

**FINANCIAL RESOURCE MOBILIZATION AND ACCOUNTABILITY IN
LOCALGOVERNMENTS OF UGANDA: A CASE STUDY OF KABALE
DISTRICT LOCAL GOVERNMENT**

BY

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**A RESEARCH DISSERTATION SUBMITTED TO THE DIRECTORATE OF
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DECLARATION

I, Rubarema Paul, declare that this research dissertation on “*Financial Resource Mobilization and Accountability in Local Governments of Uganda: A Case Study of Kaaale District Local Government*” has been solely prepared by myself and has never been presented at any academic institution for any award.

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APPROVAL

This dissertation titled “Financial Resource Mobilization and Accountability” has been done under our supervision and is now ready for submission to the Directorate of Postgraduate Studies for further assessment.

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DEDICATION

This work is dedicated to my wife Mrs. Annette Twinamatsiko and our children who allowed me to deprive them of time in pursuit of my studies when they needed much of my attention and funding.

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All the glory be to God All Mighty who gave me the blessing to work on this research dissertation. Commensurate respect is accredited to all scholars whose information has been referenced in the process of compiling this work for without them this write-up would lack theoretical significance. The references have been provided to accord such personalities their classic scholarly respect.

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LIST OF ABBREVIATIONS

CAO	: Chief Administrative Officer
DV	: Dependent Variable
FCS	: Fragile and Conflict Affected States
GAPP	: Governance Accountability Participation and Performance Program
IV	: Independent Variable
KDLKG	: Kabale District Local Government
KMC	:Kabale Municipal Council
LGSC	: Local Governments Score Card
LPO	: Local Purchase Order
MBA	: Master of Business Administration
MDA	: Ministries Departments Agencies
RDC	: Resident District Commissioner
SEATINI	: Southern and Eastern Africa Trade Information and Negotiation Institute
URA	: Uganda Revenue Authority
USAID	: United States Agency for International Development
VAT	: Value Added Tax

OPERATIONAL KEY TERMS

Accountability: is the obligation to render account for a responsibility conferred. It is also the profession which deals with matters relating to money within an organization.

Commitment accounting: refers to accounting system that recognizes transactions when the organization is committed to them.

Effectiveness accountability: is the obligation to ensure that intended outcomes have been achieved; that the desired impact has been made.

Efficiency accountability: is the obligation to ensure that value for money has been achieved and that the input-output ratio is as favourable as possible.

Fund accounting: refers to the method of accounting which reports in terms of funds rather than in terms of organizations.

Financial resource mobilization: concerted effort to generate revenue in form of grants, government release, tax revenue and non-tax revenue. Implies being aware of the different types of resources that can be tapped to generate funds. Resource mobilization is the process by which resources are solicited by the programme and provided by government, donors and partners.

Financial Devolution: refers to granting local bodies, political and financial authority to undertake the duties of collecting funds.

Financial Decentralization: is the transfer of financial resources in form of grants and tax powers to sub-national units of government.

Fiscal decentralization: is the transfer of financial resources from central governments to local government units, taking account of responsibilities allocated to these institutions.

Legal accountability: is the obligation to ensure that the organization's procedures, regulations, constitution have been observed in the decision process. Local governments include county governments, municipalities and townships.

Local revenues: are the total of all categories of collected financial resources to run the district operations. Local revenues refer to the total of all categories collected from a number of sources like market dues, fines and penalties and market fees, while external revenues come from central government transfers and donations.

Multiple accountability: is the obligation of a person or organization to account for more than one centre of authority.

Professional accountability: is the obligation to ensure that professional ethics are observed in rendering service and in the way we conduct ourselves.

Revenue registers: is a document used in public institutions that shows all sources of revenue of particular worth. Most organizations take the concept of resource to mean "money" or lack of resource as inadequate funds yet the term resource also entails human, material resources (Bakema, 1995). According to Tadría (1995), resource is clearly stated as financial.

Intergovernmental transfers: is the distribution of revenues across various levels of government.

General purpose transfers: are transfers that have no conditions attached and are mostly mandated by the law (Office of the Auditor General, 2016) (Ayaribilla, 2012) (Baliraine, 2019) (Beinomugisha, 2017) (Besigye, 2019) (Kakamwa, 2010) (Draku, 2019) (Eton, et al., 2019).

Specific purpose transfers: These are either regular or mandatory or discretionary conditional or earmarked transfers which is financing intending to provide incentives for governments to undertake specific programmes or activities

Market dues are the charges on goods that are taken to the market for sale. It is an indirect charge /levy that are only paid by those who sell tradable products.

Trading license: This is a regulatory levy that is paid by an individual before commencing business.

Hotel Tax: is tax paid by hotels, guest houses and lodges charged per room occupant. It is paid to the host local government.

Local Service Tax: is a tax levied on earnings of individual who is in gainful employment, self-employment, practicing professionals and business men and women. It is paid to a political system in government.

Property Tax: is a tax levied on rate or value of property

Loyalty: is a tax levied on Government or private projects based on exploitation of Natural environment within the confines of the local governments.

Discretionary equalization grant: this is a grant for development expenditure of the district.

ABSTRACT

This study was set to establish the relationship between financial mobilization and accountability and ascertain the cause of poor absorption of realized financial resources in Kabale district local government. Specifically, the study found out the sources and applicable governance principles that aid effective financial resource mobilization; established the mechanisms of enforcing effective accountability; and assessed the relationship between financial resource mobilization and accountability. The study employed descriptive design to be able to bring out the state of affairs, and was conducted among Kabale district local government community, which comprised the administration, finance and planning internal audit, public accounts committee, and legislature. A sample of 89 units was selected from a targeted population of 114 units using both simple random and purposive sampling techniques. Simple random sampling was used to select public accounts committee members, legislators, administrators, and those from the finance and planning committee while purposive sampling was used to select participants from the audit departments and the senior officers such as district leaders, and assistant town clerks. The primary instrument of data collection was a self-administered structured questionnaire. Data analysis was both descriptive (mean and standard deviation) and inferential (correlation). Quantitative analysis was aided by software for data analysis (SPSS V 20.0). Qualitative data was analysed using content analysis where key ideas were coded and categorized into patterns and themes. The findings indicate that hotel tax and service tax charge on profits as the major sources of revenue. Professionalism was found to be the most applicable governance principle towards effective financial resource mobilization, while funds utilization was the most important mechanism in enforcing accountability. In conclusion, the study established that the relationship between financial resource mobilization and accountability in Kabale district local government is very weak and statistically insignificant. Therefore, the key actors at the district (CAO, the planning and finance section) should mobilize funds and spend them according to the standing orders that govern finance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study brought out the relationship between financial resource mobilization and accountability in Kabale district local government. Countries generate and collect public revenues through taxes and fees, domestically and internationally, to finance activities and services to improve healthcare, education, infrastructure services, public order and other services for their citizens and businesses. However, developing countries that are most in need of revenues, including fragile and conflict affected states (FCS), often face the steepest challenges in collecting revenues and consequently accountability (UNCTAD, 2014). The increased local Government expenses, which call for increased revenue mobilization demand for increased accountability (a more responsive government, better performing local government officials, and more effective public service delivery (Bainomugisha, et al., 2017). However, local governments that are required to be accountable to the citizens on how they allocate and utilize taxes they collect from citizens, have remained corrupt and very inefficient (Seatini, 2014). It is against this premise that the current study was conducted. In the following section of the researcher discusses the background to financial resource mobilization and accountability. The researcher presents the statement of the problem, objectives of the study, the scope, and how the study would be of benefit to academics and other practicing professionals.

1.1 Background to the study

Globally, developing and emerging economies need to mobilize their revenues significantly in order to create room for social spending and investment in human and physical capital. In the last two decades, tax revenues in developing countries remained broadly unstable between 13% and 15% of GDP and the composition of taxes has changed significantly per country (Ssewanyana and Kasirye, 2015). Developing and emerging economies have rebounded relatively slowly from the last global financial crisis, which has caused significant shrinking of government budget and

public service quality. Tax authorities have long been entrusted with revenue raising for national economic development and public services, and now they are facing greater challenges than ever. According to USAID (2016), the performance of any local government is subject to availability of adequate funds which can be generated from local governments levy taxes or charge fees for multiple purposes besides purely revenue generation. These may stretch from service provision, consumption/production of products/services or changing behaviour to regulatory purposes, which include licenses and permits, redistributions wealth, or to cross subsidise services for lower income persons, promoting accountability.

A URA (2011) report observes that revenue management authorities in developing countries should have strategic plans that deal with domestic and international tax issues. In real practice, modernizing the tax administration should deal with a number of complexities. For example, tax administrators should address tax competition between neighbour countries by broadening their tax base and be able to control it. They should reduce VAT threshold to broaden the tax base or make their threshold following the best practices from similar economies. They should transform the revenue authorities from human-centric to information-centric. They should deploy an extendable and easy adaptable taxation system that enable tax administration to fulfil future requirements of new tax types and payments, and should move from traditional manual business process to an automated revenue administration system.

Revenue mobilization (RM) is attracting increased attention from developing countries and multilateral development agencies (Ndulu et al; 2017). Revenue mobilization is a key development priority and essential to financial investments in human capital and infrastructure to achieve the World Bank's twin goals of ending extreme poverty and boosting shared prosperity. Efficient management of financial resources is extremely important in an organization for financial resources are the basic input in the operation of all activities in the existing departments (Bhatnadah et al., 1997).

Countries generate and collect public revenues through taxes and fees, domestically and internationally, to finance activities and services to improve healthcare, education, infrastructure services, public order and other services for their citizens and businesses. Preliminary analyses estimate the financing gap for achieving the sustainable development goals for developing

countries at about US\$2.5 trillion (UNCTAD, 2014). Yet, developing countries that are most in need of revenues, including fragile and conflict-affected states (FCS), often face the steepest challenges in collecting revenues and consequently accountability.

Resources for development can be mobilized from domestic or external sources. For most countries, the bulk of resources for development are mobilized domestically rather than externally. The external sources can be grouped under four headings used in the Monterrey consensus on financing for development: foreign direct investment and other forms of private foreign investment; export earnings from intentional trade; foreign aid and technical cooperation; and the proceeds of debts forgiven by international creditors. Domestic resources, on the other hand, stem from households, firms and governments. Households generate savings firms generate profits and net earnings; and governments generate taxes and other public revenues.

It is a general perception that increased local revenue promotes local democracy, public accountability, arouses more citizen interest in how services are delivered and increases the capacity of local councillors to serve their communities in accordance with their preferences. Revenue mobilization also looks at raising revenue to deliver valuable services for citizens, while also providing benefits for state building, wealth distribution and incentives for innovation, investment and trade. Revenues help government to provide or subsidize services like education, wealth, water, roads, provision of electricity. Revenues enhance governments' visibility in the community. When taxes are imposed to generate revenues, people's behaviours are changed, for example, consumption of harmful products are reduced. Financial resource mobilized can be used to reduce child dropout from schools. Direct taxes enhance citizens' responsibility and ownership of government programmes and property. Tax compliance is positively related to perceptions about government. It is through locally generated revenues that the local population can generally derive the rights to demand accountability and services (Eton et al., 2018).

Rothstein 2000 observed that citizens' access to and right to information is often seen as a necessary condition to achieve accountable, transparent and participatory governance and people development (Jenkinns & Goetz, 1999).

Information to the public on tax revenue collected, budget allocations, and how to report misuse of tax revenues and corruption is scanty (Commissioner Protaz's Report, 2019). Whereas it is the major role for citizens to hold leaders accountable, there is general apathy to extent that population seems disempowered to hold leaders accountable (ACODE, 2012).

Conceptually, financial resources are the most short-term assets normally held as money as in current account balances. They included cash and equivalents, loans, grants, bonds, treasury bills, overdrafts. Local government activities are fundamental as they affect the basic daily lives of rural and urban dwellers (Kakuru, 2007; Seatini, 2017). Financial resource mobilization involves financial planning and budgeting, financial resource acquisition, effective use of funds, or making better organized financial utilization decisions. Resource mobilization strategies and processes may be constrained by parameters or rules established by the partners at the inception of the programme and recorded in the charter documents (Kaziba, 2015).

Kakuru (2007) observes that it is essential to mobilize financial resources especially cash for transaction, precautionary, speculative, and finance motives. Financial resources are essential for meeting various types of expenses of the district. The process of mobilizing resources begins with the formulation of a resource strategy which may include strategies to mobilize financial and in-kind resources. Carrying out a financial resource mobilization strategy includes steps identifying potential sources of funds, actively soliciting pledges to obtain funds, deputing these funds, and recording the transactions and any restrictions on their use.

Twinomujuni (2018) notes that accountability is the obligation to account for the responsibilities offered. It entails increasing the value for money, consistent reporting, monitoring and evaluating spending decisions, greater alignment of planning and budgeting processes, and a focus on both the process and results using appropriate internal control and management of financial risks. Accrual accounting ensures that accounts statements reflect the value of resources consumed and benefits provided, rather than timing of cash movements. It is the establishing of trust, credibility, and commitment is key to motivating people in your accountability work. It forms the basis for effective communication in a network. In this study, two faces of accountability have been suggested: Answerability and Enforcement. Answerability relates to the obligation by public officials to inform and explain what they are doing or have done. Enforcement on the

other hand relates with the capacity of accounting agencies to impose sanctions on power holders who have violated their public duties.

Theoretically, the Principal-Agent relationship was the basis of premising. The researcher looked at how the citizens demand accountability from the appointed Kabale district administrators and employees. This theory states that authority is granted to agents who act and report to the principal (Shah, 2007; Berner & Smith, 2004). In the same way, public administrators, district workers, and politicians are agents while the citizenry are the principals (Gailmardy, 2012; Agwor & Akani, 2017). This theory, however, has some challenges to address. For example, Keil (2005) noted that it requires a lot of time and costs to monitor the inputs and outputs. Otherwise it can be mistrusted.

In addition to the principal-agent conception of accountability, there is the theory of change, which states that in order to deepen democratic financial accountability and address the problem of poor service delivery, it is important to complement the current supply side interventions with the demand side interventions. The supply side interventions include strengthening the capacity of government institutions to deliver efficient public services to citizens while the demand side interventions focus on citizens' competence to exercise their civic rights in demanding for excellent service delivery and holding their elected/appointed leaders accountable for delivering those services effectively and efficiently. Consequently, LGSC is premised on a demand side theory of change. The initiators of the theory of change posit that by monitoring the performance of local government councils on a regular basis and providing information about their performance to the public and their electorate will demand for increased accountability from the appointed and elected political leaders hence triggering a vertical chain of demand for accountability from the local to the national level and their back down through the supply side.

Contextually, the government of Uganda adopted the decentralization policy coupled with the enactments imbedded in Constitution of the Republic of Uganda in 1992. The 1995 Constitution of the Republic of Uganda (Chapter 9: Article 152-165; & Article 176 (d)) stipulates that there shall be established for each local government a sound financial base with reliable sources of revenue and highlights how financial matters are to be mobilized and regulated was billed as a panacea for solving most of the socio-economic, political and democratic challenges and strategy

intended to either increase flexibility or better systems to enable local governments to generate more revenues or to decrease expenditure as per the little financial resource mobilized. Its implementation has not been matched with the promise that had been anticipated (The Constitution of the Republic of Uganda, 1995).

Bainomugisha et al. (2017) observed that the Local Government Act gives full effect to the policy of decentralization which includes the aspect of assessing the district performance including ascertaining financial accountability to citizens, planning and budgeting and monitoring service delivery of priority development areas. He identifies the types of accountability as fiscal, administrative, political, involvement of civil society organizations, financial accountability. The study was based on financial accountability where the gap of poor absorption of funds was detected. Even when citizen powers are increased by demanding or engaging with appointed and elected leaders about pressing for service delivery, accountability through meetings, civil technology writing letters and petitions that are submitted to council through the speakers there is still a problem of local governments failing to account for collected funds to a required level (Action Aid, 2017).

Local governments are expected to be responsible for implementation, monitoring frontline service delivery and accountability for results. The Local Government Act 1997, part VIII 81-87, as amended 2003, 2007, 2012, 2015; empowers financial autonomy to both urban and local governments to levy taxes, fees, rates, rents, royalties, stamp dues, registration and licensing fees among others. Chap 81(2, 3) states that each local government shall draw up a comprehensive list of all its internal revenue sources and maintain data on total potential collectable revenues. The same act in chapter 79-97 highlights how local government finances should be regulated and utilized, including “the minister shall by statutory instrument, make financial and accounting regulations prescribing financial and accountability measures, penalty and surcharge to council or persons responsible for the loss”. Chapter 83- 91 emphasizes that no appropriation of funds by a local government shall be made out of the funds of the council unless approved in a budget by its council, chapter 83(2) states that no moneys shall be withdrawn from the fund account or any other accounts of the district unless the withdraw has been approved by the auditor general or his or her representative.

Action Aid Report (2011) stresses that trends in local revenue financing indicate a gloomy picture on the future of local governments and hence their level of sustainability local governments are empowered to levy charge and collect fees and taxes, including rates, rents, royalties, stamp duties regulation and licensing fees, as rectified in the Local Government Act 2015.

A number of agencies participate in ensuring that there is effective financial resource mobilization and accountability. The key actors included chief administrative office, town clerk office, sub-county chief office/ assistant town clerk office, internal audit office, local government accounts committee; auditor general's office and ministry of local government inspection unit. However, the above institutions tend to concentrate on accountability of expenditures; less effort is put on accountability of locally generated revenue whereas the legal provisions for sharing the raised revenues are well stipulated. The World Bank Report (2014) disclosed that the discretion of local governments owes expenditure by cultural governments reduces lower funding levels participation (Bhatmagar, 1997).

Besigye (2019) lamented that even when mechanisms needed to raise financial resources were being implemented, revenue collection and utilization is still engulfed by challenges. He attributed this to non-submission of LPO for service providers of consumables, delays in procurement processes, in verification of special grants, inadequate skills and poor feedback mechanisms and low participation of special interest groups.

Further, mechanisms needed to increase revenue mobilization and accountability have been put in place. These include setting appropriate policies and objectives within the available resource envelope and participation of all stakeholders, including legislators' involvement in budgetary process, periodic audits and disclosure of contract and financial disbursements. However, the district is still facing challenges of poor absorption of realized funds; for example in the first quarter FY 2018/19. The district released a total of UGX 8,058,895,000 to departments to execute their mandatory activities as follows: Wage 25%, N/wage 24% domestic.

At the end of quarter there was accumulative expenditure of UGX 5,643,475,000 across at departments' heavy UGX 2,415,420,000 unspent. The reasons for unspent balances were as

blow: under current expenditure non-wage some service providers for office consumables had not presented their LPOs for payment. For development projects, procurement process was still ongoing while for wage balances the process of accessing payroll for recruited staff was still ongoing. In some cases of wage balance was due non-payment of enhanced salaries to staff as the process of updating data on IPPS was. For special grants of YLP and UWEP, selection of beneficiaries was still ongoing. For road maintenance grant, Heavy Rains and late release of funds resulted to unspent balances.

In reference to Kabale Municipal Council vote 757, Ruhemurana (2017) observed that in the financial year 2016/17 allocations were below that of 2015/16 and this was due to having realistic budget. Whereas revenue increased due to unspent balances carried forward from 2014/15, at the end of the period the municipality met challenges of remaining with and absorbed figures. This was due to poor tax compliance, ignorance of legal and procedure provision for utilizing funds all which affected the performance of the municipality. It is from the above dilemma of unspent balances that the research was conducted.

1.2 Problem statement

In Kabale district local government funds locally collected and provided as grants or aid by different agencies and government at different times lay unused yet the money available has to be put to proper use not stagnate with surplus funds. Whereas the law indicates the remedy for non-compliance regarding remittances, there is gross abuse and non-compliance of both sub-counties and districts. This greatly undermines the need for authorities to be held accountable and transparent for the funds they collect thereby affecting services delivered (Auditor General's Report 2017).

For example, in FY2014/15, the approved budget for Kabale Municipality was reduced from UGX. 18,218,291,000 to UGX. 16,428,237,000, which indicates a shortfall in revenue yet in some sectors like human resource, and contracts money was returned to the central Consolidated Fund (Local Government Budget Framework Paper, 2015: Vote 512). Similarly, in FY2018/19, UGX. 2,415,420,000 was unspent out of UGX8,093,509,000 that was realized (Local Government Budget Framework Paper, 2019: Vote 512). It remains unclear as to why some

financial resources that were mobilized and realized according to the agreed budget remained underutilized and unaccounted for.

Given the above problem, the current study raised an awareness on how the principles of accountability such as budgetary control, transparency and accesses to information, revenue assessors' professionalism can promote transparency and funds utilization in district local governments.

1.3 Purpose of the study

The purpose of this study was to establish the relationship between financial mobilization and accountability and ascertain the cause of poor absorption of realized financial resources in Kabale district local government.

1.4 Research Objectives

- i. To find out the sources and applicable governance principles that aid effective financial resource mobilization;
- ii. To find the mechanisms of enforcing effective accountability in Kabale district local government;
- iii. To assess the relationship between financial resource mobilization and accountability in Kabale district local government.

1.5 Research Questions

- i. What are the sources and applicable governance principles that aid effective financial resource mobilization in Kabale municipality?
- ii. What are the mechanisms used in enforcing effective accountability in Kabale district local government?
- iii. What is the relationship between financial resource mobilization and accountability in Kabale District Local Government?

1.6 Scope of the study

1.6.1 Geographical scope

The study was conducted in Kabale district local government. Kabale district local government is found in south western Uganda and is bordered by Rwanda in the south and west, Rukiga in the east, Rubanda in the north. The district comprises Kabale municipal council, Kitumba, Kamuganguzi, Rubaya, Butanda, Kyanamira, Kaharo, Maziba and Buhara sub-counties. The research was done at Kabale district local government headquarters and Kabale municipality. All the workers in the finance and planning unit, internal audited department, local government public accounts committee, public procurement and disposal unit and the district legislative council were part of the study area.

1.6.2 Content scope

The researcher concentrated on finding out the relationship between mobilized financial resources and accountability. The study investigated the sources and guiding principles/mechanisms that lead to effective financial resource mobilization and accountability, in a bid to ascertain the cause of inability of local governments to fully absorb collected resources.

1.6.3 Time scope

The research findings were drawn from the Kabale District Local government and Municipality's activities, which took place from 2014 to 2019, which was a period of the previous six years. The rationale being that enough data would be got to enable the researcher reach reasonable conclusions and it was during this time frame that there were cases of low absorption of funds.

1.7 Significance of the study

At policy level, the study findings would help financial resource planners to develop mechanisms and strategies suitable for increasing mobilized financial resources and ensure that proper accountability is attained. The findings would guide government departments and agencies to develop policies that help accounting officers to account for financial resources entrusted in their hands.

At an operational level, the study findings were hoped to help local government administration to ascertain and implement governing principles needed in mobilizing financial resources. This would ensure quality and timely service delivery to all stakeholders in the district. The study was hoped to enable local government to compare the mobilized resources with the budget estimates to achieve efficient financial resource utilization.

At knowledge level, the findings were hoped to help future academicians in delving deeply on the concepts of financial resource mobilization and accountability. This study would provide a pool of relevant literature and methodologies for investigating related challenges.

1.8 Conceptual Framework

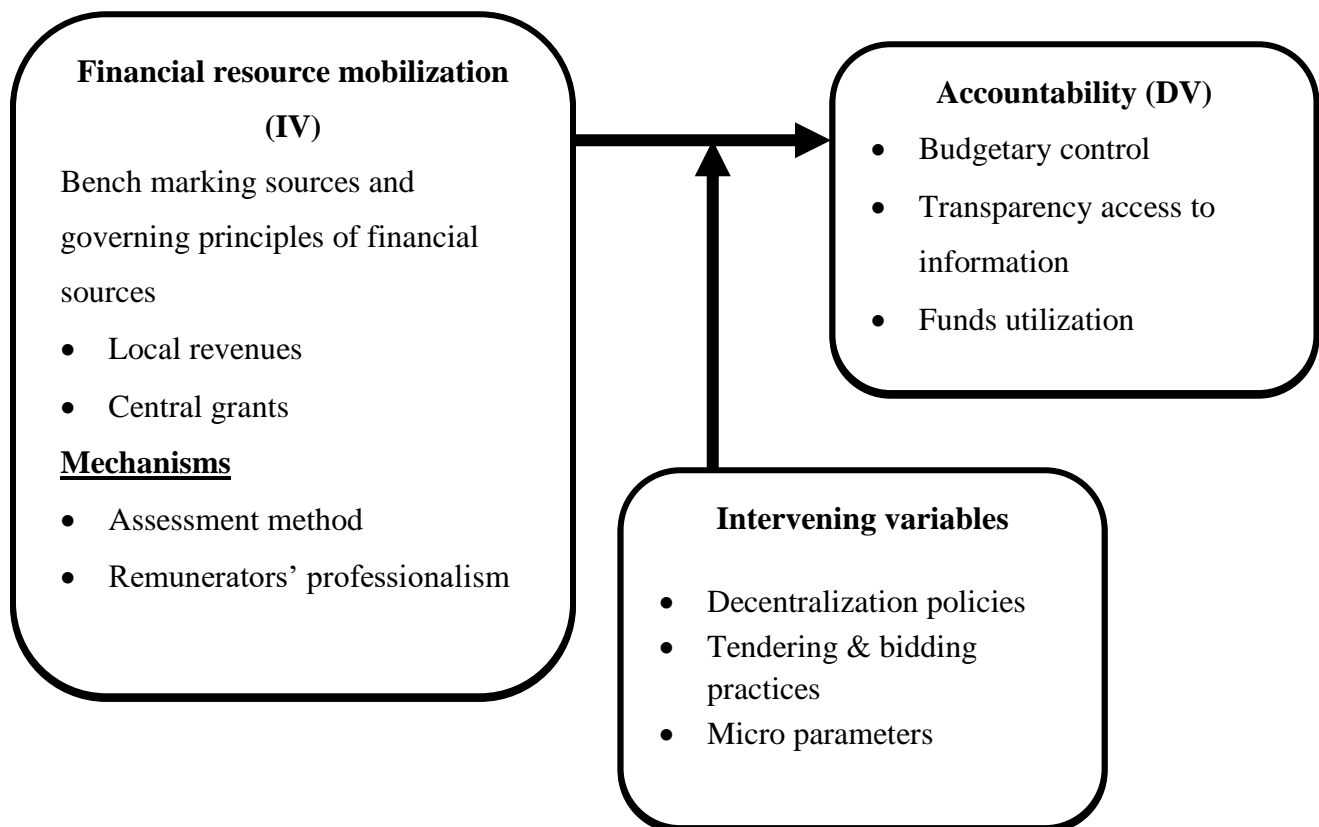


Figure 1: Conceptual framework

Source: Literature review adopted from (Seatini, 2017, MOLG training manual 2018, Bainomugisha, 2017; Cutt & Murray, 2000).

This conceptual model spells the interrelationship between financial resource mobilization and accountability amidst intervening variables. The independent variable, which was resource mobilization, was conceptualized in terms of revenue sources and governing principles of resource mobilization (budgetary control, assessment methods, and professionalism of assessors). The researcher hoped to assess how a variation in these variables affects the levels of accountability in the district in terms of transparency and funds utilization.

The conceptual model is drawn on assumption that unless the intervening variables are controlled, the relationship between the independent variable and dependent variable will be interfered with. The intervening variables include: accounting policies and standards, political practices such as corruption, bribery, kickbacks that hinder immediate implementation of contracts thus leaving finances unutilized. Macroeconomic parameters include lack of initial capital to start off the projects before the district releases funding failure to get service providers with the required tendering and bidding designs.

CHAPTER TWO

LITERATURE REVIEW

2.0.Introduction

Financial resource mobilization and accountability are aspects of financial management which is one of the powers that were devolved to local governments under Decentralization policy of 1992. This involved resource mobilization, revenue sharing, budgeting, reporting and accountability.

The chapter generally has 4 sections. Section one is about benchmarking sources and guiding principles for financial resource mobilization. It also covers collection methods and revenue mobilizes professionalism. Section two looks at accountability whose sub sections are budgetary control, transparency and accessibility to information, and funds utilization. Section three has a reflection of the relationship between financial resource mobilization and accountability. The forth section depicts existing gaps which triggered the need for the study.

2.1.Benchmarking Sources and governing principles of financial resource mobilization

The fifth schedule of the Local Governments Act, Cap 243 spells out regulations governing local governments revenue as: property tax, fees and fines, licenses and permits, interest on investments, permits, donations, services, hotel tax, advertising fees and other revenues which may be prescribed (The Republic of Uganda, MOLG, Vision 2020, September2020).

Revenue mobilization process entails enumeration of all potential sources, assessment, development of revenue register, billing and collection, sensitization, enforcement, accounting and record keeping, monitoring and reporting (Seatini, 2017). On the other hand, effective revenue management will capitalize positive factors and mitigate negative factors (Ministry of Local Government, 2018). Revenue management is a process of identifying and analysing sources and amounts of government revenues such as taxes from local businesses, properties, parking, hotels, royalties, market dues and fines which in harsh (FRM) mobilization.

There are two main categories of current revenue for local government authorities which include taxes, user fees and various licenses and secondary transfers from central or regional levels, usual in form of grants and revenue sharing. This is in agreement with Odd-Hellge Fjeldstad and Karl Heggstad 2012) who noted that many local government authorities are financially weak and rely on financial transfers and assistance from central government.

Aiko and Logan (2014) assert that 36% of local government general revenue were mainly intergovernmental transfers from other levels of government, 32 % came from state governments (including indirect local government funds), and 4 % came directly from the local government. Local revenues are generated from district own sources of revenues such as: taxes from garbage collection, markets and parking, charges (Sihag, 2009).

Property Tax:

Property tax is one the sources of local governments financial resources. Some scholars argue that few fiscally significant taxes are more appropriate to local administration than property tax. This is due to the fact that property is available, immobile, and clear indicator of one form of wealth hence in principle, property tax is difficult to avoid and if well administered, it can represent a non-distortional and highly efficient fiscal tool (Mccluskey et al., 2003).

In Kabale district local government, Mujuni (2018) observed that the seriously difficult administration of property is contributing to have substantial revenue collections. Although any local authority has the legal right to levy property taxes, in practice they are levied in towns and municipalities .Undeveloped land is taxed which limits revenue collection.

Property tax is based on seriously outdated valuations, which are very low although the law requires valuations be carried every five years. Many valuable properties are not taxed at all and many newly refurbished buildings have not been valued (Sabaini & Jimenez, 2012).

Market Fees:

Petrovsky (2014) asserts that local government coerces entrepreneurs to pay market fees since it is attached to their daily income activities. This includes things such as fees for use of local

government facilities, fees for services such as water or sewer, and fees in relation to various regulatory activities, such as inspection and permitting (Avellaneda, 2013).

Development Services:

Development services are levied to add to local governments revenues. There are charges to support the cost of infrastructure needed to service future development and include development cost charges, latecomer agreements, development works agreements, and parkland acquisition charges (Odd-Heldge Fieldstad, 2004).

Grants:

Transfers or grants from other governments, which include both conditional and unconditional grants. Conditional transfers are payments to local governments that are restricted in some way, generally with respect to the use of the funding (e.g., funding must be used towards a specific project or programme). Maina (2013) conjures that the overdependence of local government on central government transfers delays immediate financing of activities and always has conditions attached. However, there are unconditional transfers which do not have such restrictions, and local governments may choose where the funding will be used.

Utility Charges:

According to Local Government Regulation 2012, sections 99 to 102, Local governments may make and levy utility charges to cover the costs of providing the following services: waste management, gas, water, sewerage. A local government may also levy a utility charge on any land it provides a service to, whether or not the land is ratable. However, the amount of a utility charge must relate to the costs of providing the service by the local government. In particular, a utility charge for a water service must be charged by either measuring consumption through a water meter or by estimating the water consumption (Carroll and Johnson, 2010).

Facility Charges

Charges for services or facilities (Local Government Act 2009, section 262(3)(c)): A local government may charge for a service or a facility it provides on contractual basis. An example

would be the hiring of a council hall or an item of plant and equipment to a community resident (Keen, 2012).

Business License

Commercial revenue from business activities: Local governments may derive revenue from various business activities (commercial revenues) the conduct of these enterprises is governed by the local government principles.

Local Hotel Tax:

People who visit and reside in hotel facilities contribute to the running of local government and welfare of the people through a local hotel tax as an accommodation tax that is charged on hotel and lodge room occupants/residents or room/bed sold of less thirty consecutive nights,

According to Musgrave (1993), assessment and collection of taxes requires personnel and equipment. This activity provides an important public service and it should be provided efficiently. He further argued that it is important to examine the effectiveness of a tax system with regard to how much revenue is actually collected per unit cost, since costs rise with every function implemented. Odd-Heldge (2004) asserts that charges can be sources of revenues. This is termed as enforcement which involves using task force comprising parish chiefs, revenue officers and enforcement officer to collect the tax from defaulters. In case a taxpayer fails to pay the tax, their deliberate actions are to ensure recovery of the tax, also referred to as enforcement measures are implemented. Veron (2012) argued that business owners are easy to coerce for tax payments other than individuals, which necessitates effective collection of market dues through tender and license.

Financial management is one of the powers that were devolved to local governments which involve resource mobilization or revenue generation, revenue sharing, budgeting, implementation of the budget monitoring and accountability. Local revenue mobilizations are governed by various laws and regulations. Revenue collection is one of the key activities in local government. Ministry of Local Government (2003) and the Local government Act (1997: section 78(4)) provide that the local government annual budgets shall reflect all revenues to be collected

or received by the local government for each financial year. Section 79, states that local government revenues shall be regulated as provided for in the fifth schedule. These legal provisions directly or indirectly provide certain people and institutions with roles and responsibilities to monitor local revenue collection in LGs such as Council, CAO and RDC. Chief Finance Officer, however, is empowered to monitor in order to ensure that the revenue collectors carry out their duties properly and that all revenue due to local governments is collected promptly. However, section 86 of the Local Government Act 1997 provides that in the districts (urban) the revenue is to be collected by district councils.

In order to speed up collections from revenue bases to the district treasury there is a need to improve efficiency of internal control system, motivate revenue collectors, adopt prompt billing system, reduce payment time, reduce collection centres, ensure timely transfers of cash receipts, prompt banking habits and maximize record keeping (Kakuru, 2007).

One of the principles of decentralization is that there shall be established for each local government unit a financial base with reliable sound sources of revenue. Districts are obliged to improve financial accountability and are responsible for establishing a clear link between the payment of taxes and provision of the services they finance. All governments face political, legal and economic realities which constrain their efforts to draw resources from their communities. The extent to which the economic base can be tapped by a government within these constraints is the organization's revenue capacity, often referred to as fiscal capacity (Finkler, 2005).

Budget scarcity of the district administration is due to low level of revenue collection. This low level of revenue collection is also the result of weakness in assessing the revenue bases, finding new base and exploiting them exhaustively. Therefore, the town administration should carefully assess and find new revenue sources and exhaustively exploit the existing revenue sources by implementing revenue rules, regulations and procedures (Maina, 2013). Bird and Zolt (2004) assert that training of revenue collectors and assessors widens tax bases which increase revenue collections.

Poor planning has an adverse effect on the district's achievement of development activities like assessment and collection of allowable town revenue. Hence, the planning system should be

improved in a way that can forecast future actions properly. Moreover, the implementing capacity must be developed through provision of appropriate and sustained training to the staff of the town administration to increase their commitment and fill skills gap (Carroll and Johnson, 2010).

To reduce the number of illegal traders and non-registered taxpayers and increase revenue, one of the important tasks to be done is providing organized information to the taxpayers as to why the payer is charged. This enables the taxpayers to link the relationship between tax obligations and district service delivery. Taking this fact into consideration, the town administration should design and implement an awareness creation programme for the residents of the town in general, taxpayers in particular (Carroll and Johnson, 2010). Furthermore, Atan (2010) asserts that failure to raise awareness to pay taxes contributes to delayed tax payments in local government.

One of the tools in Public Finance Management to manage revenue is performance reporting in a timely and reliable manner. The accounting systems used by the district are not fully computerized that it could provide up to date and clear financial information. Hence, an improved accounting system should be designed and implemented so that comprehensive financial reports can be produced and used for decision making (Keen, 2012). Furthermore, Yousuf (2012) argues that successful benchmarking of national tax system facilitates compliance to revenue collections.

There should be active participation of the residents in needs identification, planning and implementation process. This could help in promoting transparent and participatory decision making. In Contrast, other district administration encourages the participation of community in development activities of the district. Therefore, the district should increase and plan revenue collection administrators to promote community participation during planning and implementation process through the use of full council meetings (Atan et al., 2010).

There should be an implementation of integrated performance management system in order to reward employees according to their performance to boost their commitment. This helps district administration capable of retaining competent staff as well as attracting new ones to fill vacant positions (Keen, 2012).

According to Tanzi (2000) people's tax payment should be in line with their income and they are required to pay a tax in proportion to their level of income on the other part of tax collectors. Collection of revenue should be time-conscious and convenient and the cost of collecting the taxes should not be high to discourage business and convenient and the cost of collecting the taxes should not be high to discourage business.

The productivity of any service is typically the best measure of how much to charge (Carroll and Johnson, 2010). Cost efficiencies are achieved through careful budgeting, monitoring and controlling of expenditures. Cost efficiencies can be measured by operating cost per hour. Adam Smith (1776) recommended equity, certainty, convenience and efficiency as the mechanisms to influence tax payments. Governments face political, legal and economic realities which constrain their efforts to draw resources from their clients.

Finkler (2005) argues that absence of fair assessment as applicable in the law leads to non-compliance to tax payments which adversely affect the performance of sectors in local government, such as, for example, the systems of taxation and the management of natural resources. Public revenue reporting, monitoring acts complementary to public budgets, and tracking what the government does with that revenue allows citizens and civil society to question how governments mobilize financial resources and how those resources are utilized.

2.1.2 Methods of financial resource mobilization (assessment)

Revenue collection and management is affected by types of bases and its administration nature (Mikesell, 2003). Some taxes can easily be collected, some are difficult or require high effort. If revenue enforcement procedure is not properly implemented and revenue evaders are not strictly controlled to pay their tax as per the schedule, this is accompanied with lack of clear guidelines and inadequate management system (Atan et al., 2010).

Revenue can be increased by increasing the tax base which means including or redefining previously exempted tax. A different choice of assessment methods can increase the assessed value to collect more taxes (Wong, 2006). This is done when the increase in tax rate is not enough to cover the budget gap. Collection method affects collecting monies owed in a variety of forms including manual and automated integrated financial management systems. Each form of

collection has its own merits. For example, if we take, receiving revenue in the form of coin and currency, it allows government to use the revenue immediately in order to meet its financial needs without any additional cost (Shah, 2007).

Carroll and Johnson (2010) conjure that poor revenue management adversely affects taxpayers' compliance to payment of local taxes in local government which affects financial resource mobilization. One of the most important components of any revenue collection system is accurate and timely reporting. Local governments need revenue management software that allows revenue collection staff to update records frequently. According to ERCA (2008), as cited by Mukhtar (2014), revenue accounting involves timely recording of collection, recording payments to individual taxpayers' files to appropriate accounts, reporting and reviewing the accuracy of regulatory information.

2.1.3 Revenue collectors' professionalism

Inadequate capacity and technical skills hamper in assessing and appropriately collecting domestic revenue. Determining with the appropriate user fee rate for a particular service can be a complicated endeavour that requires special skills. For example, setting the appropriate rate for a service, a city/ municipal street parking fee, in principle should consider such issue as the objective of imposing the fee, whether it is to decongest the city streets, raise revenue or reduce pollution by discouraging private transportation, the beneficiary of the service and the cost of providing the service. Some of the required skills are lacking, especially at the local government level; as a result, fees are at times set at a very high rate, which leads to evasion or discourages the consumption of the services, or the rates are set low leading to loss of revenue (Cawley and Zake, 2010)

Corruption practices hamper revenue collection: Certain revenues by their nature are prone to corruption. For example, fines and penalties tend to attract corruption in the form of bribes. This is because they are set high to deter certain activities or behaviours. The higher the fine/penalty, the higher the chances of one offering a bribe to the collectors. On the side of the collector, with other conditions such as ethics and income levels held constant, the higher the fine is, the higher the temptation to accept the bribe is (Mooij and Keen, 2012).

Insufficient staff and poorly skilled revenue staff: none can set adequate reserve prices for local revenue sources, poor staff attitude and low morals. Some parishes and divisions do not have law enforcement personnel. In some district, sub-unit officials have taken advantage of difficulties in estimating revenues from such markets to under-declare the amount of revenue they collect. Schedol (2011) argues that incompetent revenue assessors lead to taxpayers' non-compliance in local government. Taxpayers' recognition and registration is a foundation for other tax administration for tasks. According to Bird and Zolt (2004), it should establish a system to register non-voluntarily taxpayers' -- registration function of tax administration organization absorbs finding out potential taxpayers for tax objectives and registering them as taxpayers in a central data base. A good tax administration identifies and registers all traders who are liable to register for the tax, according to Article 43 of the Income Tax Proclamation.

Misuse of revenue collected: Some of the top of LG officials interviewed did not rule out the possibility of some of revenue collected not remitted to the Treasury through spending at source. Some revenue collectors, especially town agents and parish chiefs take advantage of poor supervision and monitoring to siphon some of the money.

2.2 Accountability of financial resource to citizens

Accountability is certainly a multi-faceted concept (Sinclair, 1995). The understanding of accountability held by councillors and managers, as revealed by research results, reflects this. However, results do not support the contention of a number of authors that accountability is a complex concept. This is evident from noting four factors identified as information, values, enforcement and relationships. Examination of these four factors revealed, essentially, three aspects of accountability: the need for and value of information, honest values, and legal enforcement.

Scheduler (1999) and Kaziba (2015) observe that accountability represents an under-explored concept whose precise meaning remains evasive, boundaries fuzzy and internal structures confusing. Two faces of accountability have been suggested never the less; on one hand is answerability, which is the obligation by public officials to inform and explain what they are

doing or have done, and on the other hand enforcement which relates to the capacity of accounting agencies to impose sanctions on power holders who have violated their public duties.

Accountability refers to the process the public servants go through recording used funds, ensuring proper allocation, balancing incomes and expenditures, controlling usage of financial resources, ensuring periodic reports are prepared. This is drawn from the concept of financial management which refers to all the processes that govern the recording and use of funds including allocation processes crediting and debiting of accounts, controls that restrict use and accountability and periodic financial reporting locally-generated revenues that the local population, who are the contributors, can generally derive the rights to demand accountability and services.

Financial accountability is a key indicator in government responsiveness towards systems. Glynn and Murphy (1996) argue that accountability is the process via which a person or group can be held to account for their conduct. However, the concept of accountability has numerous facets (Sinclair, 1995; Horton, 2006; Caron & Giauque, 2006) and is complex and not easy to define. Cutt and Murray (2000) argue that the essence of accountability has always been the obligation to render an account for a responsibility that has been conferred. According to Roberts and Scapens (1985), the concept of accountability involves the giving and demanding of reasons for conduct and occurs in various social structures, such as within families, friendship groups, and within and between organizations.

Broadbent and Laughlin (2003) argue that there are two aspects of accountability: public/political accountability that involves the public as principals and is concerned with issues of democracy and trust; and managerial accountability that is concerned with day-to-day operations of the organization and can be equated with Stewart's (1984) concepts of process, performance and programme accountabilities.

Broadbent and Laughlin (2003) argue that under managerial accountability, the provision of detailed information is not directed to being more accountable to the public but rather it is an attempt by the principals (elected representatives) to control the agents (managers), and to

legitimize past decisions and justify future ones. The provision of annual financial statements and expenditure is an example financial resource accountability.

Foster (2000) argues that accountability can be achieved best by the use of contracts. This relies on the ability to reduce all accountability relationships to ones of obligation, where there is a principal/agent relationship. So long as the contract is clear, then the obligations under the relationship are clear as are the information needs to monitor the performance of the contract. However, principal/agent relationships are complicated by information asymmetry and power differentials (Broadbent and Guthrie, 1992). It is argued that some relationships cannot be accurately defined by a contract and, therefore, to define accountability in contractual terms limits our understanding of the concept.

Accountability is obligation to account for the responsibilities coffered. Financial accountability entails Increasing the value for money, Consistent reporting, monitoring and evaluating spending decisions, greater alignment of planning and budgeting processes, management accounting and reports, a focus on both the process and results using appropriate internal control and management of financial risks, accrual accounting ensuring that accounts statements reflect the value of resources consumed and benefits provided, rather than timing of cash movements

Accountability in public sector primarily evolves from the stewardship functions for resources entrusted to the executives. In discharge of fiduciary roles, the executives charged with governance are required to act in the best interest of the public and accountable for their own actions (Twinomujuni, 2018).

2.2.1 Budgetary Control

To ensure that financial resource receipts and disbursements are synchronized, and zero balances realized, the manager should design measures to accelerate the cash receipts into the districts or delay the disbursement of financial resources out of the district (Bazanya et al., 2009).

Accountability systems are required to check that financial rules have been properly complied with and to investigate and sanction potential misbehaviour (Kaziba, 2015). He remarks that financial accountability entails, increasing and evaluating spending decisions, greater alignment

of planning and budgeting processes, reporting systems, using appropriate internal controls, managing financial risks and ensuring that accounting statements reflect the value of resources consumed and benefits users of resources rather than timing of cash movements.

Twinomujuni (2018) contends that a Local Government budget is a critical detailed exercise or plan establishing sources of financial resources and allocating revenues to various pre-determined votes. It also entails the management of government expenditures to create the most economic impact on the public demands.

Government budgeting enables the governments to plan and manage their financial resources to support the implementation of various programmes and projects that best promote the development of the country. Through the budget the government can prioritize and put into action its programmes and policies within the constraints of its financial capability as dictated by economic conditions.

The Local Government budget involves four distinct processes namely: budget preparation, budget authorization, budget execution and accountability. While distinctly separate, these processes overlap during implementation.

As budgeted funds are expended, periodic monitoring of the budget is conducted to review budget performance, the budget estimates are compared with the spending plans. Annualized budget summaries which project the impact of current expenditures at the end of the year are useful in making accountability reports.

Neely (2009) postulated that weak budgetary controls adversely affect financial accountability in public sector. Neely's finding maintained twelve cited weaknesses of budgetary control systems which pose a challenges on financial accountability. These weaknesses included: restraining of responsiveness and acting as barriers to change; budgets are rarely strategically focused and often contradictory; they add little value especially given the time required to prepare them; they concentrate on cost reduction and not value addition; they strengthen vertical command and control; they do not reflect emerging network structure that organizations are adopting; they encourage gaming and perverse behaviours; they reinforce departmental barriers rather than

encourage knowledge sharing; and also make people feel undervalued which heavily hinders effective financial accountability.

Prendergust (2008) claimed that failure to follow setup budgets as planning and control tools imposes problems on achievement of set objectives which pose a challenge on financial accountability. More so, budgets fail due to reasons like: budgets used as pressure tools; central decision making process; lack of job security and accounting officers' lack of training induce adverse effects to organizations and, thus, affect financial accountability.

Drucker (2011) argued that inadequate funding of local government sector hampers effective and efficient financial accountability. In Uganda, funding is a challenge due to deficit budget, creation of many districts which persistently increase administrative costs on national budget with the small limited country's resource envelope generated from meagre local revenues and Appropriations in Aid (AIA). This has hindered the financial accountability in local government in Uganda. Charles (2007) argued that inadequate funding in public sector disrupts the sector's budgets which hamper financial accountability

Local government leaders' participation in the process of budgeting and financial resource mobilization helps to improve accountability and the ability of local governments to solve public service delivery deficiencies, creates more inclusiveness in decision making and improves the quality of lives in communities. To effectively gain accountability, local government leaders should follow established financial accounting regulations; adhere to auditing and accounting standards in line with recommended international standard charters.

Kloot and Martin (2001) suggest that there are also social contracts that are important for accountability and which go beyond the legalistic approach suggested by Foster (2000). The production of annual accounting and performance reports exemplifies a concern with the managerial aspect of accountability rather than public or political accountability.

2.2.2 Transparency

Financial transparency means making information as accessible as possible; it means timely/meaningful and reliable disclosure about the district's financial performance (Local Governments Act 2007 chap 243).

Though the subject of transparency is central to ensuring accountability, it has not been a key issue in the management of the district financial resources. In accordance with Local Government Act 243 article 90 section 64(1,2,3), the Chief Administrative Officer shall be the accounting officer in charge of a district and shall be accountable to the District Council for the funds in the district. Any person holding a political or public office at the district or lower local government council who incurs expenditure or property contrary to existing institutions and regulations shall be accountable for any loss arising from the use and shall be required to make good the loss even when he has ceased to hold that office. In accordance with section 65, the town clerk, or the chief administrative officer shall be accountable to the respective council.

Scutaru (2010), Seatini (2014) argue that weak legal process on poor financial accountability in developing countries adversely induce continuous disclosure of inefficient financial accountability which leads to perpetual rise on fraud matters among the local government officers. Although it is held that local governments are required to be accountable to the citizens on how they allocate and utilize taxes they collect from citizens, government officials are corrupt and very inefficient.

Boquist (2010) postulated that selfish individual interests on allocation of funds in public sector like local governments in developing countries adversely affect the financial accountability. Selfish interests lead to greed and scramble for resources amongst officers in charge. This lures financial accounting officer to formulate cliques to support the failing system which adversely affect financial accountability. Millan (2011) argued that corruption among the accounting officers within the district is the primary inception of financial greed which leads to selfish interests on allocation and misuse of funds. This has hampered financial accountability in local government in developing countries.

Karl Heggstand remarked that many local tax systems in Anglophone Africa are characterized by high levels of arbitrariness, coercion and corruption.

Local governments seen to raise whatever taxes fees and charges they are capable of raising, often without worrying excessively about the economic distortion and effects that these instruments may create (Brosio, 2010; Seboja, 2012).

A complicated and non-transparent local government revenue system is costly to administer and it facilitates corruption and mismanagement (Bardham and Mookherjee, 2017).

Okello (2011) argued that the turnover rate of accounting officers in local governments adversely affect financial accountability. In Uganda, the turnover rate for accounting officers is very low. The majority stay and serve in one department for long period of time, leading to bias due to high familiarity to the environment or department or an area. This dilutes their competences and hampers financial accountability. Top accounting officers like Chief Administrative Officer (CAO), Chief Financial Officer (CFO) in the districts are rarely reshuffled and the reshuffles are done majorly based on matters pertaining fraud and incompetence which adversely affect financial accountability.

Piotrowski and Ryzin (2007) observed that transparency must be in existence as a core ingredient in any democratic governance and accountability. Government transparency is the ability to find out what is going inside a public sector organization through avenues such as meetings, access to records, the pro active posting of information on websites, whistle blower protections and linked information.

In reference to Kabale district local government as part of revenue management mechanisms, the anticipated revenues and expenditure are not rhyming. Whereas it is the major role for citizens to hold leaders accountable, there is generally apathy to extent that the population seems disempowered to hold leaders accountable (ACODE, 2012). The World Bank report (2014) disclosed that the discretion of local governments owes expenditure by cultural governments reduces lower funding levels participation usually in form of the district budget.

2.2.3 Access to Information

The local government accountability tool is a strategic process of heating up local communities as a way of increasing their awareness of their expectations from service providers and government authorities. When you start your accountability work it is important to know who has the resources authority and value base to assist understand the change you want to see (Local Government Ministerial Report, 2011).

Access to information is marked by Papenfuss and Schaefer (2010) as a signal of ensuring proper accountability. They argue that accountability is derived from the line of citizens having a right to be informed on the activities and expenditure of resources by the executive and legislative. They propose three benchmarks of public accountability as: access to information, the quality of information and transparency. The local government should provide timely relevant information which is beneficial to all stakeholders, reduce unnecessary costs by effectively using available resources, acting upon arising questions, and sharing responsibility with all actors involved in mobilizing, allocating and using financial resources (Uganda Second National Development Plan 2016).

Information to the public on tax revenue collected, budget allocations and how to report misuse of tax revenues and corruption is scanty (Protaz, 2019). Information to the public on tax revenue collected, budget allocations and how to report misuse of tax revenues and corruption is scanty. The respondents noted that there are challenges which hamper accountability mechanisms in the district endeavours to generate revenues. These entail: limited access to information, inadequate information, minimal council interests in weak revenue issues and minimal discussion on revenue generation (accountability involves establishing trust, credibility and commitment is key motivating people in your accountability work. It forms the basis for effective communication in a network.

The local government accountability tool is a strategic process of heating up local communities as a way of increasing their awareness of their expectations from service providers and government authorities. When you start your accountability work it is important to know who has the resources authority and value base to assist understand the change you want to see (Local

Government Ministerial Report, 2011). Rothstein (2000) observed that citizen's access to and right to information is often seen as a necessary condition to achieve accountable, transparent and participatory governance and people development (Jenkinns & Goetz 1999)

Funnell (2001), like Collier (2005), argues that financial accountability is not the totality of accountability. Mungui-Ppidi (2003) observed that internal administrative accountability must be mirrored by external accountability through feedback from service users and citizens (the social accountability nexus). Strengthening local government accountability is necessary in the context of enhancing initiatives for greater decentralization and for local government managerial autonomy.

Collier (2005) questions the appropriateness of conventional accounting in providing information for public sector accountability. In effect, he is arguing that the provision of traditional accounting reports is only a part of what constitutes accountability. This is because accounting defines, and limits, the context in which subordinates must explain their actions to their managers

2.2.4. Funds utilization or revenue sharing formulae according to MLOG training manual report 2018

It includes setting of rates/amount paid, ensuring equity and trainers in fixing rates, sensitization, enumeration/registration, assessment, having tax tribunal committees, collection, enforcement, budgeting and utilization and accountability and feedback resorting (OAG, 217).

Administration of collected funds also includes; allocation of resources by technical staff, contract management by hiring monitoring and supervision teams, observing legal requirements, observing sharing arrangements, addressing concerns/grievances of taxpayers, auditing the collection process and ensuring that funds collected are used for the priorities as set by the council.

The local revenue sharing formulae in the district should be followed, that is each sub-county retains sixty five percent (65%) of all the revenue collected in its area of jurisdiction. The

remaining percentage is passed over to the district. The 65% retained by the sub-county (which now is 100%) plus what it receives from the district is in turn shared between the sub-county and the administration units as follows. 5% remitted to the county council in which the sub-county is located. 5% is distributed among perishes of the sub-county. 25% is distributed among all the villages within the sub-county 65% used by the sub-county itself.

in city or municipal councils, 50% of all collected revenue is retained and 50% is remitted to the city or municipal council headquarters. The 50% retained by each division (now is 100%) plus what it receives from the city or municipal council is in turn shared between the division and village and parish ward as follows: 25% is distributed among its village councils.

10% is distributed among parish/ward councils and 65% is used by the division itself. Purposes of addressing inequalities in revenue basis among the division, a city or municipal council distributes as grates at least 30% of its total revenue collected to the divisions within its area of jurisdiction.

Where a city or municipality fails to remit funds to a division council for two consecution months, the division council may retain the amount due to it (city or municipality)

Towns follow similar formulae as municipal.

For purposes of a healthy flow and distribution of funds among the councils and administrative units it should be done on a quarterly basis and sharing laws must be followed strictly. Where a sub-county fails to remit 35% of its internally generated local revenue, the district or council may take appropriate measures to recover the revenue due to it. When the district council fails to remit the 65 percent, the sub-county shall retain a percentage higher than 65 percent to make fall recovery of the revenue due to it. Ascertaining the actual amount collected to determine the 35%

2.3 The relationship between financial resource mobilization and accountability

According Median Tax Revenue Report (2000–2017), a defining feature of the last decade of public policy has been increased attention to and real improvements in domestic revenue mobilization. Tax administration and public financial management capacities have dramatically improved in many States, and there is strengthened awareness of the link between taxation, expenditure and the accountability and legitimacy of the State. Increasing tax revenues in developing countries – by broadening the domestic tax base, improving tax compliance, and curbing tax evasion – is critical to increase financial resource mobilization. The public sector

entities including local government mobilize for public funds and ensure that they are properly allocated and accounted for to support in the delivery of the public services.

The research objective in this report is to determine the relationship between financial resource mobilization and accountability. Previous scholars have not written a lot on this topic; instead they have written on increasing revenue mobilization and governance while others have concentrated on corruption effect on tax collection, governance on building a strong tax base (Ajaz and Ahmad, 2010; Gupta, 2012; Bird, Martinez-Vasquez, and Torgler, 2008) yet the higher the level of mobilized revenue the more accountability for it is needed.

If the regulation which governs tax collection and revenue mobilization in local governments is not rhymed with accountability, districts will keep on mismanaging financial resources. How to enhance the effectiveness and efficiency of tax collection and revenue mobilization is a major concern of financial resource managers and equally ensuring proper accountability is also a very critical requirement to enable the district avoid overutilization and underutilization of finances.

Mobilizing financial resources requires detailed knowledge of partners, their priorities, policies, budgets, rules and procedures. Financial resource managers should come up with specific strategies on both mobilization and accountability in the district. There is a need to establish the source of funds and the interventions of ensuring they are accounted for.

Proper management of funds involved seizing every opportunity to build strong relationships and favourable influencing decision makers regarding the programme for which resources are sought it means establishing and maintaining open and regular dialogue with partners to build mutual trust and respect which involves organizing meetings where accountability reports are given new strategies of mobilizing funds are laid, providing solutions to various deviations, making proposals on sources and allocation of funds and having proper records.

Local government authorities are expected to promote not only political participation in decision making but also economic and accounting responsibilities in advancing social-economic development with local residents as Yilmaz, et al. (2008). The ability of local government to effectively carry out their functions is largely dependent on the degree of the fiscal or financial accountability. The collection, allocation and management of revenue in a responsible

transparent, accountable and sustainable manner is for the benefit of the citizens (Fjedstad, 2014).

Kasaija (2019) noted that Uganda domestic revenue mobilization strategy is aimed at increasing revenue base namely: upcalling Ugandans economy from informal to formal sector using technology and innovation in revenue mobilization and revenue expenditure. Balls (2015) pointed out that subject to the direction of the government and the will of the legislature, the purpose of the tax administrator is to devise taxes in conformity with the principles that will raise revenues sufficient to meet the needs of government to establish the basis of assessment and procedures for collection that are as simple, effective and economical as possible, and to develop auditing and other procedures to increase local revenue collections. The function of a tax administrator also includes ensuring full compliance and effective enforcement of tax matters by taxpayers.

Bad governance is both a cause and consequence of illicit financial flows. On one hand, bad governance enables illicit financial flows. Weak institutions and poor regulatory environments create an enabling environment for the outflow of illicit capital (UNECA, 2014). Corruption, notably, is an important determinant of illicit financial flows as the funds are often earned through illegal means that involve corruption (Goredema, 2011). On the other hand, illicit financial flows also enable bad governance reduce the resources necessary for the government to provide social services and increase accountability.

Muhakanizi (2016) asserts that poor mechanisms of local revenue collections are the leading causes of poor performance in local governments which can be measured by poor service delivery. Performance of most local governments 'revenue collection is always below the set budget projections, thus necessitates attention to examining factors affecting local revenue generation in local government districts. Neely (2009) and Kaziba (2015) postulated that weak budgetary controls adversely affect financial accountability in public sector. Neely's finding maintained twelve cited weaknesses of budgetary control systems which pose a challenges on financial accountability. These weaknesses included: restraining of responsiveness and acting as barriers to change; budgets are rarely strategically focused and often contradictory; they add little value especially given the time required to prepare them; they concentrate on cost reduction and

not value addition; they strengthen vertical command and control; they do not reflect emerging network structure that organizations are adopting; they encourage gaming and perverse behaviours; they reinforce departmental barriers rather than encourage knowledge sharing; and also make people feel undervalued which heavily hinders effective financial accountability.

Prendergast (2008) and Millchap (2012) claimed that failure to follow set up budgets as planning and control tools imposes problems on achievement of set objectives which pose a challenge on financial accountability. More so, budgets fail due to reasons like: budgets used as pressure tools; central decision making process; lack of job security and accounting officers' lack of training induce adverse effects to organizations and thus, affect financial accountability. This study does not show how budgeting can accelerate resource mobilization though it accelerates accountability.

Boquist (2010) postulated that selfish individual interests on allocation of funds in public sector like local governments in developing countries adversely affect financial accountability. Selfish interests lead to greed and scramble for resources amongst officers in charge. This lures the financial accounting officer to formulate cliques to support the failing system which adversely affect financial accountability. Millan (2011) argued that corruption among the accounting officers within the district is the primary inception of financial greed which leads to selfish interests on allocation and misuse of funds. This has hampered financial accountability in local government in developing countries. This study did not bring out the linkage between accountability and resource mobilization.

Okello (2011) argued that the turnover rate of accounting officers in local governments adversely affects financial accountability. In Uganda, the turnover rates for accounting officers are very low. The majority stay and serve in one department for long period of time, leading to bias due to high familiarity to the environment or department or an area. This dilutes their competences and hampers financial accountability. Top accounting officers like Chief Administrative Officer (CAO), Chief Financial Officer (CFO) in the districts are rarely reshuffled and the reshuffles done are majorly based on matters pertaining fraud and incompetence which adversely affect financial accountability.

In a contradicting study, Fozzard (2012) postulated that high turnover rate of accounting officers does adversely affect service delivery and the management of public finance. This decreases accountability, as a new director general cannot give proper account of a department's activities in the previous period when appearing before the Legislature. When asked questions by parliamentary committees, many directors general simply use their tenure in office as an excuse. It is also obvious that changes instituted are less likely to be sustained when there is a change in leadership within local government.

Hellon et al. (2012) who argued that prioritizing staff transfers on technical know who than know how to handle the tasks led to deployment of incompetent staff who failed to meet the set objectives. High turnover rate jeopardizes accountability and good governance, and it is also a challenge for legislative bodies which is partly attributed to fraud.

Welhet (2009) argued that fraudulent legal process in the appointment of Accounting Officers in local government led to poor financial accountability. Public Service in Uganda is mandated to appoint accounting officer although senior top accounting officers like Ministry permanent secretary, commissioners, Judges, Governor Bank of Uganda amongst others are directly appointed by the President and vetted in Parliament. The CAOs/ CFOs who are accounting officers of the district were also recentralized, yet they are accountable for every shilling spent in their Districts. This implies they are more accountable to central Government than the people in the district or district council whose decisions affect them directly. They are often called to appear before parliamentary committees to clarify any uncertainty pertaining to public finance or any administrative matter and some are summoned to the Anti-corruption Court to answer question in line with financial accountability.

In addition, Scutaru (2010) argues that weak legal processe on poor financial accountability in developing countries adversely induce continuous disclosure of inefficient financial accountability which leads to perpetual rise on fraud matters among the local government officers.

Drucker (2011) argued that inadequate funding of local government sector hampers effective and efficient financial accountability. In Uganda, funding is a challenge due to deficit budget,

creation of many districts which persistently increase administrative costs on national budget with the small limited country's resource envelope generated from meagre local revenues and Appropriations in Aid (AIA). Charles (2007) argued that inadequate funding in public sector disrupts the sector's budgets which hamper financial accountability. This has hindered the financial accountability in local government in Uganda.

Chacha (2009) argued that low salaries to public officers induce them to misallocate resources to suit their personnel private interest specially to match with the standards of living for survival largely hamper financial accountability in public sector. Low payment to public servants denies them time for concentration on quality services delivery as every accounting officer plans for fraud to supplement meagre pay, hence hampering financial accountability

2.4 Existing gaps

Literature on financial resource mobilization has revealed that effective revenue management will capitalize positive factors and mitigate negative factors (Ministry of Local Government, 2018). Local revenues are generated from district own sources of revenues such as taxes from garbage collection, markets and parking, charges (Sihag, 2009). Local governments also gain local revenues from the taxes of properties and this include property value taxes and parcel taxes, as well as grants in lieu of taxes (Sabaini & Jimenez, 2012). However, these studies do not show the tax burden felt by taxpayers, which would influence them to evade taxes or even pronounce themselves as non-tax complaint. In addressing the gaps, this study designed instruments that would seek information on revenue source in Kabale Municipality.

Literature on accountability shows that accountability is the process via which a person or group can be held to account for their conduct (Glynn and Murphy, 1996). Similarly, Broadbent and Laughlin (2003) argue that there are two aspects of accountability: public/political accountability that involves the public as principals and is concerned with issues of democracy and trust; and managerial accountability that is concerned with day-to-day operations of the organization and can be equated with concepts of process, performance and programme accountabilities. Twinomujuni (2018) also observes that accountability in public sector primarily evolves from the stewardship functions for resources entrusted to the executives. However, these studies do not

explain why some funds that have been mobilized under strict principles and mechanisms remain unspent and sent to the Consolidated Fund. These studies further fail to explain why funds would be sent back to the Consolidated Fund yet some departments report poor service delivery. In addressing the gap, the researcher designed instruments that would seek information on accountability in Kabale Municipality.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research methodology entails research design, the studied population, the preferred sample size and the justification behind its selection, the techniques used to select the representative sample, the sources of data including primary sources and secondary sources, the research methods and instruments relevant in collecting data, the research procedure describing all steps followed, research presentation, analysis, interpretation techniques and the scope of the study.

3.1 Research design

The study employed descriptive design to be able to bring out the state of Financial Resource Mobilization and accountability. Kelinger (1969) points out that descriptive studies are not only restricted to fact findings but may often result in the formulation of important principles of knowledge and solution to the significant problems. Therefore, this design helped to classify, analyse, compare and interpret the data. A combination of qualitative and quantitative research approaches were used. The qualitative approaches helped to get non-numerical data, while the quantitative approaches were used to capture numerical data on revenues and expenditure done by local governments. The researcher conducted focused interviews and administered questionnaires to a sample of respondent(s) (Orodho, 2003) A correlation design was applied to enable the researcher assess the degree of the relationship that exists between two or more variables.

3.2 Population of the study

The study was conducted in Kabale district local government community which comprised administration, finance and planning, internal audit, public accounts committee, and district, municipality councillors. Collectively, these units constituted study population of 250 stakeholders of the district from which a target population of 114 study units was selected. These

categories were selected because they were stakeholders who were knowledgeable on financial mobilization and accountability.

3.3 Sample size and Sampling techniques

The researcher selected a sample size of 89 units from a targeted population of 114 units. The researcher used Sloven's formula to estimate the sample size.

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

where N was the target population, n was the sample size, e was the level of precision (0.05)

$$n = \frac{114}{1 + 114(0.05^2)} \approx 89$$

The researcher used proportional allocation to determine the sample to be selected from each category of the target population. The following table indicates the distribution of the sample size and the population.

Table 3.1: Sample size distribution table

Department	Target Population	Sample size	Sampling technique
Administration	20	16	Simple random
Finance and Planning	25	20	Simple random
Audit	8	6	Purposive
Public Accounts Committee	36	27	Simple random
Legislative Councilors	25	20	Simple random
Total	114	89	

Source: primary data 2018, KDA and KMC annual budgetary estimates report 2014-2019

The researcher employed both simple random sampling and purposive sampling techniques to select the accessible participants. Simple random sampling is a probability sampling technique in which all the units in the study population are given an opportunity to take part in the study. This technique was used because it gives unbiased selection of participants, which increases dependability, accuracy and inference of the results. This technique was used to select public accounts committee members, legislators, administrators, and those from the finance and planning committee.

The researcher used purposive sampling to select participants from the audit departments and the senior officers such as district leaders, and assistant town clerks because of the specific and sensitive information needed to inform the current study. Purposive sampling is a sampling technique in which the researcher selects participants based on his own criteria. The selection approach is biased as it leaves out some individuals for reasons best known to the researcher. However, purposive sampling has the advantage of selecting only the participants whom the researcher considers to have the required information.

3.4 Sources of data

The researcher collected both primary and secondary data.

3.4.1. Primary source

Primary data was collected from original sources using questionnaires and focused interviews. Primary source especially focused interviews enabled the researcher to get facial expression, directly ask questions which assisted in interpretation of responses.

3.4.2. Secondary source

Secondary data was collected from sources that were compiled by other researchers in the process called documentary review. Secondary data helped to underpin the findings of the study and ascertain the existing gaps to be addressed.

3.5 Research instruments

3.5.1 Research questionnaire

The method of questionnaire involves preparing and sending printed documents of questions to persons who are thought to have the required information. The researcher prepared a structured questionnaire with closed-ended questions. Closed-ended questionnaires were included to limit ambiguous answers and to narrow the scope of responses to the wanted conceptualized variables and questionnaire is cheap when served to many people at the same time as respondents can fill it at their own time.

3.5.2 Interviews

The method of interviews involves an interaction between the researcher and key informants. This study used personal focused interviews where the interaction was face-to-face. The researcher used structured interview-guides containing open-ended questions. Open-ended questions allowed broad explanatory questions on financial resource mobilization and accountability. The method helped the researcher to obtain detailed information on the different aspects of resource mobilization and accountability. However, the method was limited by lack of knowledge on some particular aspects like how much money does the government send to the district in form of grants.

3.5.3 Desk research/ documentary review

A number of already written documents were internalized to be able to get scholarly views on the topic. Desk research is advantageous for it is used to confirm what other scholars view about the chosen variables. This instrument also helped to draw right conclusions for it was easy to make comparisons. The researcher visited such secondary documents like district income and expenditure estimates, Auditor General's Report FY2016/17, budgetary estimates for FY2014/15, and FY2018/19, etc.

3.6 Data collection procedure

First three topics were presented to the screening board from which one topic "Financial mobilization and accountability" was chosen. A research concept was then written and presented to the supervisor who authorized the researchers to compile a research proposal. The researcher was given an introductory letter which he used to seek permission to collect data. The researcher used the various instruments and models. The instruments included questionnaire, interview

guide, observation list and documentary guide while the models included RAV (resources, authority and values) analysis, public expenditure tracking surveys (PETS), local government score card (LGSC). The researcher proceeded to classify, analyse data using accounting models to come up with conclusions. The data was interpreted and the findings generalized in form of a report.

3.7. Data presentation and interpretation

The researcher presented categorical data on pie-charts and graphs to bring out the variations in the different categories of data. Data was coded, edited, validated and entered into the computer system for analysis. Validation was helpful in ensuring accuracy and consistency of data before analysis.

3.8. Data analysis

The findings got from the collected data were sorted and grouped into meaningful variables. The researcher evaluated and analysed the adequacy of the respondents' views. Data was analysed using a combination of descriptive and inferential statistical techniques. The researcher used descriptive measures of mean and standard deviation to describe and summarize the major sources of revenue, the governing mechanisms of resource mobilization, and principles of accountability. On the other hand, correlation was used to establish the relationship between financial resource mobilization and accountability. Quantitative analysis was aided by a software for data analysis (SPSS V 20.0). Qualitative data was analysed using content analysis where key ideas were coded and categorized into patterns and themes.

3.9. Data quality control

3.9.1 Validity

Ranjit Kumar defines validity as the appropriateness and accuracy and quality of the procedures adopted in finding answers to research questions.

To ensure that the instruments were valid, the study employed a pre-data collection test using expert judgment method (Amin, 2005). The researcher presented the instrument to the research

supervisor who exercised expert opinion on the different items of the instrument. Only outcomes with ideal minimum index of 0.70 were retained (Walz, Strick Land & Lenz, 2005). The validity index formula was used to compute the results.

$$CVI = \frac{\text{No of items regarded relevant by rates}}{\text{total no. of items}}$$

$$CVI = \frac{62}{68} \times 100 = 91.1\%$$

Since the content validity index was greater than 0.7, the items used in this study were considered to be valid to measure the different constructs on financial resource mobilization and accountability.

3.9.2 Reliability of the study

Reliability refers to stability, consistency of research instrument. The greater the testability and the consistency of research instruments, the greater the reliability (Moser and Kalton, 1989:353 adapted by Ranjit Kumar (2014).

A reliability test was conducted to authenticate the reliability of the questionnaire which was the most used instrument issued to 12 respondents from other local government sub-countries and divisions. These were chosen for they were not going to participate in giving responses as per the targeted study.

The finding from the pilot study were tested using Cronbach's alpha coefficient in the statistical package for social scientists (SPSS V 20.0) to find out the internal consistency and dependent variables interrelationships with the independent variables (Devellis, 2003). The resultant alpha coefficient was measured in relation to the minimum of 0.70 to quantify the reliability of the instruments (Tavakol & Dennick, 2001).

Table 3.1: Reliability Statistics

Variable list	Cronbach's Alpha	N of Items
Financial resource mobilization	.839	36

Accountability	.752	17
Overall	0.796	53

Source: Field data, 2019

The finding of the above test in table reveal that the Cronbach's Alpha coefficients for all measuring instruments were above the minimum of 0.7 (Tavakol & Dennick, 2011). As such, the instrument used in measuring financial resource mobilization and accountability was internally stable to generate consistent results.

3.10 Limitations/ delimitations

Validity and reliability of the instruments were difficult to establish. However, the researcher used pretest results to improve reliability and guidance from experts to improve the validity of the items to ensure they measured the intended constructs.

The researcher used questionnaires to collect data from a wider category of respondents. However, a number of participants returned the questionnaire with incomplete responses. The researcher, however, performed some data validation to eliminate incidents of system missing errors. The research was largely quantitative necessitating quantitative data analytical techniques. This was handled by making consultations with experts who were knowledgeable in analysing chapter four and five using SPSS.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter gives the presentation, analysis and interpretation of the results of the study. The trend of the discussion is focused on financial resource mobilization and accountability in local government. This chapter presents the research findings by focusing on demographic characteristics of respondents and the data analysis based on the specific objectives of the study. It also describes the inferential analysis, correlation and regression analysis and concludes with the discussion of key findings.

4.1 Response Rate

The study target sample was a total of 89 respondents who included Kabale District Local Government staff, Kabale Municipal council staff, councillors and service providers. Out of 89 questionnaires that were issued, 88 questionnaires were fully filled and returned, translating to a response rate of over 90%. This response rate was considered to be adequate to generalize the study findings and meet the purpose of the study.

4.2 Bio-data

The researcher investigated the gender differences in this study to understand how they would influence the findings. The results appear in the figure below.

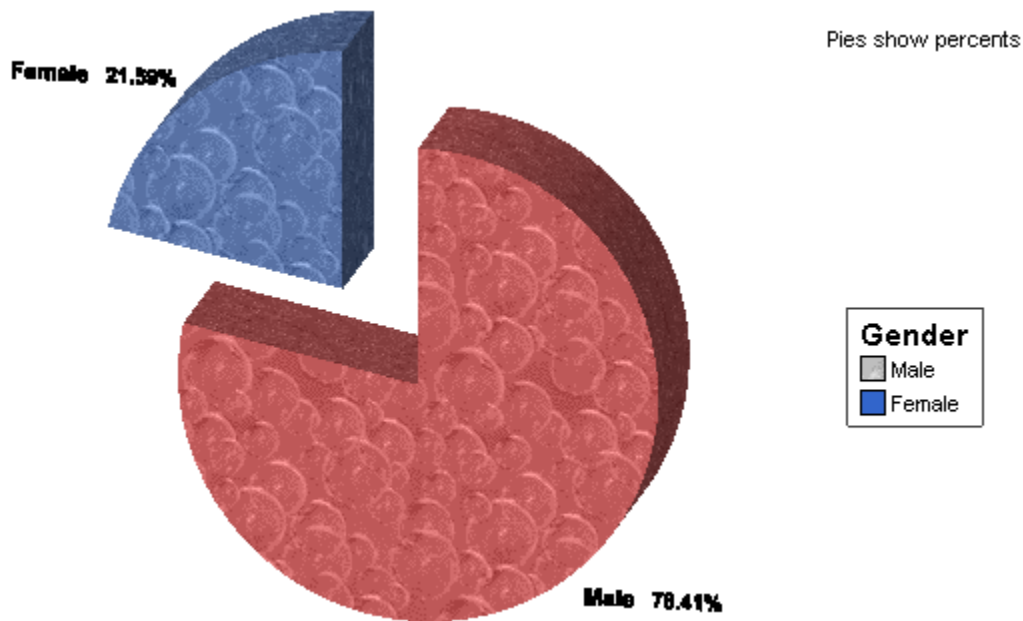


Figure 4.1: Gender of respondents

Source: Field data, 2019

Participation according to gender indicates that 78.4% were male while 21.6% were female. The statistics imply that the study was dominated by men compared to women. This suggests that most of the staff at Kabale district local government are men, perhaps because men tend to dominate finance and accounting professions and recruitment as well.

The researcher sought to understand the differences in participation according to age. The findings on age are summarized in the figure below.

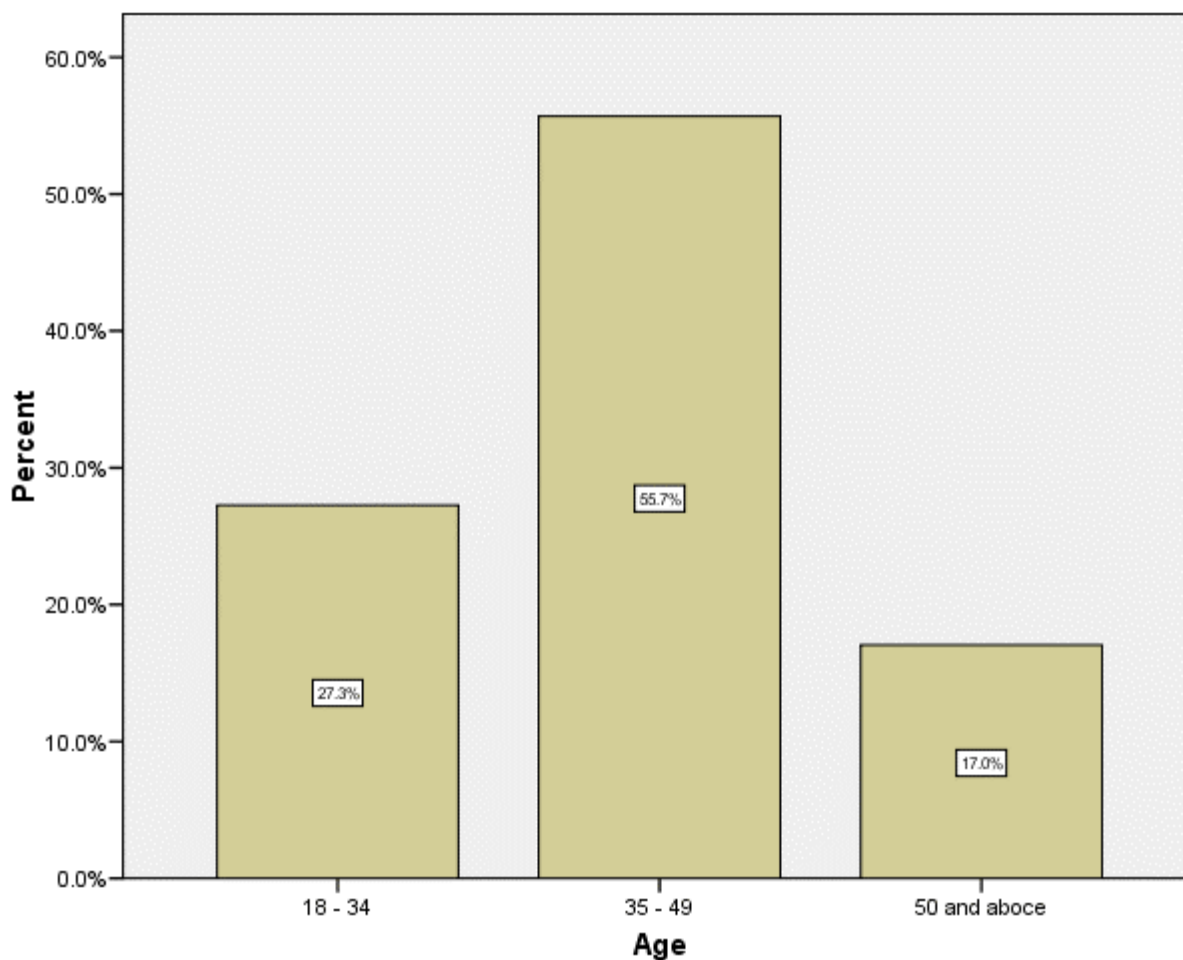


Figure 4.2: Age in complete years of respondents

Source: Field data, 2019

The findings on age distribution indicate that 55.7% fell in the 35 – 49 years’ age bracket, followed by 27.3% who fell in the 18 – 34 years’ age bracket. The least participation was observed among those with 50 years and above. The statistics imply that the study was dominated by adults. This is because public institutions are impartial in their recruitment and appointments to public offices. The statistics also suggest that the participants were Ugandan males and females with maturity to appreciate the relevance of the study. The low percentage of the older persons in the study suggests that local government has few older persons as the majority tended towards retirement.

The researcher also investigated participants' differences in their education level. The figure below summarizes education level.

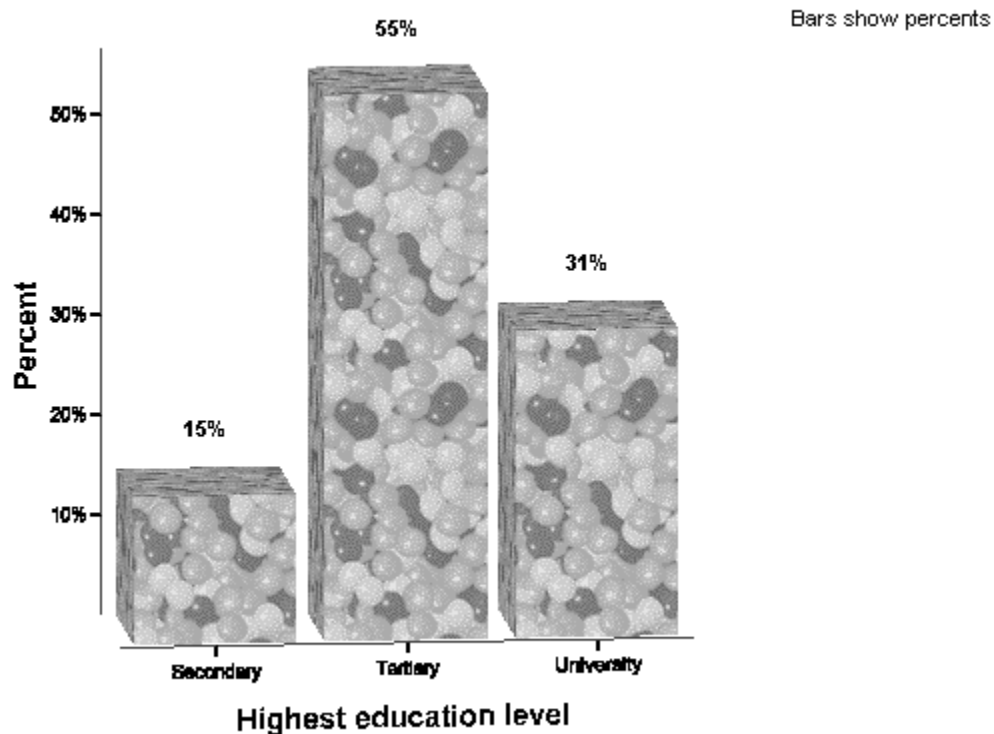


Figure 4.3: Education level of respondents

Source: Field data, 2019

The findings indicate that 55% had tertiary education, followed by 31% who had university degrees while only 15% of the participants had secondary education. The statistics on secondary education suggest basically politicians, who join council without the need for advanced education levels. Generally, the study was dominated by diploma holders and degree holders because of the technical work required at local government level. The graph shows that there was reliability of the acquired information from the literature since 86% (65% tertiary plus 31% university) had done post secondary education and the majority of them had accounting related skills to interpret the questions and fill the instruments.

The researcher further drew comparison between the categories of participants and the number of years spent in the local government. The following table summarizes the results.

Table 4.1: Category of respondents and the years at local government

Variable List	Categories	Frequency	Percent
Category of respondent	Administration	16.0	18.2
	Finance	20.0	22.7
	Audit	5.0	5.7
	Public Accounts committee	27.0	30.7
	Legislator	20.0	22.7
	Total	88.0	100.0
Year at the local government	1 – 4	29.0	33.0
	5 – 9	24.0	27.3
	10 -14	35.0	39.8
	Total	88.0	100.0

Source: Field data, 2019

According to the categories of respondents, there were not significant differences in participation: 30.7% came from administration and were the majority. The same number of participants (20) came from finance and legislators (22.7%). The least participation was observed in the audit department. The difference in participation according jurisdiction was purposive more than random. For instance, some departments had very few people, which dictated that a small number of participants had to be selected from there.

The findings on the number of years participants had engaged with local governments indicate that most of the participants (39.8%) had worked with at local government level for over 10 years, which was characteristic of the technical staff. The 33.0% who had served the local government for less than 5 years were characteristic of the legislators, whose tenure runs for five years, with some failing to bounce back. Generally, the number of years indicate that most of the

participants had enough experience with local government operations and could therefore articulate the claims raised in this study.

4.3 Analysis of the research problem

The researcher analysed the data collected on questions using both descriptive and inferential statistical techniques.

4.3.1 Descriptive statistics

These are methods and procedures used to describe and summarize a given set of data to bring out the underlying unique attributes and nature. These procedures are used to portray the nature of the problem, its frequency and its prevalence. The current study used mean and standard deviation as the descriptive statistical measures. The researcher used mean to show the concentration of participants' opinions on the revenue sources, governance mechanisms and accountability.

As a guide to interpreting the revenue sources and governance mechanisms, mean scores greater than 3.500 were interpreted as “important” while those less than 3.500 were interpreted as ‘not important’. Similarly, with accountability, mean scores greater than 3.500 were interpreted as “high” while those less than 3.500 were interpreted as “low”. About standard deviation, scores close to zero suggest ‘consistency’ of opinions while scores far way from zero suggest ‘inconsistency’ of opinions on a particular claim. The table below shows the details on revenue collection.

Table 4.2: Sources of revenue

Descending means; N = 88	Minimum	Maximum	Mean	Std.
1. Hotel tax	1	5	4.19	.842
2. Service tax	1	5	4.05	.829
3. Charges on profit	1	5	4.03	.890
4. Property tax	1	5	3.99	1.088
5. Fees and fines	1	5	3.98	1.072

6. Donations	2	5	3.89	1.044
7. Unconditional grant	2	5	3.82	1.078
8. Conditional grant	1	5	3.76	1.174
9. Equalization grants	2	5	3.73	1.111
10. Any other	2	5	3.64	1.224
11. Packing fees	2	5	3.61	1.217
12. Business trading license	1	5	3.56	1.321
13. Royalties	1	5	3.23	1.345

Source: Field data, 2019

The researcher ranked the different sources of revenue in order of the mean scores. Accordingly, high mean scores were evident in hotel tax (mean = 4.19; std. = .842), service tax (mean = 4.05; .829), and charge on profits (mean = 4.03; std. = .890). These statistics suggest that the major sources of revenue to Kabale district local government are hotel tax, service tax, and charges on profits. The possible reason for the dominance of hotel tax in the revenue sources of the local government is because Kigezi is tourist community with many tourist attractions such as Lake Bunyonyi, mountain gorillas, national parks, mountain peaks, and the culture of the Bakiga.

These tourists bring a lot of revenue in form of camping fee, hoteling, and accommodation. The standard deviations, which are below 1.000 confirm that participants had convergent opinions on these sources of revenue.

On the downside, the statistics indicate that royalties (mean = 3.23; std. = 1.345), business trading licenses (mean = 3.56; std. = .321) and parking fees (mean = 3.61; std. = 1.217) contribute little to the district's treasury. The least contribution of the above in the district's treasury rests on collusion, where tax officials collude with taxpayers by shielding them, which leads to tax evasion.

The study therefore concluded that hotel tax is the major source of revenue to Kabale district local government. The conclusion, however, was not inferred to the study population.

Table 4.3: Governing mechanisms

Descending means; N = 88	Mean	Std.
Budget Control		
1. External funding is timely provided	4.250	0.791
2. Time frame is set for financial resource mobilization	3.841	1.103
3. We Hold timely budget conferences to sensitize the stakeholders	3.682	1.120
4. Budget plans are provided	3.557	1.258
Average	3.832	1.068
Manual tax remittance		
1. Direct business assessment is conducted	4.000	0.947
2. Cash is received from business individuals, firms and companies	3.898	1.029
3. Collected funds are directly taken to URA	3.886	1.022
4. The firm pays directly to tax collectors	3.852	1.170
5. Law enforcement officers directly receive taxes	3.818	1.273
6. Revenue collection register is kept by revenue collectors	3.784	1.282
Average	3.873	1.120
Computerized remittance		
1. Collected funds are directly taken to URA	4.477	0.727
2. The firm waits for external funding to be able to offer services	4.091	0.737
3. financial management system is used to record revenues	3.500	1.165
4. Service providers receive notification messages from URA	3.295	1.495
5. Tax payment are remitted to the bank as required	3.182	1.273
6. The firm timely pays taxes to the bank	3.080	1.533
Average	3.604	1.155
Professionalism		
1. Discipline is observed	4.500	0.567
2. Trust worthiness is a core value	4.364	0.746
3. Tax remittances are done without external influence	4.295	0.873
4. Work is independently performed	4.159	0.856
5. Revenue enumerators have adequate knowledge on IFMS	4.023	0.773
6. There is commitment to organizational goals	3.830	1.020

7. Duties are timely performed	3.625	1.235
Average	4.114	0.867

Source: Field data, 2019

Budgeting control as a governing mechanism was indicated with a (mean = 3.832; std. = 1.068), which suggests that it is important in ensuring financial resource mobilization and accountability. The importance of budget control was evident in ensuring time provision of external funding (mean = 4.250; std. = .791). The budget appears to be the most important governing mechanism because it guards misallocation and misrepresentation of funds. Additionally, the budget tends to accelerate revenue collection since it indicates the possible sources of revenue.

Manual tax remittance as a governing mechanism was indicated with a (mean = 3.873; std. = 1.129), which implies its importance in ensuring financial resource mobilization and accountability. The study revealed that manual remittance of tax is very important in ensuring direct businesses assessment, which increases the chance of obtaining high revenue levels. While the mean scores do not reveal any significant differences in opinions as provided by participants, the low standard deviation measuring direct business assessment confirms its importance in promoting manual tax remittance as a governing mechanism. Actually all the mean scores on manual tax remittance were important (mean > 3.500), which suggests their importance in ensuring financial resource mobilization and accountability.

In view of computerized remittance, (mean = 3.604; std. = 1.155) shows that it is an important mechanism in governing financial resource mobilization and accountability. Specifically, computerized remittance ensures that collected funds are directly taken to URA (mean = 4.477; std. = .727), and to ensure that firms offer services with support from external funding (mean = 4.091; std. = .737). On the lower end, computerized remittance does not indicate its importance in ensuring that firms pay their taxes in the bank on a timely basis. This is because most of the systems are still manual, the inconsistencies in power supply, and the lack of experienced staff to handle the modern technologies.

In view of professionalism as a governing mechanism, (mean = 4.114; std. = 0.867) indicates that professionalism is very important in ensuring financial resource mobilization and

accountability. The importance of professionalism in ensuring accountability was observed in observing discipline of staff, and service providers, increasing trust among stakeholders, promoting remittance of tax without external influence, helping staff to work independently, and ensuring adequate of IFMIS among stakeholders. These importance were indicated with (mean > 3.500). Importantly however, professionalism as a governance mechanism scores a little low on its importance in ensuring timely performance of duties (mean = 3.625; std. = 1.235).

Comparing the mean scores of the four governing mechanisms, the highest mean was observed under professionalism (mean = 4.114; std. = .867). The researcher therefore, established that professionalism is the most important mechanism in governing financial resource mobilization and accountability in the district. However, the conclusion is not inferred to the wider context of the population. Accordingly, the unprofessional tax officials lack customer care, and the convincing tongue. Additionally, most of the monies collected end up serving their individual interests than the wider community.

Table 4.4: Accountability

Descending means; N = 88	Mean	Std.
Transparency		
1. Financial monitoring is made	4.432	0.881
2. Service providers get feedback on receipt of their funds	4.420	0.813
3. Generated financial resources are easily accessed	4.284	0.642
4. service delivery/utilization of revenues	4.080	0.985
5. All financial receipts are computerized n utilized finances are returned to consolidated funds	4.068	0.992
6. Audited accounts are published and received	4.034	0.850
7. There are accountability reports	4.023	1.213
8. There is periodical display of financial information	3.784	1.236
Average	4.141	0.952
Funds utilization		
1. Certification of contracts performance is done by qualified personal and followed	4.307	0.914
2. Suppliers' qualifications determines disbursement	4.284	0.909
3. Staff competences enhances usage of funds	4.261	0.953
4. There is enough funding from central government	4.261	0.823
5. The district gets surplus revenues	4.227	0.840
6. Funds are spend according to the budget	4.205	0.886
7. Inconsistency of district machinery hinders usage of funds	4.148	0.851
8. Unspent balances are recaptured to the consolidated fund	4.068	0.920
9. Conflict among stakeholders contributes to improper utilization of funds	3.932	1.026
Average	4.188	0.903

Source: Field data, 2019

In examining accountability, the researcher measured transparency and funds utilization in Kabale district local government. Transparency indicated a mean score of (mean = 4.141; std. = .952) while funds utilization indicated a mean score of (mean = 4.188; std. = .903). The statistics indicate that funds utilization explains the greater part of accountability than transparency. The researcher observes that when spending money, the original budgetary estimates are ignored to some extent. Additionally, the absorption rate is sometimes lower than the realized funds, which is associated to the delay in the submission of local purchase orders (LPOs).

The poor absorption is sometimes fueled by differences in political opinions and interests. Due to the lack of professional and competent suppliers, LPOs are submitted late.

The importance of transparency in accountability was highly indicated by its role in finance monitoring (mean = 4.432; std. = .881), providing feedback to service providers on their receipt of funds (mean = 4.420; std. = .813), generating financial resources with ease (mean = 4.284; std. = .642), and proper utilization of resources (mean = 4.080; std. = .985). These statistics suggest that lack of transparency gives the accounting department room to falsify, manipulate and act fictitiously, which results in fraudulent acts. Otherwise, in the presence of transparency, local government staff have every possible ground to remain financially accountable.

While the statistics do not indicate significant differences in the the mean scores, the researcher found that transparency is very important in generating financial resources easily (std. = .642), and provide feedback (std. =.813). The researcher observed that transparency promotes regular reporting, promotes participation, and consultations from user departments and civil society (CBOs). On this account, therefore, the researcher generally, concluded that transparency is indeed important in accountability because of its role in ensuring that the financial resources generated are easily accessible.

In view of funds utilization, the statistics indicate that contracts performance by qualified persons (mean = 4.307; std. = .914), supplier qualifications, which determine disbursement (mean = 4.284; std. = .909), and staff competences (mean = 4.261; std. = .953) help in funds utilization. This, therefore, suggests that suppliers and technical staff play big roles in ensuring that funds are properly utilized.

The statistics, however, indicate pessimistic positions on the fact that conflicts among stakeholders contribute to improper utilization of funds (mean = 3.932; std = 1.026), and unspent balances are recaptured to the Consolidated Fund (mean = 4.068; std. =.920). The researcher found that the seeming position of disagreement on funds utilization due to conflict and recapturing unspent balances to the Consolidated Fund are due to lack of competent service providers who delay to submit their LPOs; breakdown of machineries; and inconsistent power supply, which bring the system to a standstill for a while. Therefore, these technical challenges explain the return of unspent funds to the Consolidated Fund amidst poor service delivery.

4.3.2 Correlation tests

To establish the relationship between financial resource mobilization and accountability, this study adopted correlation tests. Correlation is the statistical technique for measuring the degree of the strength of the relationship between two numerical variables. The technique uses the correlation coefficient. Correlation coefficient ranges from 0.00 through 1.00. Correlation coefficients closer to zero indicate a weak relationship while correlations closer to 1.00 indicate strong relationships. When the correlation coefficient is positive, the two variables change in the same direction. Otherwise, if the correlation coefficient is negative, the two variables change in opposite directions.

Table 4.5: Correlation tests

Variable List	1	2	3	4	5	6	7	8	9
Revenue sources - 1	1								
Budget control - 2	.208 .052	1							
Manual Remittance - 3	.220* .039	.502**	1						
Computerized remittance – 4	-.046 .672	.142	.437**	1					
Professionalism - 5	.240* .024	.305**	.468**	.367**	1				
Transparency – 6	-.018 .871	.096	.082	.182	.344**	1			
Funds utilization - 7	.208 .052	-.098	-.048	-.069	-.008	.036	1		
Financial Resource - 8 mobilization	.382** .000	.690**	.842**	.645**	.666**	.198	-.038	1	
Accountability - 9	.145 .179	-.013	.016	.064	.213*	.662**	.773**	.097	1
		.905	.879	.555	.046	.000	.000	.367	

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

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

The inter-variable correlations indicate weak and insignificant relationship between sources of revenue and accountability ($r = .145$; $p\text{-value} > .05$). There is a negative weak relationship between budget control and accountability ($r = -.013$; $p\text{-value} > .01$). Moreover, the relationship is not significant at all. The relationship between manual tax remittance and accountability ($r = .016$; $p\text{-value} > .05$) is very weak and not significant. The relationship between computerized remittance and accountability ($r = .064$; $p\text{-value} > .05$) is very weak and not significant at all. The relationship between professionalism and accountability ($r = .213$; $p\text{-value} < .05$) is weak but statistically significant. The statistics suggest that the different constructs used to measure financial resource mobilization in Kabale district do not have a strong association with accountability. The statistics reveal that a variation in professionalism as a governance mechanism is associated to a variation in accountability, though the level of association is a weak one. The weak relationship between professionalism and accountability is because the unethical professional officials do not stick to observing the governing principles. Rather they evade the principles, which eventually affect the level of accountability. But as stated already, the unprofessional officials normally collude with taxpayers to evade taxes by offering favours and some non-monetary benefits.

The relationship between financial resource mobilization and accountability ($r = .097$; $p\text{-value} > .05$) is very weak and statistically insignificant. This means that any variation in financial resource mobilization in Kabale district local government is associated to a very weak variation in accountability. These statistics suggest that while some efforts to enlarge the financial resources in the district are eminent, the extent of accountability of the resources is minimal or lacking. This is possibly because of the lack of regular planning reports, and the non-engagement of key stakeholder in the district's planning processes.

The researcher, therefore, concluded that financial resource mobilization in Kabale district local government is associated to a very weak variation in the district's accountability. This conclusion is inferred because the study was based on a descriptive survey.

4.4 Discussion of findings

4.4.1 Objective 1.1: Sources of revenue

The study found that the major sources of revenue to Kabale district local government are hotel tax, service tax, and charge on profits. The possibility of hotel tax ranking as the highest source of local revenue comes in due to the fact that Kigezi region is a tourist community with many tourist attractions: lakes, mountains, game parks, forests, rift valley, and the people's culture. Promoting tourism through hotel construction is one way of increasing local revenue to the district.

The results agree with Sihag (2009) and Sabaini and Jimenez (2012) who observed that local revenues are generated from the district's own sources of revenue such as taxes from garbage collection, markets and parking, charges. Local governments also gain local revenues from the taxes on properties and this includes property value taxes and parcel taxes, as well as grants in lieu of taxes. While the authors were not very particular on hotel tax, they pointed out a number of sources that contribute local revenue to local administrative tiers.

Some studies have established the weaknesses of depending on central government resources. For example, Maina (2013) conjures that the overdependence of local government on central government transfers delays immediate financing of activities and always has conditions attached. However, there are unconditional transfers which do not have such restrictions, and local governments may choose where the funding will be used. In view of the above, Kabale district local government has such instances where central government grants delay the service provision of the district, therefore, promoting other sources of revenue such as hotel tax, service tax, and charges on profits might be a mitigation to revenue shortfalls.

The findings of the current study also agree with Carroll and Johnson (2010) who established that a local government may levy a utility charge on any land it provides a service to, whether or not the land is ratable. Similarly, Keen (2012) reports that a local government may levy charges for service or facilities. A local government may charge for a service or a facility it provides on contractual basis. These studies show that service tax and property taxes are common sources of revenue to local governments. The study reveals that whereas the charges on property are

common, it is mainly in urban areas. Properties in rural areas are often not taxed and even in urban areas where this tax is imposed property owners tend to collude with tax collectors and evade paying the tax, which limits revenue collection. However, the studies do not indicate how much should be taxed on services for them not to be burdensome to the tax payers.

The researcher also noted that the findings to some extent disagree with previous studies. For example, Petrovsky (2014) asserts that local government coerces entrepreneurs to pay market fees since it is attached to their daily income activities. This includes things such as fees for use of local government facilities, fees for services such as water or sewer, and fees in relation to various regulatory activities, such as inspection and permitting (Avellaneda, 2013). If taxpayers are coerced, then it comes as no surprise that what the local government garners from them contributes little to the district's source of revenue.

4.4.2 Objective 1.2: Applicable governing principles in resource mobilization

The study established that the most applicable governance principle towards effective financial resource mobilization in Kabale district local government is professionalism. The researcher observes that resource mobilization and accountability must be performed in accordance with governing principles and ethics. Therefore the need for professional conduct becomes indispensable. This agrees with Musgrave (1993) who argued that assessment and collection of taxes requires personnel and equipment. This activity provides an important public service and it should be provided efficiently.

The findings agree with *New Vision* (2020) which reported the closure of the Nansana Municipality offices due to graft. The existence of graft in Nansana is an indicator of gross misconduct of public officers and depicts unprofessional conduct. Similarly, the closure of the municipality office by the Residential District Commissioner is an indicator that professionalism must be upheld in local government administration. The findings also agree with *New Vision* (2019) which reported that Kayunga Town Clerk went under probe for misuse of UGX 160 million. The failure by the Town Clerk to account for the above monies indicate the existence of unprofessional conduct in Uganda's local government. While the current study could not identify such cases of unaccounted for monies, the Auditor General Reports for the years 2016/17, and 2017/18 indicate aspects of unaccounted for funds.

4.4.3 Objective 2: Accountability mechanisms

The most important mechanism in enforcing accountability in Kabale district local government is funds utilization. The researcher observed that while the district struggles to enlarge her resource mobilization, some funds are unspent and are returned to the Consolidated Fund amidst unaccomplished targeted goals. The findings agree with Kakamwa (2020) who reported on unutilized funds in Luuka district, Uganda. The reporter observed that procurement delays cost Luuka district dearly. The district had received funds but did not advertise tenders. The projects, which the district planned to execute were not executed. This affected service delivery and tax collection. Given the above scenario, the researcher finds that unutilized funds suffocate service delivery and affect revenue collection.

4.4.4 Objective 3. Relationship between financial resource mobilization and accountability

The relationship between financial resource mobilization and accountability is very weak and statistically insignificant. The extent of financial resource mobilization and accountability depends on the extent to which all stakeholders know the stake of each other in the financial management process. The findings agree with Akadugu (2012) who noted the traditional accountability mechanisms such as governance regulations, board of directors, financial reporting and disclosure, audit committees, external audits and institutional investors, etc., are not adequate in bringing out the gist of transparency and accountability. The author recommends that financial responsibility charting should be adopted as a technique to reduce ambiguity and promote communication among the actors. Given the above, the current study links poor accountability to lack of clear communication to key actors.

The findings of the current study disagree with Ariho (2017) who observed that public financial resources can only be efficiently utilized by use of master budget. Similarly, previous writers like Andersems (2001) had emphasized that the practices of developing budget links the budget to corporate strategy, allocation of resources strategically, tagging incentives to performance measures, and cost management issues. Given the current study, it can be observed that the low attendance to budgetary control issues might explain why some funds are returned to the Consolidated Fund yet some prioritized activities are not attained.

The very weak relationship between financial resource mobilization and accountability disagrees with Yilmaz, et al. (2008) who observed that local government authorities are expected to promote not only political participation in decision making but also economic and accounting responsibilities in advancing social-economic development with local residents. A related study also shows that the collection, allocation and management of revenue in a responsible, transparent, accountable and sustainable manner is for the benefit of the citizens (Fjedstad, 2014). All the above studies suggest that the ability of local governments to effectively carry out their functions is largely dependent on the degree of the fiscal or financial accountability. Given the current study, therefore, it is possible the weak relationship between financial resource mobilization and accountability might reflect the poor performance in the district's service delivery.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, the researcher presents the summary of findings, the conclusions, recommendations, and areas for future research. Summary and conclusions are presented according to research objectives. Recommendations are presented basing on the gaps identified in the study findings.

5.1 Summary of findings

The major sources of revenue to Kabale district local government are hotel tax (mean = 4.19; std. = .842), service tax (mean = 4.05; .829), and charge on profits (mean = 4.03; std. = .890). The most applicable governance principle towards effective financial resource mobilization in Kabale district local government is professionalism (mean = 4.114; std. = .867). The most important mechanism in enforcing accountability in Kabale district local government is funds utilization. The relationship between financial resource mobilization and accountability ($r = .097$; $p\text{-value} > .05$) is very weak and statistically insignificant. There is a possibility that the principles and mechanisms used in mobilizing financial resources are not followed when it comes to utilization.

5.2 Conclusions

5.2.1. Relationship between financial resource and accountability

The study was conducted to establish the relationship between financial resource mobilization and accountability and ascertain the cause of poor absorption of realized financial resources in Kabale district local government. It has been established that there exists a very weak relationship between financial resource mobilization and accountability. The very nature of the relationship shows that efforts by the district local government to mobilize enough of the

financial resources are not reflective of the district's accountability. There is likelihood that the district mobilizes enough financial resources than is accounted for.

5.2.2. Hotel tax and charges on profits as the major source of revenue

This study found hotel tax, service tax and charges on profits as the major sources of revenue to the district local government. The dominance of hotel tax is likely to be associated to the fact that Kigezi sub-region has many tourist attractions, which tourists need hotel services in the hotels around Kabale town. Both local and foreign tourists bring a lot of revenue to the district, throughout the year.

5.2.3. Professionalism as the most applicable governance principle for financial resource mobilization

The most applicable governance principle that shows effectiveness of service delivery is professionalism. Most of the staff and service providers exhibit some degree of discipline while performing their obligation, which increases trust among stakeholders. It is against the principle of professionalism that staff at Kabale district local government work independently, and clients remit tax to the bank without any external influence. While the principle of professionalism has precedence in Kabale district local government, especially among staff, its prevalence should not be universalized to all staff.

5.2.4. Funds utilization as the most effective mechanism in enforcing accountability in kabala district local government

The most effective mechanism in enforcing accountability in Kabale district local government is funds utilization. The researcher observed that the district mobilizes a lot of revenue to match her financial year budgets. But some of the funds are returned to the Consolidated Fund when they are unspent yet some of the targets have not been met or the services provided have been poor. For instance, in FY2018/19, UGX. 2,415,420,000 was unspent out of UGX 8,093,509,000 that was realized (Local Government Budget Frame Work Paper, 2019: Vote 512). This practice of poor funds utilization questions the importance of accountability.

There is a weak relationship between financial resource mobilization and accountability. This was mostly exhibited in relationships between revenue sources and accountability, manual tax remittance and accountability, and computerized remittance and accountability. There is evidence of insignificant relationships between the antecedents of financial resource mobilization accountability except professionalism. The researcher observes that the structural mechanisms that might be thought to ensure effective accountability have little to offer to accountability than professional behaviour, which is intrinsically driven and exercised. However, lack of clear boundaries between Kabale district tax collectors and URA on who should collect financial resources remains a puzzle to address.

In conclusion, this study contributes a new conceptualization of financial resource mobilization by focusing on the sources of revenue and the governance principles of accountability. The study provides an empirical-based and testable relationship between financial resource mobilization and accountability in local governments. Important to this study is the fact that while there might be a number of governance mechanisms to affect accountability, professionalism takes precedence in local governments. However, weak significant relationship between financial resource mobilization and accountability invalidates the application of the principal agency theory to this study.

5.3 Recommendations

5.3.1. Relationship between financial source mobilization and accountability

The study established a weak and insignificant relationship between financial resource mobilization and accountability. The key actors at the district (CAO, the planning and finance section) should mobilize funds and spend funds according to the standing orders that govern finance.

5.3.2. Charge from royalties, trading licenses as the list contributors to district financial resource mobilization

Although the study revealed that the hotel and service taxes coupled with charges on profit were the most contributors of FRM in the previous great Kigezi, the decentralization of greater Kigezi into Rukungiri, Kisoro, Rukiga, Rubanda and now Kabale districts is changing this trade.

Respondents view that unless interventions are made, Kabale district local government is likely to get its major revenue from property tax donations and grants.

The study also established that royalties and trading licenses have little to contribute to the district's financial resource mobilization. Top management should make possible strategies for tapping revenue from mineral, extraction forests and any other endowments within the confines of the local governments.

5.3.3. Sticking to governance principles and mechanisms to enhance FRM and accountability

Top management of Kabale district local government should raise awareness among tax official and other technical staff on the importance of sticking to governing principles and mechanisms of financial resource mobilization and accountability. This will suppress their personal interests in favour of district and public goals.

5.3.4. Timely submission of LPOs to enhance funds utilization

The study found that some suppliers delay to submit their LPOs, which results in unspent monies by the end of the financial year. Top management at Kabale district local government should generate a database on qualified and competent suppliers from which to select the competent suppliers timely and continually monitor and support local government staff on good practices in revenue mobilization, collection, monitoring and accountability

5.3.5. Streamlining Local Government Act on revenue collection boundaries

There are no clear boundaries between URA and district revenue collection to the extent of each agency not knowing their areas of jurisdiction. Ministry of Finance Planning and Economic Development should come up with clearly spelt out areas of jurisdiction to reduce conflicts and clashes amongst different departments of government.

The study found that some firms do not remit their taxes to the bank on a timely basis much as the system appears open and accessible online. Top management at Kabale district local government should consider raising awareness among taxpayers on the benefits of timely

payment of taxes to the district. Additionally, the district should consider motivating taxpayers who pay their taxes on time by giving them tax waivers.

5.4 Areas for future research

The study was conducted at Kabale district local government headquarters and the urban part of the municipality. There is need for a wider assessment of financial resource mobilization in Kabale district local government including semi-urban and rural areas.

The study focused on accountability in local governments especially financial and tracts unit. There is need for a study on accountability in other sectors of the district local government institutions in Kabale district.

There should be a study on the relationship between service providers' availability and funds utilization in local governments.

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APPENDIX A

QUESTIONNAIRE FOR DISTRICT TECHNICAL AND LEGISLATORS

I am **Rubarema Paul** a graduate student of Kabale University pursuing a Masters Degree in Business Administration (MBA). I am conducting research on the “financial resource mobilization and accountability in Local Governments in Uganda: A Case study of Kabale District Local Government” as a partial requirement for the MBA degree. The information obtained through this exercise is purely academic and shall be treated with confidentiality.

Please take a few minutes of your time to respond to the questions. Thank you.

SECTION A: BIO DATA

Please tick the most appropriate space

1. Sex of Respondent: Female [] Male []
2. Age Group of the Respondents
18 – 34 [] 35 – 49 [] 50 and above []
3. Respondents‘ highest level of Education
Secondary [] Tertiary [] University []
4. Work Department/Unit
Administration [] Finance [] Audit []
Public Accounts Committee [] Legislative councilors []
5. Length of service (For how long have you been working in the Local Government?)
1 – 4 years [] 5 – 9 years [] 10 and above []

SECTION B: FINANCIAL RESOURCE MOBILIZATION

In the following section, indicate the importance of the following sources of revenue to Kabale district local government.

= Very important, 4 = Important, 3 = Not sure, 2 = Not important, 1 = Not important at all

Sn.	Sources of Revenue	5	4	3	2	1
1.	Revenue sources					
2.	Conditional grant					
3.	Unconditional grant					
4.	Property tax					
5.	Service tax					
6.	Equalization grants					
7.	hotel tax					
8.	Business trading license					
9.	Royalties					
10.	Fees and fines					
11.	Donations					
12.	Charges on profit					
13.	Packing fees					
14.	Any other					

SECTION C: MECHANISMS FOR FINANCIAL RESOURCE MOBILIZATION

Indicate the extent to which the following mechanisms are used to mobilize financial resources in Kabale district local government.

5 = Very regularly, 4 = regularly 3 = not sure 2 = not regularly 1 = Not regularly at all

Sn.		5	4	3	2	1
a) Budgetary control:						
1.	Time frame is set for financial resource mobilization					
2.	We Hold timely budget conferences to sensitize the stakeholders					
3.	Budget plans are provided					
4.	External funding is timely provided					
b) Manual tax remittances		5	4	3	2	1
1.	Direct business assessment is conducted					

2.	Law enforcement officers directly receive taxes					
3.	The firm pays directly to tax collectors					
4.	Cash is received from business individuals, firms and companies					
5.	Revenue collection register is kept by revenue collectors					
6.	Collected funds are directly taken to URA					
c) Computerized remittances		5	4	3	2	1
1.	financial management system is used to record revenues					
2.	The firm waits for external funding to be able to offer services					
3.	Tax payment are remitted to the bank as required					
4.	The firm timely pays taxes to the bank					
5.	Service providers receive notification messages from URA					
6.	Tax remittances are done without external influence					
d) Professionalism		5	4	3	2	1
1.	Revenue enumerators have adequate knowledge on IFMS					
2.	Discipline is observed					
3.	Trust worthiness is a core value					
4.	There is commitment to organizational goals					
5.	Work is independently performed					
6.	Duties are timely performed					
7.	Staff are regular at place of work					

SECTION D: ACCOUNTABILITY

The following section indicates accountability mechanism used in Kabale district. Indicate the extent to which these mechanisms are used in the district.

5 = Very regularly, 4 = regularly 3 = not sure 2 = not regularly 1 = Not regularly at all

Sn.		5	4	3	2	1
a) Transparency						
1.	Generated financial resources are easily accessed					

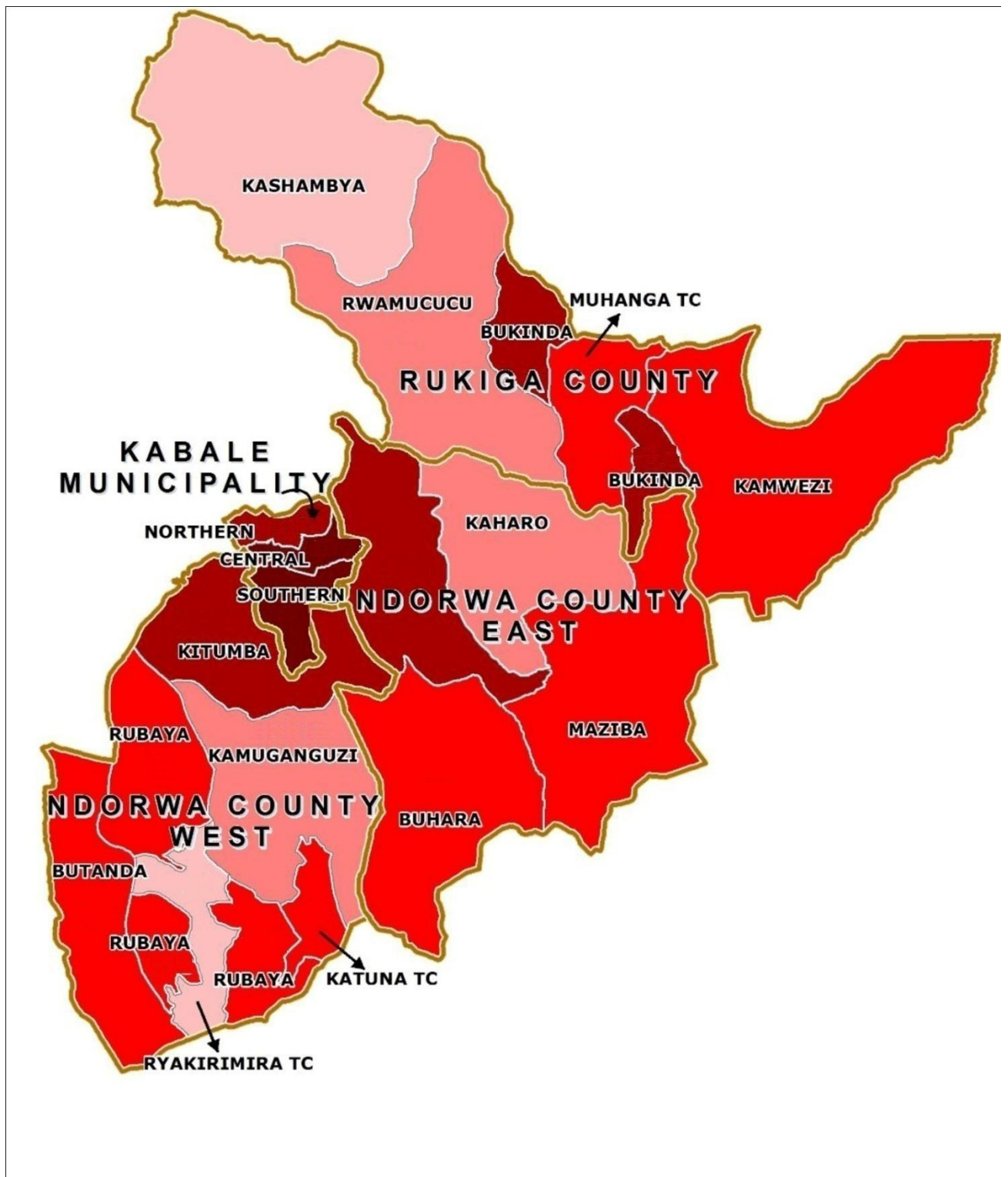
2.	There is periodical display of financial information					
3.	Service providers get feedback on receipt of their funds					
4.	There are accountability reports					
5.	Audited accounts are published and received					
6.	Financial monitoring is made					
7.	service delivery/utilization of revenues					
8.	U All financial receipts are computerized n utilized finances are returned to consolidated funds					
b) Funds utilization						
9.	The district gets surplus revenues					
10.	There is enough funding from central government					
11.	Funds are spend according to the budget					
12.	Conflict among stakeholders contributes to improper utilization of funds					
13.	Inconsistency of district machinery hinders usage of funds					
14.	Suppliers' qualifications determines disbursement					
15.	Staff competences enhances usage of funds					
16.	Unspent balances are recaptured to the consolidated fund					
17.	Certification of contracts performance is done by qualified personal and followed					
18.	There is timely preparation of project designs					
19.	There is stable political climate					

APPENDIX B: KEY INFORMANT INTERVIEW GUIDE

The following are the interview guide questions used by the Researcher while interviewing various respondents including Kabale District Local Government Staff, Heads of Departments, Revenue collection Agents and Residents/Taxpayers:

1. What are the sources of local revenues in Kabale district local government?
2. What are the main principles governing financial resource mobilization?
3. What are the different methods of collection of local revenues in Kabale district local government?
4. What are the mechanisms aiding effective accountability and accountability?
5. What has been the trend of local revenue collection for the past 5 years in Kabale district local government?
6. What are the reasons for the trend in the revenue performance in Kabale district for the past 3 years?
7. How do revenue collectors' professionalism affect financial resource mobilization?
8. What are the main factors affecting revenue collection at Kabale District Local Government?
9. What are the measures that Kabale District Local Government can take to improve revenue collection? (MOLG, 2018)
10. What are the mechanisms being enforced by Kabale district local government in ensuring financial accountability?
11. How is the budgeting process enhancing financial accountability?
12. How regularly does the district disclose income and expenditure to the public?
13. How is Kabale district local government following funds utilization principles?
14. What are the levels of funds utilization in KLDG?
15. What are the causes of poor absorption of mobilized funds in some sectors in KLDG?
16. What are the main challenges faced by KDLG in enforcing accountability?

APPENDIX C: MAP OF KABALE SHOWING STUDY AREA



APPENDIX D: MAP OF UGANDA SHOWING KABALE DISTRICT LOCAL GOVERNMENT

