlation Coefficient was also used first to examine associations between variables. The formula presented below was used to compute the Pearson correlation:

$$r = \frac{n(\Sigma xy)-[(\Sigma x)(\Sigma y)]}{\sqrt{[(n\Sigma x2-(\Sigma x)\,2)\,(n\Sigma y2-(\Sigma y)\,2)]}}$$

where variables x and y represent specific variable scores in the study.

3.9 Ethical Considerations

In the context of research, ethics refers to the appropriateness of the researcher's behaviour in relation to the rights of those who become subjects of the study or are affected by it. The researcher considered ethical issues throughout the period of the research and remained sensitive to the impact of his work on the respondents and stakeholders affected by the study (Saunders et al., 2009). The researcher obtained an introductory letter from Kabale University to the Town Clerk of Ntungamo Municipality seeking permission to conduct research in the Municipality.

The researcher emphasized confidentiality of all her research findings and used research assistants where she anticipated bias during data collection. The researcher ensured that information obtained from respondents remained confidential. The researcher sought consent of the respondents before administering the questionnaires. This aimed at ensuring that respondents participate in the study basing on their own free will. In addition, the researcher proved the authenticity of the research being conducted and acknowledged all sources of information to ensure that there was no plagiarism. The respondents' names were withheld to ensure anonymity and confidentiality in terms of future prospects.

Voluntary participation: Participants were not forced to answer the questionnaire. Participation in the study was voluntary. Respondents were required to participate in the study without force. Every respondent made all the effort to provide data willingly because they were aware of the purpose of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSION OF FINDINGS

4.0 Introduction

This chapter presents the analysis and interpretation of the results of the study. The trend of the discussion is focused on the relationship between and among the study variables in an attempt to answer the research questions. The variables of the study and their percentages are presented in tables. Descriptive statistics are presented later in the chapter to explore the results pertaining to the study.

4.1 Response Rate

The response rate, also known as completion rate or return rate in a study, refers to the number of people who answered the research questions divided by the number of people in the sample and it is expressed in the form of a percentage (%). Therefore, the table below provides the rate at which respondents completed the instrument of data collection.

Table 4.1: Table of Response Rate

Category of respondents	**Sample Size**	**Questionnaires distributed**	**Questionnaires returned**	**sponse rate**
Administration staff	10	10	10	100%
Mayor	1	1	1	100%
Councilors	30	30	30	100%
Finance Officer	1	1	1	100%
Tax collectors	9	9	9	100%
Health workers	15	15	15	100%
Service users/patients	82	82	82	100%
Total	**148**	**148**	**148**	

The above table indicates that all the questionnaires that were distributed to respondents were brought back to the researcher fully filled which indicated 100% response rate.

4.2 Background Characteristics of Respondents

This section examines the characteristics of the study respondents. This section gives the number of people who responded to the study with regard to the characteristics of the respondents, category of respondents, sex, age and level of education. This was done to enable the researcher have an understanding of the respondents' characteristics and form appropriate judgement on the research findings.

4.2.1 Gender of the respondents

A frequency table was used to present and analyse data on the gender of respondents. This is illustrated in Table 4.2 below.

Table 4.2: Gender of the Respondents

Gender	**Frequency**	**Percentage**
Female	92	62.2
Male	56	37.8
Total	**148**	**100.0**

Source: Field Data, 2019

The researcher examined the gender distribution of respondents. The results revealed that 92 (62.2 per cent) of the respondents were females while only 56 (37.8 per cent) were males. This implies that a larger proportion of the respondents were females, despite local governments being guided by the Gender policy which offers both sexes equal opportunities especially when it comes to participation in local government management of revenue and health service delivery and recruitment of workers. This is because most people prefer employing males to females, for females are entitled to maternity leave and are considered to be weak compared to males which always put work at standstill (stereotype gender roles).

4.2.2 Age of the Respondents

Frequency table was used to present and analyse data on the age of the respondents and illustrated in Table 4.3 below.

Table 4.3: Age of the respondents

Age bracket	Frequency	Percentage
18-29 years	20	13.5
30-40 years	82	55.4
41-59 years	41	27.7
60+	5	3.4
Total	**148**	**100.0**

Source: Field Data, 2019

Table 4.3 reveals that the majority of the respondents, represented by 82 (55.4 per cent) were between the age brackets of 30-40 years, 41 (27.7 per cent) were aged between 41-59 years, those aged 18-29 years constituted 20 (13.5 per cent) while 5 (3.4 per cent) were aged 60+. Further analysis shows that there was no technical staff aged 60+ except politicians. This is in agreement since the retirement age for public officers is 60 years. The observation here is that a larger percentage of the respondents were of the ages 30-40 and above and were without doubt mature enough to comment about the effects of revenue management on health service delivery in Ntungamo Municipality.

4.2.3 Level of Education of the Respondents

Understanding the level of education of the respondents was important for this study because it helped the researcher to gauge the level of understanding on the topic under study and capacity of the staff. Frequency table was used to present and analyse data on the level of education of the respondents. This is illustrated in Table 4.4 below.

Table 4.4: Level of education of the respondents

Education	Frequency	Percentage
Secondary	40	27.0
Diploma	40	27.0
Degree	62	41.9
Masters	6	4.1
Total	**148**	**100.0**

Source: Field Data, 2019

From Table 4.4 above, the results indicated that 62 (41.9 per cent) of the respondents had attained had degrees, 40 (27.0 per cent) had diplomas, other 40 (27.0 per cent) had completed secondary education, while 6 (4.1 per cent) had Master's degrees. Many of the technical staff had diplomas and degrees because they are the requirement to work in Local Government, while few were among political leaders/councillors and service users. Different respondents from different education backgrounds were sampled since issues concerning health services in the area concern all kinds of people regardless of their education level. Information obtained from respondents of different education levels was very instrumental in the data analysis since people with different attitudes and beliefs influenced by their education level had different ideology regarding health service delivery.

4.3 Revenue Planning and Health Service Delivery in Ntungamo Municipality

Revenue planning formed dimension one of revenue management. This dimension was categorized into three indicators namely, identification of revenue sources, assessment and enforcement that were used to design questions that were asked on revenue enhancement planning. For interpretation purposes, mean score above three (> 3.00) reveals agree and a score below three (< 3.00) reveals disagree. The standard deviation score of less than one (<1.00) reveals commonalities and above one (>1.00) reveals divergences in opinions. The respective responses are provided in Table 4.5 below.

Table 4.5: Statements on Revenue Management Planning in Ntungamo Municipality

Statement	SD	D	UD	A	SA	Mean	Std
Decentralized revenue planning is a key component used to ensure timely revenue mobilisation	22(14.8%)	12(8.1%)	14 (9.5%)	42(28.4%)	58(39.2%)	4.45	1.11
Identifying revenue sources helps Ntungamo Municipality to realize more local revenue	20(13.5%)	10(6.8%)	21(14.2%)	51(34.5%)	46(31.1%)	4.12	1.12
The revenue planning process entails assessment of how much tax that the tax payers should pay	15(10.2%)	20(13.5%)	8(5.4%)	57(38.5%)	48(32.4%)	4.10	1.01

Tax assessment is fairly done to enable tax payers commit themselves to paying the tax	25(16.9%)	30(20.3%)	25(16.9%)	36(24.3%)	32(21.6%)	2.85	0.15
There is enforcement deployed by Ntungamo Municipality to ensure timely revenue collection	30(20.3%)	32(21.6%)	24(16.2%)	34(23.0%)	28(18.9%)	3.85	0.98
Average mean						**3.87**	**0.874**

Statistical findings presented in the Table 4.5 above show that revenue planning is a key component used to ensure timely revenue mobilization with 67.6% agreement score, mean = 4.45, 9.5% were undecided and 22.9% disagreed which suggests that timely planning in terms of revenue objectives, setting revenue goals and courses of actions on how such revenue would be collected among others would increase Ntungamo Municipality revenue base to support the delivery of health services in Ntungamo Municipality. This was supported by a standard deviation of 1.11. To affirm the findings, one interviewee revealed that: "*There is no way a local council can realize local revenue without frequently engaging in its planning that is decentralised revenue planning is a critical activity under budgeting.*"

Relative to the above scores, 65.6% agreed that identifying revenue sources helped Ntungamo Municipality to realize more local revenue. This can further be supported by a mean score of 4.12 and standard deviation score of 1.12 that were computed; however, up to a tune of 14.2% of the respondents were undecided while 20.3% disagreed. The findings highlight local sources, for instance parking and construction fees, license fees among others as Ntungamo Municipality's sources of revenue which to a great extent contribute to its revenue base that supports the delivery of local services. "*As a local council, we are obliged to collect local taxes that we use as local taxes to support service delivery however such collection is based on the number of identified local sources.*"

Statistics representing 70.9% (mean=4.01) suggest that revenue planning process entails assessment of how much tax the tax payers should pay should pay while 5.4% respondents were unaware of assessment and 23.7% respondents disagreed. The findings concur with Article 191 section 2 of the Constitution of the Republic of Uganda of 1995 which stipulates that the fees and taxes to be levied, charged, collected and appropriated to include rent, rates, royalties, stamp duties, fees on registration and licensing and any other fees and taxes that parliament may prescribe. Similarly, Byrnes (2016) acknowledges that to curb and reverse the

declining local revenue, many LGs need to come up with revenue enhancement plans that entail identifying revenue sources, among others, to increase the revenue base. The issue of conducting tax assessment enables any tax authority (Municipalities inclusive) to come up with the correct tax proportions for any businesses operating locally. In addition, assessments help in determining the expected revenue which can be used to determine the extent of services that can be provided. However, a fraction of respondents disagreed to the statement which explains tax assessment gaps in terms of skills, competence and abilities. These need to be addressed as fast as possible.

Secondly, respondents agreed to the fact that enforcement is deployed by Ntungamo Municipality to ensure timely revenue collection. This quantified statement links with findings as were presented by Norton and Kaplan (2014) who argue that LGs should ensure that local revenue is well collected through timely enforcement. The scholars argue that to ensure a smooth financial health of an organization, a number of interrelated factors need to be considered; adding that using strategic plans enforcement inclusive fulfils objectives of an organization. This task requires setting of goals, which has to do with the quality of service with other drivers directed at attaining organization goals. The issue of deploying tax assessment teams to oversee the collection of local taxes is one of the key paths that can be followed in order to improve tax collections in localities including town councils nonetheless, much as respondents agreed to that effect, some disagreed or were undecided which signals a loophole in the revenue enhancement planning. The loophole could be linked to the untimely assessment and logistical support that is required to motivate the local revenue assessment team that is mandated to conduct the assessment. This is a widening gap that needs attention.

In addition, 45.9% respondents agreed that tax assessment was fairly done to enable the local community commit itself to paying the tax. However, 36.5% disagreed while 16.9% were undecided which suggests that Ntungamo Municipality local agents elicit information on local businesses, gauge or do assessments on how much local tax is due in respect of business operators. This increases local revenue collection which is used to facilitate service delivery. To complement on the above findings was a municipality official who voiced out that: "*The issue of assessment as a component of revenue enhancement planning helps the municipality ensure that it properly identifies local revenue sources, provide timely assessment of revenue and its collection and ensure debt and credit managements. These when well-handled result in improved local revenue bases.*"

Lastly, under revenue planning mean score = 3.85 and the standard deviation was 0.98, and 43.4% respondents agreed that enforcement was deployed by Ntungamo Municipality to ensure timely revenue collection, 40.5% disagreed while 16.2% of the respondents were undecided. The findings reveal how Ntungamo Municipal Council considers local revenue as a main source of local revenue and therefore the need to improve its collection is done through deploying enforcements.

In one of the related interviews held, an interviewee observed that: "*The situation is not always good as the local community is time and again made aware to clear their tax obligations on time however, some have failed an action that portrays intent to ievade taxes hence were deploy enforcers*".Another interviewee said, "*Local revenue collection is not an easy task, to realize local revenue, enforcements must be done and are therefore inevitable yet the town council needs local revenue to foster service delivery*".

Although there is an approved revenue enhancement planned to guide the collection of revenue in Ntungamo Municipality, revenue collection is not well performing and not all the revenue approved by the council is collected. This is because of poor taxpayer education and sensitization coupled with poor esteem and interest and inaccurate data upon which revenue is ascertained (Ntungamo Municipality Mayor).

From the information generated through interview, the majority of the informants reported that patients and staff in hospitals in Ntungamo Municipality do not have water or enough rooms and sufficient power. One of the patients was quoted saying "*When I came here, all the beds were already taken up by other patients. Thus, I had to put down my bed so that I can access medical services."*

The correlation in this study was determined using the Pearson correlation technique and results are provided below (Table 4.6).

Table 4.6: Correlation results for Revenue Management Planning and health service delivery

			Revenue Management Planning	Health service delivery
	Revenue Management Planning	Pearson Correlation	1	.431**
		Sig. (2-tailed)	.	.000
		N	148	148
	Health service delivery	Pearson Correlation	.431**	1
		Sig. (2-tailed)	.000	
		N	148	148
**. Correlation is significant at the 0.05 level (2-tailed).				

Based on Table 4.6 above, the study found out that a significant positive relationship existed between revenue management planning and service delivery (.431**) in Ntungamo Municipality which suggests that identifying more revenue sources, providing fair assessment and timely enforcement

would provide local revenue to improve health service delivery.

4.4 Implementation of Revenue Management Plan and Health Service Delivery in Ntungamo Municipality

Implementing the revenue management plan was also assessed to establish the extent of agreement and the following were the findings.

Table 4.7: Statements on Implementation of Revenue Management Plan

Statements	SD	D	UD	A	SA	Mean	Std Dev
I am well versed with the issues of implementing the revenue plan within Ntungamo Municipality	28(18.9%)	30(20.3%)	17(11.5%)	35(23.6%)	38(25.7%)	3.37	1.41
I am well motivated to engage in implementing the revenue plan	30(20.3%)	33(22.3%)	18(12.2%)	32(21.6%)	35(23.6%)	3.07	.69
Implementing the revenue plan is an easy task for me	22(14.9%)	34(23.0%)	18(12.2%)	38(25.7%)	36(24.3%)	4.10	1.01
Ntungamo Municipality ensures capacity building for its staff in order to better the implementing the revenue plan	27(18.2%)	31(20.9%)	18(12.2%)	34(23.0%)	38(25.7%)	4.10	1.04
The capacity building process is fairly done and transparently managed to ensure that all Ntungamo Municipal council staff	30(20.3%)	26(17.6%)	20(13.5%)	35(23.6%)	37(25.0%)	3.37	.69
Ntungamo Municipality ensures the timely recruitment of skilled staff to support implementing the revenue plan within the municipality	26(17.6%)	25(16.9%)	27(18.2%)	34(23.0%)	36(24.3%)	2.43	1.07
Average mean						**3.41**	**.99**

From Table 4.7, 49.3% of the respondents with a mean score of 3.37 and a standard deviation of 1.41 agreed that they were versed with the issues of implementing the revenue

enhancement plan within the municipality compared with 39.2% who disagreed and 11.5% were not sure, which implies that the local community within the municipality had awareness

on how local revenue was mobilized with fewer actually understanding the concept which negatively affected the delivery of health services.

"*Ntungamo Municipality still faces several challenges with ensuring that the developed or designed revenue plans are well implemented which has affected the collection of revenue that is used to support health service delivery. The implementation has remained poor despite all efforts made*" said a Ntungamo Municipal official.

Responses obtained also indicated that 45.2% of the respondents agreed, 42.6% disagreed while 12.2% of the respondents were undecided that they were motivated to engage in implementing the revenue plan. The mean score 3.07 was obtained with a standard deviation of .69, which implies that there was some motivation provided to staff who were directly involved in the implementation of the revenue plan for health service delivery.

From the table, 'implementing the revenue plan was an easy task' was agreed by 50% of the respondents, 48.7% disagreed while 12.2% were undecided. The findings indicate that implementing the revenue plan was easy to the majority of the respondents. However, other respondents noted that there was a revenue loophole which affects the delivery of health services within the Municipality.

A fraction of 48.7% of the respondents agreed, indicating a mean score of 4.10 and standard deviation=1.04. Furthermore, 39.1% of the respondents disagreed that Ntungamo Municipality ensured capacity building for its staff in order to better the implementation of the revenue plan while 12.2% were undecided. Additionally, 48.6% respondents agreed that the capacity building process is fairly done and is transparently managed across all Ntungamo Municipality staff; however, 37.9% disagreed while 13.5% were undecided. The result suggests fairness in staff capacity building opportunities which improved revenue management and health service delivery. "*The issue of capacity building is applicable to all staff however, some staff are more frequently engaged in trainings than others which raises an eye bow*", said by a Ntungamo Municipality official.

Finally, a mean score of 2.43 and 47.3% agreed that Ntungamo Municipality ensures the timely recruitment of skilled staff to support the implementation of the revenue plan within

Ntungamo Municipality. However, 34.5% disagreed while 18.2% were undecided. The findings reveal that small skill gaps exist among some Ntungamo Municipality staff, which explains that sometimes there is failure in the implementation of the revenue plan.

In an interview, one respondent stressed that: "*The municipality still has vacancies that have not been filled which has created more personnel gaps which has a direct effect on implementing the revenue plan".*

It was noted in an interview that community priorities are implemented after planning and budgeting due to political interest however; most of them are decided at higher levels with authority and not all community priorities are taken into consideration. One respondent noted that, *"not all activities and/or projects for health budgeted for are implemented in a transparent way this is because many stakeholders have different interests in the different activities budgeted for and above all work plans are not shared with other stakeholders. In addition to this, misappropriation of funds is greatly affecting implementation of revenue plan for health service delivery".*

Basing on the information obtained through interview, both the administrators and patients complained of few health practitioners in the health centres. There was shortage of different cadres in the health centres and this made health workers overloaded with work, making implementation of revenue plan difficult. One of the health workers was quoted saying, "*As there are few health workers in this health centre, we are forced to do both administrative and clinical duties."* This statement clearly indicates that there is shortage of human resource at the health centres in Ntungamo Municipality. This implies that implementers of revenue plans were not adequate to ensure effective health service delivery in Ntungamo Municipality.

Through the interview method, respondents also confirmed that they tend to get discouraged whenever they come for services and health officials fail to attend to them. This suggests that if health centres are well equipped with human resource, services are likely to be effective and people's accessibility to health services is likely to improve. This is testified by one of the patients as she said:

"What discourages me most whenever I go to health centers is to keep waiting in pain and health officials are not there to attend to you. Sometimes you think of looking for other ways rather than going again to suffer in Health center whose official cannot attend to you easily".

The impression from this quotation is that indeed patients would always like to be attended to whenever they go for treatment. Thus, when health officials are few and they are troubled with pain, they do not get the courage to go back for treatment or to take their relatives to such health centres again some other time.

The study found out that implementation of revenue plan specifically motivating staff, capacity building and recruitment of skilled staff were instrumental in realising the timely delivery of required health services within the Municipality. In addition, statistical findings revealed that implementing the revenue enhancement plan is an easy task for me as a Municipal Council staff. The findings concur with Onwe (2015) who argues that manpower capacity of the LG composition of the staff of the local government will not yield the desired result. And that there is also a skill gap among the few senior staff of the local government. There is no debate that hiring skilled staff does not yield positive results as far as revenue management is concerned. The combination of capabilities, abilities and knowledge in line with skills are critical in ensuring technical expertise that is required to improve revenue collection that is used to foster effective service delivery. In addition, the inability of the municipality to fill the vacant posts has widened the implementation of the revenue enhancement plan. These gaps require immediate closing.

The correlation in this study was determined using the Pearson correlation technique and results are provided below.

Table 4.8: Correlation results for Implementation of the Revenue Management Plan

			Implementation of revenue management plan	Health service delivery
	Implementation of Revenue management plan	Pearson	1	.392**
		Sig. (2-tailed)	.	.003
		N	148	148
	Health service delivery	Pearson	.392**	1
		Sig. (2-tailed)	.000	
		N	148	148

**. Correlation is significant at the 0.05 level (2-tailed).

The study found out that a significant positive relationship existed between implementation of the revenue management plan and health service delivery (.392**) in Ntungamo Municipality which suggests that motivating Ntungamo Municipality staff, encouraging capacity building and recruitment of skilled staff would provide a stable local revenue base to support health service delivery.

4.5 Revenue Expenditure Control and Health Service Delivery in Ntungamo Municipality

Table 4.9 shows findings on revenue expenditure control and health service delivery in Ntungamo Municipality;

Table 4.9: Statements about Revenue Expenditure Control

Statements about revenue expenditure control	SD	D	UD	A	SA	Mean	Std Dev
Revenue collected is spent according to the budget	24 (16.2%)	26(17.6%)	20(13.5%)	48(32.4%)	30(20.3%)	3.85	1.03
All funds allocated to cater for key priority activities within the town council are in line with controls	25(16.9%)	30(20.3%)	15(10.1%)	43(29.1%)	35(23.6%)	3.89	1.01
As a way of ensuring revenue expenditure control, budget implementation reviews are conducted which has positively contributed to more revenue realized	23(15.5%)	29(19.6%)	14(9.5%)	49(33.1%)	33(22.3%)	3.86	.997
Audits that are conducted help in controlling revenue expenditure gaps	20 (13.5%)	26(17.6%)	12 (8.1%)	50(33.8%)	4(27.0%)	3.76	.986
Quarterly audit reports are routinely done within the municipality	18(12.1%)	21(14.2%)	14 (9.5%)	50(33.8%)	45(30.4%)	3.88	.992

The quarterly progress performance reports are intended to better the management of revenue	15(10.1%)	20(13.5%)	14(9.5%)	52(35.1%)	47(31.8%)	3.85	.959
Average mean						**3.85**	**.824**

Findings in Table 4.9 revealed that revenue collected was spent according to the budget was agreed to by 52.7% of the respondents with a mean score of 3.85 and a standard deviation of 1.03. However, 33.8% disagreed while 13.5% were undecided. The results provided meant that revenue collected in Ntungamo Municipality was spent according to the budget with marked deviations.

Equally, many respondents mean = 3.89; standard deviation of 1.01; 52.7% of the respondents agreed, 37.2% disagreed while 10.1% were undecided that all funds allocated to cater for key priority activities within the municipality were in line with controls, meaning that public funds were allocated to specific municipal activities in the budget and accountability was mandatory, hence health service delivery.

Furthermore, 55.4% of the respondents agreed, 35.1% disagreed while 9.5% were undecided that as a way of ensuring revenue expenditure control, budget implementation reviews were conducted which positively contributed to more local revenue realized, thus the results reveal that checks were made against what had been advanced and what was spent entirely on an activity to establish whether there was value for money as well as health services extended to the municipality. In one of the documents reviewed, it was highlighted that many Ntungamo Municipal officials had been advanced public funds; however, accountability is still a widening administrative problem (Ntungamo Municipality Auditor General's Report 2018/19).

More still, a mean score of 3.88 and 60.8% of the respondents agreed that audits that are conducted help in controlling revenue expenditure gaps; however, 31.1% disagreed while 8.1 were undecided.

In addition, standard deviation score of .992 and 64.2% of respondents agreed that quarterly audit reports are routinely done within the municipality, 26.3% disagreed while 9.5% were undecided. The Municipality quarterly audit reports being done shows the level of performance of the municipality in terms of revenue control. To further add, a respondent observed that, "*These reports are demanded at every end of financial year by the Office of the*

Auditor general. Yes delays are encountered every financial year due to poor preparations. We have identified this gap and closely working on it".

Additionally, 'the quarterly progress performance reports are intended to better the management of revenue' was agreed by 66.9% of the respondents, 23.6% of the respondents disagreed while 9.5% were undecided, implying that quarterly progress performance reports were being produced to show that Ntungamo Municipality had progressed in terms of revenue management and how such revenue was spent on the delivery of health services.

Inferential findings reveal that revenue expenditure control namely, budget implementation reviews, quarterly audit reports and quarterly progress performance reports revealed the extent of local revenue available to cater for the delivery of health services. To further evidence the findings, the majority respondents agreed that Ntungamo Municipality had a number of measures in place to ensure revenue expenditure control and many respondents agreed that all funds were allocated to cater for key priority activities within the municipality in line with controls.

The findings are in accordance with Todd (2015) who argues that accountability as a revenue control is often best strengthened by working through a multi-stakeholder approach involving citizens, government and health service providers. The scholar argues that it is important to recognize and strengthen systems of mutual accountability and partnership at local level inclusive of LGs. The ability to ensure joint responsibility for service delivery runs the risk of everyone's responsibility becoming no-one's responsibility.

In addition, Mbufu (2014) further argues that formalizing revenue enhancement plan, budget priority allocations and effectively implementing the plan are issues that can better health service delivery. The issue of audit checks being sanctioned explains the urgency that is required to close public fund misuse, including in Ntungamo Municipality. The presence of controls in form of audits and quarterly reports highlights expenditure gaps and the need to curb such financial gaps.

Lastly, key findings show agreement for the fact that quarterly review and performance reports are routinely done within the municipality for better the management of revenue. These revelations in the fourth chapter are supported by Pradeep (2015) who concurs that reports can include financial reports, council reports, and performance reports among others. Financial reports are formal records of a business or organization's financial activities; while

Mbufu (2014) argues that records are used by the management for decision making as they are used for future reference to know which period had a decline in revenue collection and which one had the highest collections. The scholar adds that records and reports are used for audit purposes and as supporting documents in case a LG is to request for funds from the Central Government and donors (Okotie, 2013). The essence behind writing reports in any organization is to ensure that meaningful and useful information is provided to the decision makers to ensure that it aids decision making. However, pockets of delay were rampant and more frequent as far as the provision of such quarterly and performance reports were concerned. This kind of irregularity explains gaps in revenue management as well as the delivery of local services and therefore there is need to swiftly attend to them.

The observation here is that there are still enormous local revenue management challenges that have had effect on health service delivery in Ntungamo Municipality as articulated by one of the key informant "*Very few indicate sources of revenues. Inadequate revenue collectors and mobilizers. Laxity on the part of the Local Government at all levels– there are still revenues that go un collected , what control do we have in the markets, who is there to monitor? Lack of commitment to collect local revenue. Local Revenue has also to do with Politics; they compromise with locals because town agents serve in their places. Existing markets across the border are competing. The population is poor. They produce food but excess is very little".*

One respondents in an interview reported that "*there has poor revenue control in Ntungamo Municipality which constrained the health service delivery since there is inadequate financial reporting in Ntungamo Municipality, Government funds are diverted for personal projects and there is lack of transparency in revenue management* (Ntungamo Municipality mayor).

The correlation in this study was determined using the Pearson correlation technique and results are provided below.

Table 4.10: Correlation results for Revenue Expenditure Control and Health Service Delivery

	Revenue expenditure Control	Health service delivery

	Revenue expenditure Control	Pearson Correlation	1	.425**
		Sig. (2-tailed)		.000
		N	148	148
	Health service delivery	Pearson Correlation	.425**	1
		Sig. (2-tailed)	.000	
		N	148	148
**. Correlation is significant at the 0.05 level (2-tailed).				

The study found out that a significant positive relationship existed between revenue expenditure control and health service delivery (.425**) in Ntungamo Municipality which suggests that conducting budget implementation reviews, producing quarterly audit as well as progress performance reports would provide a sound revenue base to support health service delivery.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, discussion, conclusion and recommendations of the study based on the objectives and findings from chapter four. The chapter also presents areas for further research.

5.1 Summary of the Study

This section presents the summary of the findings in accordance with the objectives.

5.1.1 Revenue Management Planning and Health Service Delivery in Ntungamo Municipality

The study established a significant positive relationship between revenue management planning and health service delivery (.431**) in Ntungamo Municipality. Therefore identifying more revenue sources, conducting a fair assessment and timely enforcement of agents would increase revenue and improve health service delivery.

5.1.2 Implementing Revenue Enhancement Planning and Health Service Delivery in Ntungamo Municipality

The study established a significant positive relationship between implementation of the revenue enhancement plan and health service delivery (.392**) in Ntungamo Municipality. Therefore motivating designated municipal staff, encouraging capacity building and recruiting skilled staff is a good arrangement for the collection of local revenue, hence supporting health service delivery.

5.1.3 Revenue Expenditure Control and Health Service Delivery in Ntungamo Municipality

The study found out a significant positive relationship between revenue expenditure control and health service delivery (.425**) in Ntungamo Municipality. Therefore conducting budget implementation reviews, producing quarterly audit as well as progress performance reports would provide a sounding local revenue base to support health service delivery.

5.2 Conclusions of the Study

This section of the study provides the conclusions based on the study objectives

5.2.1 Revenue Management Planning and Health Service Delivery in Ntungamo Municipality

The findings indicate that there is a positive and significant relationship between revenue management planning and health service delivery. The study concluded that if the revenue management is well planned and implemented, there is no doubt that there shall be a corresponding improvement in the quality of health services delivered to clients. Therefore identifying more revenue sources would help Ntungamo Municipality to realize more local revenue to improve health service delivery.

5.2.2 Implementing Revenue Management Plan and Health Service Delivery in Ntungamo Municipality

Results here indicate that there is a positive and significant relationship between revenue management plan and health service delivery. From the discussion held on revenue management planning and health service delivery, it was learnt that Ntungamo Municipality ensures capacity building for its staff in order to better the implementation of the revenue plan.

5.2.3 Revenue Expenditure Control and Health Service Delivery in Ntungamo Municipality

The findings indicate that there is a positive and significant relationship between revenue expenditure control and health service delivery, although less revenue control is undertaken in the municipality. There were still gaps in the revenue control system which exposed the revenue collected to financial abuse and misallocation to the detriment of health service delivery. Therefore, the study concluded that unless efforts are stepped up by the administration to undertake effective local revenue control, there will be poor health service delivery.

5.3 Recommendations of the Study

The recommendations provided below are linked to the objectives of the study and findings.

5.3.1 Revenue Planning and Health Service Delivery in Ntungamo Municipality

Under revenue planning and service delivery, the following are recommended namely:

i. There is need for Ntungamo Municipality to implement revenue management strategies

in order to generate more local revenues because revenue management plan has been proved by this study to have significant effect on health service delivery.

ii. The municipality needs to deploy adequate enforcement staff to collect revenue since it was established that they ensure timely revenue collection to put in health sector for improved health services.

iii. The local governments need to enhance involvement of all key stakeholders in local revenue planning since this study revealed that revenue enhancement plans help in resource mobilization and collection.

5.3.2 Implementation of Revenue Management Plan and Health Service Delivery In Ntungamo Municipality

i. The researcher recommends that Ntungamo Municipality should carry out capacity building for its staff since it was found to have a positive effect on health service delivery.

ii. It is recommended that Ntungamo Municipality should train staff to ensure that they are well versed with the issues of implementing the revenue plan within Ntungamo Municipality.

iii. Ntungamo Municipality should ensure the timely recruitment of skilled staff to support implementing the revenue plan within the municipality.

5.3.3 Revenue Expenditure Control and Health Service Delivery in Ntungamo Municipality

On revenue control and health service delivery, the following are recommended namely:

i. Ntungamo Municipality needs to put in place internal local revenue control mechanisms that will guarantee proper allocation of resources for improved health service delivery.

ii. The local governments need to ensure that there is effective implementation of budgets for health as planned and quartery review of the budget needs to be strengthened in Ntungamo Municipality.

iii. Ntungamo Municipality also needs to ensure effective sharing of local revenue collected among themselves and administrative units as stipulated in the law.

iv. There is need to promote sharing of accountability on health service delivery with all stake holders.

v. The policy makers need to utilize the above findings to come up with fundamental policies on local revenue management and health service delivery.

vi. The researcher recommends that Ntungamo Municipality through its finance and planning units should consider undertaking benchmarking to other municipalities that have been able to improve their revenue bases. This will create a financial base to facilitate timely health service delivery within the Municipality.

5.4 Areas for further Research

The following areas are highlighted below for further research namely:

i. There is need to carry out a study on the factors affecting revenue management and health service delivery in Uganda.

ii. Further studies could be carried out on other dimensions of revenue management such revenue mobilization, revenue allocation and revenue utilization and how they affect health service delivery.

iii. The role of decentralized budgeting in controlling expenditure of local government in Uganda.

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APPENDICES

Appendix I: Questionnaire for Staff and Councilors

Dear Respondent

I am **Ampaire Sakina** a graduate student of Kabale University undertaking a research leading to the award of a Master of Arts Degree in Public Administration and Management. My topic of investigation is; **REVENUE MANAGEMENT AND HEALTH SERVICE DELIVERY IN A DECENTRALISED FRAMEWORK OF NTUNGAMO MUNICIPALITY, NTUNGAMO DISTRICT, WESTERN UGANDA.** This questionnaire has been designed to assist me in collecting data for this research study. The research is purely for academic purposes and the information you will provide will be treated with utmost confidentiality. I kindly request you to provide me the necessary information having been chosen to participate in the study to enable me complete my research work successfully. Thank you in advance for your co-operation

SECTION A: BIOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

1. Gender of respondent:

Male ☐

Female ☐

2. Age Group

18-29 years ☐ 30-40 ☐

41-59 years ☐ 60 years and above ☐

3. **Highest Level of Education**:

Secondary education ☐

Professional Certificate ☐

Diploma ☐

Degree ☐

Masters Degree ☐

PhD ☐

SECTION B: RELATIONSHIP BETWEEN REVENUE MANAGEMENT PLANNING ON HEALTH SERVICE DELIVERY IN NTUNGAMO MUNICIPALITY

Please note that this section provides questions about l revenue management and health service delivery based on a five item likert scales as indicated in the mini-table below

Statements	**Strongly agree**	**Agree**	**Undecided**	**Disagree**	**Strongly disagree**
Decentralized revenue planning is a key component used to ensure timely revenue mobelisation					
Identifying revenue sources helps Ntungamo Municipality to realize more local revenue					
The revenue planning process entails assessment of how much tax that the tax payers should pay					
Tax assessment is fairly done to enable tax payers commit themselves to paying the tax					
There is enforcement deployed by Ntungamo Municipality to ensure timely revenue collection					

SECTION C: IMPLEMENTATION OF THE REVENUE MANAGEMENT PLAN INFLUENCES HEALTH SERVICE DELIVERY IN NTUNGAMO MUNICIPALITY

Statements	**Strongly**	**agree**	**Undecided**	**Disagree**	**Strongly disagree**
I am well versed with the issues of implementing the revenue plan within Ntungamo Municipality					

I am well motivated to engage in implementing the revenue plan					
Implementing the revenue plan is an easy task for me					
Ntungamo Municipality ensures capacity building for its staff in order to better the implementing the revenue plan					
The capacity building process is fairly done and transparently managed to ensure that all Ntungamo					
Ntungamo Municipality ensures the timely recruitment of skilled staff to support implementing					

SECTION D: EFFECT OF REVENUE EXPENDITURE CONTROL ON HEALTH SERVICE DELIVERY IN NTUNGAMO MUNICIPALITY

Statements	**Strongly agree**	**agree**	**Undecided**	**Disagree**	**Strongly disagree**
Revenue collected is spent according to the budget					
All funds allocated to cater for key priority activities within the town council are in line with controls					
As a way of ensuring revenue expenditure control, budget implementation reviews are conducted which has positively contributed to more revenue realized					
Audits that are conducted help in controlling revenue expenditure gaps					
Quarterly audit reports are routinely done within the municipality					
The quarterly progress performance reports are intended to better the management of revenue					

Thank you for your participation

Appendix II: Interview Guide

1) How does Ntungamo Municipality ensure timely revenue planning?

2) Elaborate on the entire revenue planning process as executed by the town council

3) Do you think revenue management affects the delivery of services in Ntungamo

Municipality?

4) If yes/No. Explain

5) What are some of the administrative challenges do Ntungamo Municipality staff encounter while ensuring local revenue management?

6) How have such challenges been mitigated?

7) State some of the issues encountered by the Ntungamo Municipality during the implementation of revenue plan

8) How have staffs been motivated to ensure the implementation of revenue plan?

9) How has Ntungamo Municipality ensured capacity building as a way to ensure the implementation of revenue plan?

10) Do you see any more possibilities in the recruitment of training?

11) Comment about the prevailing controls on key priority budget activities

12) How have the audits conducted by Ntungamo Municipality been effective in mitigating revenue expenditure gaps?

13 Are patients satisfied with the quality of health care they received so far?

14. In your opinion does this health centre has enough space for all patients to access services?

15) Is there timely service delivery within the town council? If yes/No elaborate

What problems have you encountered in using some of the government supported facilities here?

16. Do other patients receive drugs?

17. In your opinion does this health centre have enough personnel to offer health services?

Appendix III: Documentary Review Checklist

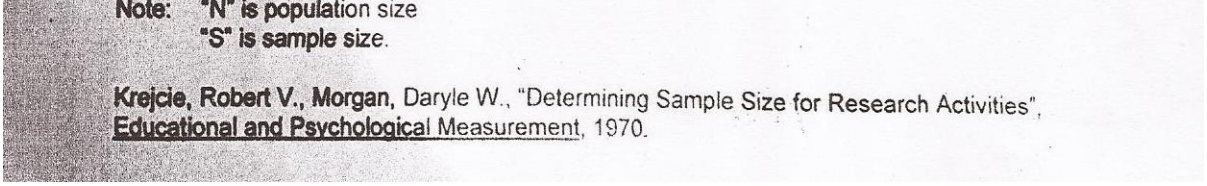
The following documents were reviewed including

1) LG Act: Section 35 of the Local Government Act Cap 243, Amendment (2010),
2) Ntungamo Municipality Auditor reports for Financial Year (2014/15).
3) Ntungamo Municipality Auditor reports for Financial Year (2015/16).
4) Ntungamo Municipality Strategic Development Plan (2015/2016-2019/2020)
5) Constitution of the Republic of Uganda (1995)
6) Local Government Finance Accounting Regulations (1998)
7) Workplan Revenues and Expenditures by source, 2018/2019
8) Ntungamo Municipality Health report 2017
9) Ntungamo District Response Initiative on HIV/AIDS Action Research report.
10) Ntungamo Municipality Local Government Quarterly Performance Report for Financial

Year 2018/2019)

11) Ministry of Health Annual Health Sector Performance Report Financial Year 2018/2019,
12) Ntungamo Municipality revenue reports, peer reviewed report on financial reports and
13) Section 35 of the Local Government Act Cap 243, Amendment (2010).

KREJCIE AND MORGAN TABLE OF SAMPLE SIZE DETERMINATION


Note: "N" is population size
"S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

Note: "N" is the population size

"S" is the sample size