INTEGRATED FINANCIAL MANAGEMENT SYSTEM (IFMS) AND FINANCIAL REPORTING IN LOCAL GOVERNMENTS IN UGANDA:

A CASE OF ARUA DISTRICT LOCAL GOVERNMENT

BY

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DECLARATION

I Alini.B.Victor hereby declare that this dissertation is entirely my original work and has never been presented for any academic award in any institution of learning and where the works of others have been used due acknowledgement has been made.

Signed …… Date ……

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APPROVAL

The dissertation title, *"Integrated Financial Management System and Financial Reporting in Local Governments in Uganda, a case of Arua District Local Government"* has been under my supervision and is ready for submission to Nkumba University with my approval.

Signed…… Date……

MR. OWINO JOSHUA

SUPERVISOR

DEDICATION

I would like to dedicate this report to my inlaw Rev Fr.Tom Walter Amati who played an instrumental role for me to access the scholarship for this study and his Spiritual support, my beloved family, my wife, children Munduru Milly Nego Alini, Ivenna Anny Noway Alini, Ivenncia Trixie Merriele Alini and Mungulemimi Ehryn Alini. My mother Marry Enyaru, father Luke Ajabo, unlce Kasiano Angupi his lordship Rev. Sabno Ochan Odoki of Arua Diocese for the moral spiritual and financial support they rendered to me in the course of this study.

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LIST OF ACCRONYMS

ACCA: Association of Chartered Certified Accountants

AIS: Association for Information Systems

CAO: Chief Administrative Officer

CFO: Chief Finance Officer

CVI: Content Validity Index

DRC: Democratic Republic of the Congo

EFMP: Economic and Financial Management Project

FY: Financial Year

GFS: Government Finance Statistics

GoU: Government of Uganda

ICT: Information And Communications Technology

IFMS: Integrated Financial Management System

IT: Information Technology

LGs: Local Governments

MADLGs: Ministries, Agencies, Departments, and Local Governments

MFPED: Ministry of Finance Planning and Economic Development

MIS: Management Information System

NPM: New Public Management

OECD: Organisation for Economic Co-operation and Development

OPM: Office of the Prime Minister

PEM: Public Expenditure Management

PFM: Public Financial Management

SDLC: Software Development Life Cycle

SPSS: Statistical Package for Social Sciences

UK: United Kingdom

USAID: United States Agency for International Development

ABSTRACT

The study was about integrated financial management system and financial reporting in local governments in Uganda focusing on Arua District Local Government. The study was guided by the following objectives: 1) To examine how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government, 2) To establish how IFMS has ensured automation of financial reporting in Arua District Local Government, and 3)To analyze how IFMS has ensured value for money in service delivery in Arua District Local Government..

The study used a cross-sectional research design. The researcher embraced both positivism-phenomenological approaches called combination approach, using hypothesis testing and explaining, also using both quantitative and qualitative information.The study population was 108 people with a sample of 85 respondents.

The study revealed that 68(85%) of the respondents generally agreed that there is improved recording of government financial transactions. 65(81.3%) generally agreed that the processing of government financial transactions has improved in Arua District Local Government. Results obtained also indicated that majority of the respondents 53(66.3%) generally agreed that processing through IFMS is done on real time.63(78.8%) generally agreed that IFMS automatically updates accounting and financial records of Arua District Local Government when required. The study further revealed that majority of the respondents 55(68.8%) generally agreed that IFMS has helped departments in Arua District Local Government to achieve their objectives. 36(45%) however, said that IFMS does not ensure compliance with internal laws and regulations of Arua District Local Government. 44(55%) said that IFMS has not ensured proper asset management in Arua District Local Government.

The study recommended that there is need to improve on control over expenditure in the budget cycle as a whole to ensure accountability in the handling and use of public resources in Arua District Local Government.The District management should empower citizens to hold their leaders accountable as regards service delivery and provide information to the citizens about decisions made and how public money is being spent.The management of the District should ensure that there is strict compliance with internal laws and regulations of Arua District Local Government.

DEFINITION OF KEY TERMS

Integrated Financial Management System (IFMS): It is an IT-based budgeting and accounting system that manages spending, payment processing, budgeting and reporting for governments and other entities.

Accountability: The obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.

Automation: It is the creation of technology and its application in order to control and monitor the delivery of various goods and services.

Value for money: It is measure of quality that assesses the monetary cost of the product or service against the quality and/or benefits of that product or service

Budgeting: It is the process of preparing detailed financial statements that cover a given time period in the future

Approval: It is consent by a regulatory authority to proceed with a requested activity, without in any way diminishing the applicant's obligation to meet the standard or specified requirements.

Cash management: Cash management refers to a broad area of finance involving the collection, handling, and usage of cash. It involves assessing market liquidity, cash flow, and investments.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

This chapter presents the preliminary background to the study including, the problem statement, and purpose of the study, research objectives, research questions, scope and significance of the study.

The study is about integrated financial management system (IFMS) and financial reporting in local governments in Uganda focusing on Arua District Local Government.

The study of integrated financial management system and financial reportingis important because the IFMS application provides timely, accurate, reliable and verifiable information that hasten the decision-making process (Hendricks, 2012). He further contends that it provides advanced financial reporting and decision-making procedures for evaluating the merits or shortcomings of the operational and strategic approaches to service delivery. Implementation of IFMS enhances scheduling and forecasting capacity of an entity. This enables administrators to allocate financial resources effectively and set realistic performance targets.

An entity stands to achieve greater efficiency in financial operations and reporting procedures when using IFMS applications. These systems entrench the controls an entity require to eliminate misuse of financial resources, but also the mitigation measures to employ to protect an entity against the occurrence of expected and unexpected risks. The control measures also provide the historical evidence of performance needed to regulate the current and future activities of the entity. Auditors also use this historical evidence to evaluate the progress of an entity (Mukulu, 2014).

IFMS provides an entity with a framework for integrating functional processes and financial resources. This accelerates the processing of transactions and conveyance of financial information, in addition to eliminating duplicate activities and responsibilities along the entity's chain of command. Systems integration also provides greater leverage for centralizing shared services so as to reduce operational costs associated with running multiple operational units for the shared services (Semakula & Muwanga, 2012).

Semakula & Muwanga (2012) argue that the adoption of IFMS applications elevates the performance of the entity in service delivery. Indeed, the strategic value of information technology is extremely important in the advancement of citizens' satisfaction and growth of efficiency and effectiveness in service delivery. It enables the government departments to respond appropriately to changes in target population.

Integrated Financial Management System (IFMS) is an information system that tracks financial events and summarizes financial information. In its basic form, an IFMS is little more than an accounting system configured to operate according to the needs and specifications of the environment in which it is installed (Simson*et al*, 2011). Generally, the term "IFMS" refers to the use of information and communications technology in financial operations to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements. In the government realm, IFMIS refers more specifically to the computerization of public financial management (PFM) processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line ministries, spending agencies and other public sector operations (MFPED, 2015).

Simson*et al,* (2011) defines an integrated financial management system (IFMS) as an IT-based budgeting and accounting system that manages spending, payment processing, budgeting and reporting for governments and other entities. An IFMS bundles many essential financial management functions into one software suite. An integrated financial management system is also known as an integrated financial management information system (IFMIS).

In the last 30 years, governments all over the world have made fundamental changes to the way they are run (OECD; 2005). Public service financial reporting has been at the heart of this process of modernization. Despite different administrative cultures, political circumstances and priorities, the level of convergence is striking (Karmarck; 2003:46). This convergence reflects the prevalence of a shared governing philosophy that has underpinned many of the recent reporting: the new public management (NPM). Hood; (2003:17) argues that NPM has been a 2 dominant force shaping market based reform agenda in many countries of the world under different labels. Under John Major they were called as citizen charter (OECD; 2005:33) while in US the reporting were tagged as National Performance Review (Gore, 1994:11). Other titles included; Public Sector Reporting by the Common Wealth Secretariat, the World Bank referred to them as Civil Service Reporting. All these labels and whatever rubric used all embraced the New Public Management ideology.

The Implementation of the Integrated Financial Management System (IFMS) was motivated by the Ugandan Government's desire to improve efficiency in budget preparation, execution and financial reporting. Since2003, the IFMS has been extended across all 22 ministries and 25 central government agencies.

The IFMS has also been implemented in 8 local Governments with plans to extend it to 6 more districts as part of the first tier IFMS implementation. Using lower (second) tier solution which

offers less complexity, the Government intends to further extend the IFMIS to all local governments. The second tier project implementation (based on MSN a vision) has recently commenced. By the end of Q2 FY 2016/17,73 LGs (47%) were on Tier 1. In the FY 2017/18,133 LGs have been connected on the IFMS.

The implementation of the IFMS has enabled the Government to address many of the fiduciary issues faced prior to 2003. This has led to: greater expenditure control and discipline in budget management as a result of improved oversight and enforcement of internal controls; a reduction in the time taken to process payments; improvement in account reconciliation; and more accurate and reliable financial reporting.

Arua is District located in the West Nile Region of Uganda. Arua District is bordered by Koboko and Yumbe Districts to the north, Adjumani District to the northeast, Amuru District to the east, Nebbi District to the southeast, Zombo District to the southwest, the Democratic Republic of the Congo (DRC) to the west, and Maracha District to the northwest. The district headquarters at Arua are located about 425 kilometres (264 mi), by road, northwest of Kampala. The coordinates of the district are: 03 00N, 31 10E.

Uganda's IFMS project has been a critical part of its public financial reporting over the last 10 years. Under the IFMS, it was the intention to automate the full budget cycle across all units of Government. The IFMS is a large undertaking with potentially major benefits such as ensuring transparency and accountability in the handling and use of public resources. However, it also comes with challenges such as slow response to commands especially at peak hours of the day, which, if not well managed, may lead to its failure.

Financial reporting strategies are developed to ensure proper management of financial resources of a country or an entity. The financial reporting plays an important role in the functioning of

economies and societies worldwide. This reporting guides the ways in which government departments influence the lives of people and poverty and sustainable development, with special focus on financial management and accountability.

The IFMS is part of the broader ongoing Public Finance Management (PFM) reporting intended to improve budget preparation, accounting, reporting and auditing processes. This section provides a summary of the ongoing PFM reporting to contextualise the study. The PFM reporting are primarily designed and implemented by the Accountability Sector. The Vision of the Accountability Sector is *"To ensure transparency and accountability in public service delivery"* and the mission is *"to promote efficiency and effectiveness in mobilization and utilization of public resources".*

The Government of Uganda (GoU) has been implementing PFM reporting since the early 1990s to establish and enforce internal control systems, enhance capacities and strengthen oversight institutions to ensure value for money in service delivery and accountable use of public resources. The reporting can be divided into two broad categories: legal and institutional reporting and operational reporting. Many of these reporting provide the legal and technical basis for establishment and roll out of the IFMS (MFPED, 2013).

Government of Uganda introduced the IFMS aimed at the promotion of value for money, accountability and automation of financial information. The functionality of the IFMS varies between the ministries, agencies, departments, and local governments (MADLGs). The introduction of IFMS is a reform that deeply affects work processes and institutional arrangements governing the management of public finance. The usage of IFMS has not been free of challenges and obstacles.

The study was based on the Meta Theory Model. Ruchala and Mauldin (1999), argue that; previous applications of information technology in accounting systems were mainly processes of transactions that would reciprocate the manual processes. Meta theory is the integration and the synthesis of technical orientations, cognitive as well as the overarching model into the research on AIS. The meta theory has helped in addressing the IT limitations that are imminent and addressed in previous researches such as the failure to recognize the task to which IT is being applied, the failure to recognize the adaptive nature of the artificial phenomena, the failure to account for the design science in the actual field research and the failure to direct the act of making or choosing the necessary decisions and treating all the transactions in an equal manner.

There have been increasing allegations of financial fraud in many government departments, for example the Office of the Prime Minister (OPM), where billions of money have been swindled by officials. There are incidences of delayed payments to service providers, low absorption of funds, delayed procurement of services and persistent loopholes of inaccurate, untimely, inappropriate budget and accounting information even after the introduction of the IFMS. There have also been capacity gaps on the side of users that hamper the full utilization of the IFMS (MFPED, 2015).

According to MFPED (2015), the IFMS was set up to achieve the following objectives:

1. To improve fiscal management in order to achieve more timely, and accurate information for both local and central government.
2. To ensure transparency and accountability in the handling and use of public resources.
3. To strengthen the Government financial management processes and provide better expenditure controls.
4. To ensure value for money by improving quality of data and service delivery.

5. To standardize and automate Government financial management processes to reduce redundant and unnecessary tasks and activities
6. To maximize the cost effectiveness of the expenditure of public funds.
7. To improve revenue management.

The current study specifically looked at three objectives, that is, 1) To ensure accountability in the handling and use of public resources; 2) To ensure value for money by improving quality of data and service delivery; and 3) To standardize and automate Government financial management processes to reduce redundant and unnecessary tasks and activities.

1.2 Problem statement

In spite of the well stated objectives of IFMS by government through the ministry of finance, criticism continue to emerge in regard to delayed budget execution and financial reporting because of downtime in the system as a result of poor network connectivity, intermittent power supply, and ineffective computers that either freeze or hang-up.

Arua District IFMS Status Report (2015) revealed that budgeting, financial reporting, and accountability for the district have lagged behind time each fiscal year. This was attributed to thefinancial information system being slow at responding to commands especially at peak hours of the day and network failure leading to loss of real time information and inefficiency.

The report further pointed outthatfinancial reporting lagged behind due to lack of required skills to operate the IFMS. This is because those trained were transfered and new recruits were not IFMS compliant. The report further noted that Internal Auditors had limited access to the IFMS which made it difficult for them to adequately advise the district management on budgeting and financial reporting issues asrequired by the Local Government Act and Internal Audit Charter (Arua District IFMS Status Report, 2015).

It was against this background that the study intended to examine the role of IFMS on financial reporting in local government in Uganda, a case study of Arua District Local Government.

1.3 Purpose of the study

The purpose of the study is to examine the role of IFMS on financial reporting in the local governments in Uganda focusing on Arua District Local Government.

1.4 Objectives of the study

The study was guided by the following objectives:

1) To examine how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.
2) To establish how IFMS has ensured automation of financial reporting in Arua District Local Government.
3) To analyze how IFMS has ensured value for money in service delivery in Arua District Local Government.

1.5 Research questions

The following are the research questions which the study seeks to answer

1) How has IFMS ensured accountability in handling and use of public resources in Arua District Local Government?
2) How has IFMS ensured automation of financial reporting in Arua District Local Government?
3) How has IFMS ensured value for money in service delivery in Arua District Local Government?

1.5.1Hypothesis

H_O: There is no significant relationship between IFMS and financial reporting in Arua District Local Government.

H_I: There is a significant relationship between IFMS and financial reporting in Arua District Local Government.

1.6 Scope of the study

The scope of the study included the subject scope, geographical scope and time scope as shown below:

1.6.1 Subject Scope

The study examined integrated financial management system as the independent variable and financial reporting as the dependent variable. The specific focus was to examine how IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government, establish how IFMS has ensured automation of financial reporting in Arua District Local Government, and analyze how IFMS has ensured value for money in service delivery in Arua District Local Government.

1.6.2 Geographical Scope

The study was carried out in Arua District located in the West Nile Region of Uganda. Arua District is bordered by Koboko and Yumbe District to the north, Adjumani District to the northeast, Amuru District to the east, Nebbi District to the southeast, Zombo District to the southwest, the Democratic Republic of the Congo (DRC) to the west, and Maracha District to the northwest. The district headquarters at Arua are located about 425 kilometres (264 mi), by road, northwest of Kampala the capital city of Uganda. The coordinates of the district are: 03 00N, 31 10E.

1.6.3 Time Scope

The study considered information for five years compiled from 2013 to 2017. This is the period when Arua District local government was faced with transparency and accountability challenges in the finances of the district arising out of the use of IFMS.

1.7 Setting of the study

The study was carried out in Arua District located in the Northern Region of Uganda. Arua District is bordered by Koboko and Yumbe District to the north, Adjumani District to the northeast, Amuru District to the east, Nebbi District to the southeast, Zombo District to the southwest, the Democratic Republic of the Congo (DRC) to the west, and Maracha District to the northwest. The district headquarters at Arua are located about 425 kilometres (264 mi), by road, northwest of Kampala. The coordinates of the district are: 03 00N, 31 10E.

Arua District got its name from Arua town. In the late 1970's, the Ugandan president at the time Godfrey Binaisa declared that all districts/provinces acquire their names from their regional capital so that is how Arua district inherited the name from Arua town.

1.8 Significance of the study

The research findings, conclusions and recommendations may be beneficial to different stakeholders in various ways as shown below:

The management of Arua District: The findings of this study may be of prime benefit to the management of Arua District since gaps will be identified in the use of IFMS and this may help the management to design strategies on how to address such loopholes.

Ministry of finance: The study findings and recommendations may act as a basis for evaluating the performance of IFMS in local governments in Uganda and designing the appropriate models to bridge the identified gaps in the implementation.

The management of other related local governments: Local leaders in other related local governments may use the findings and recommendations of this study to improve on their financial management functions in their areas in order to have transparency and accountability.

Practitioners: The findings of this study will further provide gaps for financial management practitioners to improve on their knowledge of IFMS and its importance in local government management and performance.

Other researchers: This study will provide valuable information to other researchers on which they can build to do more research on financial management related issues.

1.9 Arrangement of the dissertation

The dissertation is arranged in eight chapters as shown below:

Chapter one:

This covers the background to the study, problem statement, and objectives of the study, research questions, and purpose of the study, scope and significance of the study.

Chapter two:

This presents the study literature which is made up of literature survey, literature review and the conceptual framework.

Chapter three:

This contains the methods and procedures that were used in conducting the study including the research design, study population, sample size, data collection procedures, data collection

methods, data collection instruments, data processing, data analysis, ethical considerations and limitations of the study.

Chapter four:

This chapter presents the study findings on how IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government.

Chapter five:

This chapter covers the findings on how IFMS has ensured automation of financial reporting in Arua District Local Government.

Chapter six:

This chapter presents the study findings on how IFMS has ensured value for moneyin the projects carried out in Arua District Local Government.

Chapter seven:

This chapter links the findings to literature review and suggests the way forward for IFMS and financial reportingin Arua district local goverment.

Chapter eight:

This chapter contains the summary, conclusion and recommendations of the study.

CHAPTER TWO

STUDY LITERATURE

2.0 Introduction

This chapter contains three parts which include the literature survey, literature review and conceptual framework of the study variables. Literature survey looks at research works conducted locally by different scholars in Uganda in the area of Integrated Financial Management Information System (IFMIS). This provides a basis for the current study, by proposing how it addressed the established gaps left by previous studies. Literature review examines how the same study problem has been or is being handled elsewhere. The purpose is to provide the conceptual framework upon which the current study can be based on.

2.1 Literature survey

Several studies have been done on implementation of Integrated Financial Management Information System (IFMIS). These are reviewed below to fill the identified gaps.

Mugisha (2015) studied the effect of integrated financial management information system on the financial management of public sector in Uganda. The main objectives of the study was to analyse the effectiveness of cash management and budgeting systems; financial reporting systems in IFMIS; internal control systems in IFMIS; and the effectiveness of organisational accountability systems in IFMIS on financial management in public sector in uganda. The study adopted a descriptive research in this study with a targeted population of 18 National Government Ministries in uganda. The primary data was collected using questionnaire that relates to specific objectives of the study. Secondary data involved past reports such as annual budget data, progress reports and internal audits reports since the system implementation started and had key information that will be helpful to the research study.

The study used both quantitative and qualitative method of data analysis. Collected data was first coded and then quantitatively analysed according to statistical information derived from the research questions. Secondary data were derived from desk review of annual information on IFMIS for all variables for a period of three years (2013-2015). The study found that organizational accountability systems, cash management and budgeting systems, internal control systems and financial reporting systems positively and significantly influenced the financial management in the public sector. The study recommended that managers can use this information to plan and formulate budgets; examine results against budgets and plans; manage cash balances; track the status of debts and receivables; monitor the use of fixed assets and monitor the performance of specific departments or units.

Mukulu (2014) carried out a study on the effect of integrated financial management information system on the performance of public sector organizations. The study was conducted in the Ministry for East African Affairs. The target population comprised of 94 staff working in the finance, accounts, procurement and audit departments. The purpose of the study was to determine the effect integrated financial management information system on the 29 performance of public sector organizations. The study focused on the effect of integrated financial management information system on financial reporting in public sector organizations and the effect of the system on financial transaction processing, control and governance in public sector organizations. The study found that in terms of the effect of IFMIS on financial reporting in public sector organizations, there was a statistically significant positive correlation between IFMIS and improved financial reporting. Concerning the effect of IFMIS on financial transaction processing in public sector organizations, the relationship between IFMIS and improvements in financial transaction processing was statistically significant. Regarding the effect of IFMIS on

financial control and governance in public sector organizations, there was a significant positive correlation between IFMIS and better control and governance.

Gogonya (2009) looked at the implementation of the Integrated Financial Management System (IFMIS) in Africa and explored cases of success and factors that contributed to this success and whether success lead to reduced corruption and improved Public Financial Management. This work was done through Transparency International focusing on; benefits and challenges of the system, experience with implementation and issues to consider in designing and implementing the system. This study focused on several developing countries and gave examples in Africa. Sierra Leone is cited, where the introduction of IFMIS and subsequent improvement of record management systems helped uncover anomalies in personnel records of 2,000 civil servants, leading to 16% of the subset employees being immediately suspended from the payroll as a result of the exercise.

2.2 Literature Review

The literature below serves as supporting details about the role of IFMS on financial reporting in the public sector.

2.3 Meta Theory

Meta theory by Gorry and Scott-Morton (1971) is the integration and the synthesis of technical orientations, cognitive as well as the overarching model into the research on accounting information system. The Meta theory has helped in addressing the IT limitations that are imminent and addressed in previous researches such as the failure to recognize the task to which IT is being applied, the failure to recognize the adaptive nature of the artificial phenomena, the failure to account for the design science in the actual field research and the failure to direct the

act of making or choosing the necessary decisions and treating all the transactions in an equal manner (Ruchala& Mauldin, 1999).

According to Reneau and Grabski (1987), information systems in accounting are used by accountants and other key decision makers that employ the accounting information or make use of the accounting data. The Meta theory model is built on past frameworks on the management information systems. Technology is very pervasive and an essential component in accounting tasks and changes work processes very efficiently. This is well recognized in the accounting theory. There are many research methods that are being employed to look into the problems inherent in Accounting information systems and accounting problems. This is evident in managerial accounting where field work, experimental work and analytical works address the relationships that exist between management information systems and accounting. The Meta theory model starts with a task focus and also suggests a process that matches between task and the alternatives for system design and various levels of analysis. It also suggests contingency factors, organizational factors and technological factors have an influence on the aspect of task performance.

2.4 The Concept of Integrated Financial Management System

An Integrated Financial Management Systems (IFMS) is a fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. In simple terms, it is an IT-based budgeting and accounting system that assists the Government entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities (MFPED, 2015:11). The IFMS can streamline all fiscal and financial management processes throughout Government and provide a modern budgeting and accounting system with state of the art functionality on which to

undertake its national and public sector accounting and financial management" (MFPED, 2004:2).

Views on the role and significance of IT in African economic development may sometimes be over optimistic. A World Bank publication stated that "in the emerging knowledge-based economy of the 21st Century, information and communications technology (ICT) will likely assume an importance that dwarfs other types of infrastructure. This shift offers Africa a chance to leapfrog intermediate stages of development" (World Bank, 2000:44). This reference may have been intended to be somewhat rhetorical, but it does show the enthusiasm with which this subject may be approached. As a result, consultants and other advisors of governments in Africa may have some responsibility to temper this enthusiasm and to point out the very real and significant risks associated with the introduction of modern information technology.

Integrated financial management system' (IFMS) is the generic term that has emerged to describe computerized government financial management systems.

IFMS is a budget management and accounting system for a government, with other functions being included as appropriate for a specific country" (ACCA International Public Sector Bulletin, 2004: 4). Many people, especially in developing countries believe that all industrialized countries have implemented the IFMIS. However, in the UK for example, each ministry, local government or other public sector organization has its own financial information system and a wide variety of different software and computer platforms are used. In addition, the UK public sector has experienced frequent problems with the introduction of new computer systems. For instance, an investigation carried out in April 2005 by the parliamentary intelligence and security committee, found that the computer upgrade in the security service MI5 suffered from persistent problems, limiting the department's capabilities (Public Finance, 14 April 2005). The French

Government is also struggling to implement the IFMIS across the central offices of Government ministries with a plan to connect the regional outposts.

In the 1980s' the Government of Uganda recognized that availability of information was a prerequisite for economic and financial management improvement. The major problems faced were the; inaccurate, untimely and inappropriate budget and accounting information. These were characterized by; manual and partially automated systems, no systems for independent and decentralised local governments, weak capacity in implementation and inspection, inadequate systems for collection and tracking of revenue, backlog of un-reconciled bank accounts, lack of a uniform Chart of Accounts that complied with Government Finance Statistics (GFS), endemic budget overruns, Ad-hoc and uncoordinated IT acquisitions; and non-compliance with international public sector accounting standards.

The Government of Uganda through the Economic and Financial Management Project (EFMP II) initiated the implementation of the Integrated Financial Management System (IFMS) in the FY 2003/04. This was a tool designed to improve efficiency in the financial information processing and reporting systems. An IFMS is a fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. It is an IT-web based budgeting and accounting system that assists GoU entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities.

2.4.1 IFMS Modules

The IFMS is based on the Oracle E-Business suite IT package. It automates processes required by the Public Finance and Accountability Act 2003 and the Local Government Act 1997. The modules currently in operation by oracle are:

1) Oracle Public Sector Financials/General ledger module: This module is used to; enter and post journals**,** budget inquiries, opening of budget year, funds inquiries, others Issuance of a Grant of Credit by the Auditor General, Issuance of the Ministers Warrant by the Accountant General, Issuance of Cash limits by the Budget Directorate, Preparation of the Accounting Warrants by the Votes, Initiation and Approval of virements or re-allocations and generation of management reports.

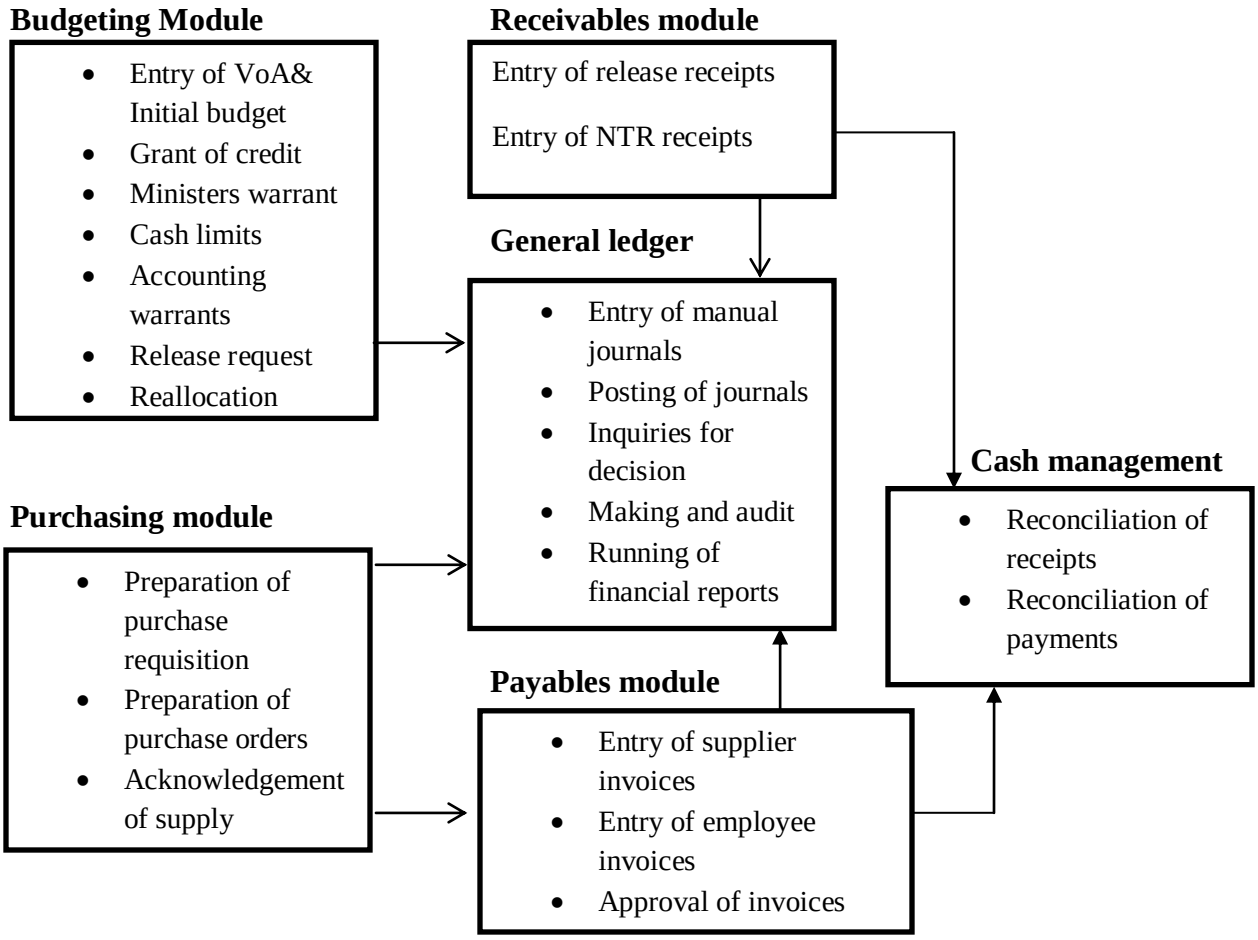
2)Receivables module: This module is used to; Enter customers, enter and approve invoices and to enter receipts. It also used to enter bank charges and bank transfers and the generation of receivables reports.

3)Purchasing module: This module is used to create suppliers on the system, prepare purchase requisitions, and approve purchase requisitions, enter and approve purchase orders and finally enter purchase receipts.

4)Payables module: This module is used to; create supplier invoices from supplier information, approve invoices, make payments, make prepayments (to employees or suppliers) and generate payables reports

5)Cash management module: This module is used to; create bank accounts, it also used to enter/ upload bank statements and to perform automatic bank account reconciliations.

Figure 2.1:IFMIS Modules



Source: Adopted from IFMIS Report, 2015

2.5 IFMS and accountability in the handling and use of public resources

According to McKinney (2004), the benefits of IFMIS could be argued to be profound. First, the improved recording and process of government financial transactions also allows prompt and efficient access to reliable financial data. Second, IFMIS strengthens financial controls, facilitating a full and updated picture of commitments and expenditure on a continuous basis. Once a commitment is made, the system should be able to trace all the stages of the transaction processing from budget releases, commitment, purchase, payment request, and reconciliation of bank statements and accounting of expenditure.

According to Dener and Young (2013), most discussants agree that for true lucidity, it is important not only that governments publish budget data on websites, but that the data they disclose are meaningful and provide a full picture of their financial activity to the public. Hendricks (2012) highlights that IFMIS assists management in ensuring accountability for the deployment and use of public resources and in improving the effectiveness and efficiency of public expenditure programmes. By tracking financial events through an automated financial system, management is able to exercise improved control over expenditure and to improve transparency and accountability in the budget cycle as a whole.

Diamond and Khemani (2005) for instance reported that in Tanzania, the benefits of the IFMIS have been extensive, with the restoration of expenditure control and improved levels of transparency and accountability. The Commitment Control System has led to the elimination of overspending, and a substantial reduction in domestic arrears. A number of government bank accounts have been reduced to treasury single accounts maintained at the central bank, and the lag in reconciliation with banking data has been reduced from up to two years to automatic reconciliation on a daily basis. Comprehensive and fully reconciled fiscal data and reports are available on a continuous basis.

Good governance requires local authorities to demonstrate fiscal accountability and transparency in all revenue mobilization and expenditure decisions. This means, citizens should be able to hold governments accountable for the services they provide. This requires governments to provide information to the citizens about decisions they make and how public money is being spent. Therefore, IFMIS is supposed to produce information showing monthly revenue and expenditure. Governments use different communication media such as notice boards and websites to disseminate information to their citizens.

The automation of public finance management also involves procurement processes such as tenders to allow vendors to submit their bids online. The online communication between suppliers and the government makes IFMIS one of the components of e-government. Sub-Saharan African countries embarked on implementing e-government systems, including IFMIS in 1990s. The literature shows one of the areas that were planned to be reformed from manual to e-services by governments was public finance (Stone 2013).

Countries that were successful in the implementation of e-government usually adopted one of the MIS frameworks and had political willingness, and sufficient resources. The reviewed literatures and interviews conducted for this study indicate that the implementation of e-government in Tanzania was not supported by a defined framework or strategy. In contrast, countries such as Sri Lanka and Singapore are reported as being successful in e-government because they adopted e-government framework (James 2004 and Sin 2007). Another example of successful IFMIS implementation comes from Slovakia. It is very hard to emulate the rapid success of the Slovakia's IFMIS, the strong political will to implement IFMIS was a key driving force. It was also underpinned by a clearly defined strategy and timeframe (USAID Report 2008).

Therefore, among the advantages of using an MIS framework such as an e-government framework are the ability to categorize, classify, and compare competing versions of electronic government, strategic agendas, and the potential results of initiatives. The framework acts as a lens to focus attention and awareness on the underlying issues and elements that should be debated, discussed, and further developed (Grant, 2005). The literature and interviews conducted, and researcher observations made while implementing IFMIS in Tanzanian reveal e-government in Tanzania was introduced through reform programs such as public finance management reform, public health reform, water supply management reform, etc (Stone, 2013).

Frameworks such as SDLC are used in systems audit, therefore it is worth adopting them during the design and implementation of MIS.

IFMIS has many advantages in the government domain including prompt and efficient access to reliable financial data, helping to strengthen a government's financial controls, improving the provision of government services, raising the budget process to higher levels of transparency and accountability, and expediting government operations (Peterson, 2008). The scale and scope of IFMIS can vary from simple general ledger system to a comprehensive system addressing budget, revenue, expenditure control, debt, resource management, human resources, payroll, accounting, financial reporting, and auditing processes across central government or even including local government and other public sector and quasi-governmental agencies and operations (USAID Report, 2008).

The benefits of an FMIS include: better fiscal management, more optimal resource allocation, improved management of resources (value for money), reduced fraud and corruption, improved transparency and accountability, lower transaction costs (Hanseen, G.S. 2008).

2.6. IFMS and automationof financial reporting

According to both Dorotinsky (2003) and Rozner (2008), an IFMIS is an information system that tracks financial events and summarises financial information. It supports adequate management reporting, policy decisions, fiduciary responsibilities and the preparation of auditable financial statements. In its basic form, an IFMIS is little more than an accounting system configured to operate according to the needs and specifications of the environment in which it is installed (Rodin Brown 2008). In general terms, it refers to the automating of financial operations.

Financial reports retrospectively describe the results of an organization's financial transactions and events in terms of its financial position and performance. According 20 to Simson, Sharma

and Aziz (2011), financial reports aim to improve budget compliance. They provide a means for internal or external actors to assess government performance. Thurakam (2007) posit that in order to serve its objectives meaningfully, financial reports must be relevant, accurate, prompt and authentic. The financial statements must be pertinent for the purpose for which they are meant for. Irrelevant and unwanted information should be avoided but at the same time material facts must necessarily be disclosed (Thurakam, 2007). According to Rupanagunta (2006), transactions data captured in the right formats classified appropriately and presented in simple, easy to use formats can be used as valuable decision support systems. For instance, capturing the specific function performed or service rendered and the nature of the expenditure of each financial transaction undertaken by the government can be used to understand the true cost of service delivery by activity.

The functional process of budgeting can be categorized as those carried out by the central agencies and those carried out by the spending ministries and agencies. Those of the former group are most directly linked to the control framework-indeed one of the main functions of the central agencies (particularly the ministry of finance) is to ensure that the control framework is properly applied through government ministries. This functional process covers two interrelated areas; macro fiscal forecasting, budget preparation and approval, and budget execution, cash management and accounting. The first set of processes supports the objectives of setting fiscal policy and strategic priorities.

The second set supports the objective of optimizing the use of budgeted resources and ensuring accountability (Allan, 1999). At the start of the budget cycle, the central agencies generally the ministry of finance send the sector agencies a budget circular indicating economic prospects and broad policy objectives (in some cases based on the formal micro economic framework), and

giving the parameters within which the budget for each ministry is to be prepared. The circular may give 19 specific ceilings for expenditure by each agency and program. The sector agencies respond with their budget projects (World Bank, 2004).

Dorotinsky (2003) argues that there are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater comprehensiveness and transparency of information. They seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making. IFMIS allow a more standardized and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data. They also allow for the decentralization of financial functions and processes under the overall control of the Ministry of Finance, enhance financial discipline and control operating costs by reducing administrative tasks and civil servants' workload. Since budget requests generally exceeds, negotiating at the technical level between central and sector agency staff are required to review costing for existing discussions and are often required to set inter sectarian priorities and priorities among the program and project projects to ensure that the selected projects can be funded within the macro-economic framework. The framework should be updated frequently particularly during budget initiation and finalization as well as subsequent reviews during the financial year. As a result of these discussions, a draft document is prepared (Ministry of Finance Report, 2008).

2.7 IFMS andvalue for money in service delivery

Internal control systems are the policies and procedures put in place by the management of a government agency in order to ensure the agency achieves its objectives and complies with external laws and regulations. Such policies and procedures tend to cover monetary book-

keeping and reporting, performance monitoring, asset management and procurement (Simson et al., 2011). As a management tool IFMIS also enables management to do the following: control aggregate spending and the deficit, prioritise expenditure across policies, programmes and projects to achieve efficiency and equity in the allocation of resources, make better use of budgeted resources, namely, to achieve outcomes and produce outputs at the lowest possible cost (Hendricks, 2012). In other words, the benefits anticipated in implementing IFMIS are: enhanced governance, reduced fraud, transparency and accountability, and better monitoring and evaluation.

According to Oz (2006), the goal of financial managers, including controllers and treasurers, is to manage an organization‘s money as efficiently as possible. They achieve this goal by collecting payables as soon as possible, making payments at the latest time allowed by contract or law, ensuring that sufficient funds are available for day-to-day operations and taking advantage of opportunities to accrue the highest yield on funds not used for current activities. Simson et al (2011) pointed out that in order to effectively manage the government‘s cash flow and prevent debts from accumulating, it is important to monitor the pipeline of future payments.

Hendricks (2012) submits that a well-designed IFMIS can provide a number of features that may help detect excessive payments, fraud and theft. These include, for example, automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-referencing of asset inventories with equipment purchase to detect theft, automated cash disbursement rules and identification of ghost workers.

There are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater

comprehensiveness and transparency of information. They seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making. IFMIS allow a more standardised and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data. They also allow for the decentralisation of financial functions and processes under the overall control of the Ministry of Finance, force financial discipline, decrease operating costs by reducing administrative tasks and civil servants' workload.

In addition, IFMIS also seek to strengthen the efficiency of financial controls by making comprehensive, reliable and timely financial information available to the Auditor General, parliament, investigative and prosecutorial agencies, etc., as they improve accounting, recording and reporting practices through the provision of timely and accurate financial data, a standardised integrated financial management reporting system and an upgraded computerised accounting system. When they work well, they make bank reconciliation automatic and allow a closer monitoring of outstanding bills and cash in bank accounts.

IFMIS can have a deterrent function on corruption by increasing the risks of detection. A well designed IFMIS can provide a number of features that may help detect excessive payments, fraud and theft. These include, for example, automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-reference of asset inventories with equipment purchase to detect theft, automated cash disbursement rules, identification of ghost workers, etc.

In most developing countries, budget execution and accounting processes were/are either manual or supported by very old and inadequately maintained software applications. This has had deleterious effects on the functioning of their public expenditure management (PEM) systems,

that are often not adequately appreciated. The consequent lack of reliable and timely revenue and expenditure data for budget planning, monitoring, expenditure control, and reporting has negatively impacted budget management. The results have been a poorly controlled commitment of government resources, often resulting in a large buildup of arrears; excessive borrowing, pushing up interest rates and crowding out private sector investment; and misallocation of resources, undermining the effectiveness and efficiency of service delivery. Further, governments have found it difficult to provide an accurate, complete, and transparent account of their financial position to Parliament or to other interested parties, including donors and the general public. This lack of information has hindered transparency and the enforcement of accountability in government, and has only contributed to the perceived governance problems in many of these countries (Hanseen, G.S. 2008).

Cabannes (2004) contends that in light of these adverse developments, it is perhaps not surprising that many developing countries have pressed for, or have been pressed into, adopting financial management information system (FMIS) projects to strengthen their PEM systems. The establishment of an FMIS has consequently become an important benchmark for the country's budget reform agenda, often regarded as a precondition for achieving effective management of the budgetary resources. Although it is not a panacea, the benefits of an FMIS could be argued to be profound. First, the improved recording and processing of government financial transactions also allows prompt and efficient access to reliable financial data. This supports enhanced transparency and accountability of the executive to Parliament, the general public, and other external agencies. Second, an FMIS strengthens financial controls, facilitating a full and updated picture of commitments and expenditure on a continuous basis. Once a commitment is made, the system should be able to trace all the stages of the transaction processing from budget releases,

commitment, purchase, payment request, reconciliation of bank statements, and accounting of expenditure. This allows a comprehensive picture of budget execution. Third, it provides the information to ensure improved efficiency and effectiveness of government financial management. Generally, increased availability of comprehensive financial information on current and past performance assists budgetary control and improved economic forecasting, planning, and budgeting.

Integrated Financial Management Information System (IFMIS) is an information system that tracks financial events and summarizes financial information. In its basic form, an IFMIS is little more than accounting system configured to operate according to the needs and specifications of the environment in which it is installed. Generally IFMIS refers to the use of information and communications technology in financial operations to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements.

In the government realm, IFMIS refers more specifically to the computerization of the public financial management processes, from budget preparation and execution to accounting and reporting, with the help of an integrated system for financial management of line 8 ministries, spending agencies and other public sector operations (Timmons &Spaneli, 2007). An IFMIS stores, organizes and makes access to financial information easy. It not only stores all the financial information relating current and past years spending, but also stores the approved budgets for these years‘ details on inflows and outflow of funds, as well as complete inventories of financial assets (e.g. equipment, land and buildings) and liabilities (debt).

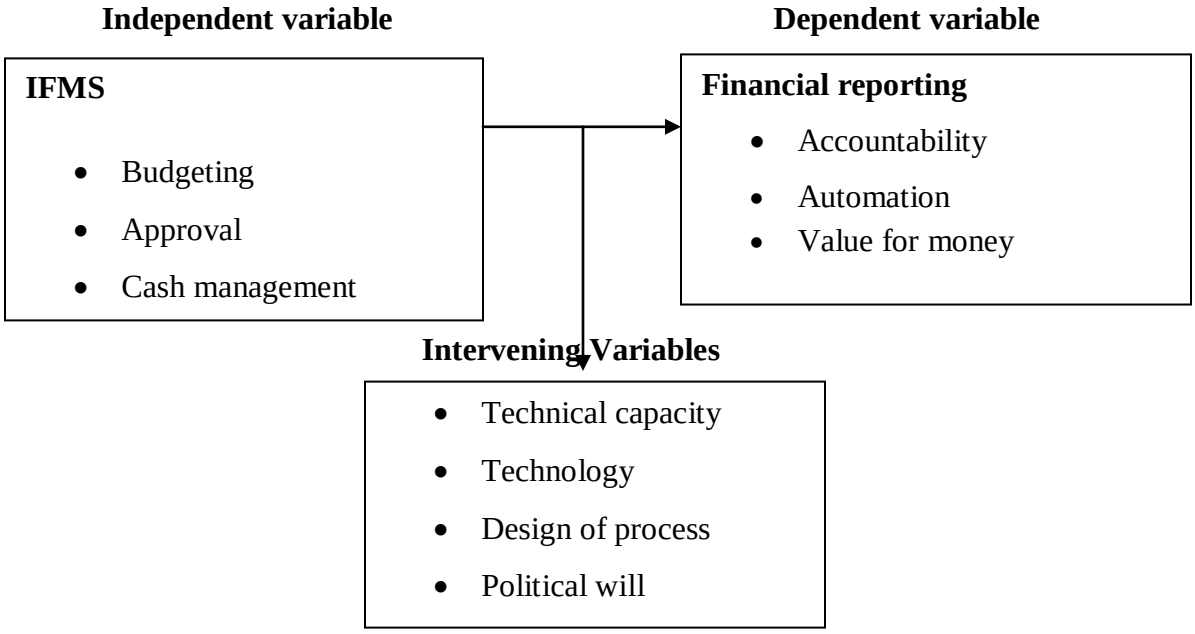
A strong Public Financial Management (PFM) system is a catalyst for economy‘s growth and development. It ensures that the government and its departments raise manage and spend public resources in an efficient and transparent way. Sound systems, strong legal and regulatory

frameworks as well as a competent and productive civil service are the cornerstones of an efficient PFM regime. Public Financial Management reportinghave been identified as the key drivers to efficient public service delivery and creation of wealth and employment (McKinney, 2004).

2.8 Conceptual framework

The conceptual framework gives the course of action for the study. It is the foundation on which the study is established.

Figure 2.2: Conceptual framework



Source: Adopted from IFMS Report (2015) and modified by the researcher

Integrated financial management system (IFMS) involves budgeting, approval, and cash management. This process helps local governments in implementing financial reporting to ensure accountability, automation of financial management processes, and value for money. However the implementation of financial reporting by local governments can be affected by factors such as the technical capacity, and the design of the processes, technology, and political will.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter presents research methodology. It highlights the research design and data collection and management.

3.1 Research design

According to Creswell (2012), a research design is the basic plan which guides the data collection and analysis phase of the research project. The research design consists: research approach, research strategy, research duration and research classifications.

3.1.1 Research Approach

The research approach include: positivism approach, phenomenological approach and combination approach. So in this case the researcher embraced both positivism-phenomenological approaches called combination approach, using hypothesis testing and explaining, also using both quantitative and qualitative information.

3.1.2 Research Strategy

Basically research strategy is a general plan of how a researcher goes about answering the research question. Therefore research strategies include: experiment, survey and case study, so in this case the researcher employed both a case study and survey strategy asking broad questions and collecting data from participants to find out the role of Integrated Financial Management System in ensuring financial reporting in Arua District Local Government.

3.1.3 Research Duration

The research duration involves: cross sectional studies which is a study of a particular phenomena at a partial time and longitudinal studies which is studying changes and

developments over a long period of time. Therefore the researcher used a cross sectional study research design.

3.1.4 Research Classification

The research may be classified according their purpose such as: exploratory, explanatory, and multi method. So the researcher used the explanatory approach to establish causal relationship between the research variables.

Data collection and management

3.2 Study area

The study was carried out in Arua District located in the Northern Region of Uganda. Arua District is bordered by Yumbe District to the north, Adjumani District to the northeast, Amuru District to the east, Nebbi District to the southeast, Zombo District to the southwest, the Democratic Republic of the Congo (DRC) to the west, and Maracha District to the northwest. The district headquarters at Arua are located about 425 kilometres (264 mi), by road, northwest of Kampala. The coordinates of the district are: 03 00N, 31 10E.

3.3 Study population

The study populationcomprised of employees of Arua District Local Governmentin the various departments including Management and support services; Procurement unit; Planning unit; Works department; Internal audit; Community based services; Environment & Natural Resources; and Production and Marketing. The study population was 108 as per the district's Human Resource Audit performance report 2016.

3.4 Sample size

The sample size for the current study was selected based on Bartlett,*et al* (2001).

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

Where: n = The required sample size

N = The study population

e = The level of significance/coefficient

e = 0.05

$$n = \frac{108}{1+108(0.05)^2}$$

$$n = \frac{108}{1+108(0.0025)}$$

$$n = \frac{108}{1.27}$$

n = 85.039

Thus, n = 85 which is the sample size

Table 3.1: Population and sample size

Department	**Population**	**Sample**	**Sampling method**
CAO's Office	10	9	Purposive
Health	6	5	Simple random
Town clerk	3	3	Purposive
Education	6	5	Simple random
Human resource	3	2	Purposive
Finance	25	20	Purposive
Planning unit	3	3	Purposive
Works department	5	4	Simple random
Community services	3	3	Simple random
Environment & Natural Resources	3	2	Simple random
Production and Marketing	5	4	Simple random
Political leaders	20	15	Simple random
Opinion leaders	16	10	Simple random
Total	**108**	**85**	

Source: Primary data (2018)

3.5 Sources of data

3.5. 1 Primary data

The study obtained primary data by using interviews and questionnaires methods.

3.5.2 Secondary data

The researcher also collected data from secondary sources; data prepared or developed by some other persons for other purposes other than helping to solve the problem at hand. The researcher got the data from the district's accounting documents, human resource reports, account books and reports.

3.6 Sampling methods

The study used simple random sampling, purposive sampling and census method.

3.6.1 Simple random sampling

Simple random sampling means that every member of the sample is selected from the group of population in such a manner that the probability of being selected for all members in the study group of population is the same (Moore 2008). Simple random sampling wasused for giving everyone chance to be included in the study and reducing biasness. The respondents from the Management and support services, Procurement unit, Works department, Environment & Natural Resources, and Production and Marketing departments were selected using simple random sampling.

3.6.2 Purposive sampling

Purposive sampling is also known as judgment, selective or subjective sampling. It is a sampling technique in which researcher relies on his or her own judgment when choosing members of population to participate in the study.Purposive sampling is one of the most cost-effective and time-effective sampling methods available (Saunders, 2012). Purposive sampling wasused to

save time and to obtain accurate results from specific persons with relevant information about the topic of study.

Respondents from the Town clerk, CFO and CAO departments were selected using purposive sampling.

3.7 Data collection method

3.7.1 Questioning

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data.

3.7.2 Interviewing

Interviewing is the process of asking respondents questions face to face in research in order to achieve the objectives of the research. The purpose of interviewing is to explore the views, experiences, beliefs and/or motivations of individuals on specific matters.

3.7.3 Document Review

The researcherused Document Review Method to get relevant information about the integrated financial management system used in Arua District Local Government. The researcher reviewed documents like the District's Accounting books, performance reports, and financial statements among others.

3.8 Background information of respondents

Out of the 85 respondents who participated in the study, the researcher managed to collect information from 80 respondents making a response rate of 94%.

3.8.1 Gender of respondents

The respondents were asked to state their gender. Responses obtained are shown in table 3.2.

Table 3.2: Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	62	77.5	77.5	77.5
	Female	18	22.5	22.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 3.2 shows that, 62 respondents representing 77.5% of the respondents were male and 18 respondents representing 22.5% were female. This could be interpreted that both male and female participated in the study and hence both gender contribute to the development of Arua District Local Governement.

3.8.2 Age group

The respondents were asked to indicate their age group. Responses are shown in table 3.3.

Table 3.3: Age group of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	13	16.2	16.2	16.2
	31-40 Years	35	43.8	43.8	60.0
	41-50 Years	22	27.5	27.5	87.5
	50+ Years	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 3.3 shows that, 13 (16.3%) of the respondents were in the age group of 20-30 years, 35 (43.8%) were in the age group of 31-40 years, 22 (27.5%) were in the age group of 41-50 years and 10 (12.5%) were 50+ years. Majority of the respondents were in the age group of 31-40 years and this may imply that Arua District Local Government has relatively mature people who are responsible and understand the value of service to the public.

3.8.3 Marital status

The respondents were asked to indicate their marital status. Responses are shown in table 3.4.

Table 3.4: Marital status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	15	18.8	18.8	18.8
	Married	64	80.0	80.0	98.8
	Divorced	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 3.4 indicates that, 15 (18.8%) of the respondents were single, 64 (80%) were married, and 1 (1.3%) was divorced. Majority of the respondents were married and this implies

that most people who engage in Arua district local governance are responsible people with families.

3.8. 4 Level of education

The respondents were asked to indicate their highest level of education attained and results obtained are shown in table 3.5.

Table 3.5: Level of education of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Masters	23	28.8	28.8	28.8
	Degree	45	56.3	56.3	85.0
	Diploma	8	10.0	10.0	95.0
	Certificate	1	1.3	1.3	96.3
	None	3	3.8	3.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 3.5 show that, 23 28.8%) of the respondents had masters, 45 (56.3%) had degree, 8(10%) had diploma, 1 (1.3%) had certificates, and 3 (3.8%) did not have any academic qualification. Majority of the respondents had degrees and this implies that the people in Arua district local government could understand the variables of the study in the questionnaire.

3.8.5 Time respondents spent working with Arua District Local Government

Respondents were asked to state the period they have spent employed in Arua District.

Table 3.6: Duration in current employment in Arua

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3 Years	21	26.3	26.3	26.3
	4-6 Years	17	21.3	21.3	47.5
	7-10 Years	22	27.5	27.5	75.0
	10 Years and above	20	25.0	25.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 3.6reveals that, 21 (26.3%) of the respondents had spent 0-3 years, 17 (21.3%) had spent 4-6 years, 22 (27.5%) had spent 7-10 years, and 20 (25%) had spent 10 years and above. Majority of the respondents had spent 7-10 years and this implies that respondents had enough experience about the operations of the Arua District Local Government.

3.8 Data collection instruments

The researcher used a variety of instruments like Self-administered Questionnaires and interview guides.

3.8.1 Self-administered Questionnaires

The researcher used structured questionnaires in gathering data from the respondents. Close ended questionnaires were designed in such a way to reflect the objectives of the study. The researcher personally distributed questionnaires to valid respondents and collected them after the respondents had filled them. Questionnaires were used in data gathering because they are structured in a straight forward way and the information obtained from them is easily computed. Using questionnaires give respondents convenient time to fill them without any pressure (Oppenheim, 2000).

In Self-administered Questionnaires, respondents answer at their convenience, there is no need to set up interview appointments, and no interviewer is present to inject bias in the way questions are asked. The questionnaires were structured in a likert scale (1-strongly disagree, 2-disagree, 3-not sure, 4-agree and 5-strongly agree).

3.8.2 Interview guide

The researcher also used the interview guide in collection of data required for the study and this wasbased on the study objectives. This is a qualitative technique and a face to face method that is done in a formal personal interview involving structure interviewing, whereby there is a well-designed document layout of questions in a particular order, making recording down of responses possible and easy. The researcher made appointments with the respondents to be interviewed and ask questions and record them in the interview guide. The interview guide contained guiding questions to be used during the interview.

An interview allows the participant to describe what is meaningful or important to him or her using his or her own words rather than being restricted to predetermined categories; thus participants may feel more relaxed. It also allows the researcher to probe for more details and ensure that participants are interpreting questions the way they were intended.

3.8.3 Document Review Checklist

The researcher used Document Review Checklist to get relevant information about the integrated financial management system used in Arua District Local Government. The researcher used the document review checklist to confirm availability and use of documents like the District's Accounting books, performance reports, and financial statements among others.

3.9 Validity and reliability of tools

3.9.1 Validity

Validity of a questionnaire refers to the extent to which it measures what it claims to measure (Mugenda & Mugenda, 2003). In testing validity, the researcher used content validity index (CVI). Content validity refers to the degree that the instrument covers the content that it is supposed to measure. Measuring content validity of instruments is important. This type of validity can help to ensure construct validity and give confidence to the readers and researchers about instruments (Lawshe, 1975). Therefore, the researcher prepared questionnaires and presented them to the supervisor for scrutiny and suggestions on the relevance, clarity and suitability of the information. The supervisor made suggestions which were incorporated into the final draft.

Law she developed a formula termed the content validity ratio:

$$CVR = \frac{(n_e - N/2)}{(N/2)}$$

where CVR= content validity ratio,

n_e = number of respondents indicating "essential",

N= total number of respondents.

This formula yields values which range from +1 to -1; positive values indicate that at least half the respondents rated the item as essential.

3.9.2 Reliability

Reliability of research instrument refers to the measure of degree to which research instrument yield consistent result or data after repeated trials. To establish the reliability of the research instruments, the researcher used Cronbach's alpha. Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability

of any given measurement refers to the extent to which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency (Denzin& Lincoln, 2005).

Cronbach's alpha can be defined as:

$$\text{alpha} = \frac{Kc}{(v + (K-1)\,c)}$$

where K = is as above,

v = the average variance of each component (item), and

c = the average of all covariances between the components across the current sample of persons (that is, without including the variances of each component).

Cronbach's alpha was calculated for the reliability of the questionnaire using SPSS.

1) The reliability coefficient alpha for objective one = 0.82
2) The reliability coefficient for objective two = 0.71
3) The reliability coefficient for objecyive three = 0.72

The average of the coefficients is = (0.82 + 0.71 + 0.72) / 3 = 0.75

A reliability coefficient (alpha) of 0.70 or higher is considered acceptable reliability in SPSS.

3.10 Research Ethical Considerations

Ethical considerations were catered for by first seeking authorization from the top management of Arua District Local Government through the introductory letter from the University. Questionnaires were structured in such a way that they did not require the respondents to mention their names.

A statement as to the strict confidentiality with which data would be held was clearly stated in the questionnaire. Participation in the study was voluntary.

The researcher also briefed the respondents as to the purpose of the study, their relevance in the research process, and expectations from them.

3.10.1Research Procedure

The researcher designed research instruments to collect data from respondents. Authorization from the top management of Arua District Local Government through the introductory letter from the University was sought in order to get information from the respondents of the study.

3.11 Data processing

After data collection, the information was processed and analyzed. Data processing involved four processes namely; editing, coding, classification, and tabulation.

Editing: This wasdone just after data collection. The completed interview response schedules were thoroughly checked noting the relationships between the given answers and questions that were asked. The data collected wasedited for completeness, accuracy, uniformity, consistency and comprehensibility.

Coding: This wasdone by classifying all the answers given by respondents into meaningful categories for the purpose of bringing out their important patterns. Responses to such questions were classified accordingly.

Classification: This wasdone due to the weight or volume of data. Voluminous raw data necessitated classifying into groups according to their attributes. This process helps to make data tabulation simple.

Tabulation: After editing, coding and classification, tabulation was done to give a clear presentation of various responses and the significance of each interpretation. This was based on the magnitude of the corresponding numbers and percentages of total respondents. Tabulation

involved the counting and adding up of all the answers to a particular question to enable statistical analysis of the data.

3.12 Data analysis

Data analysis involved the use of SPSS (Statistical Package for Social Sciences) to establish the relationship between the variables. Both descriptive and inferential statistics were used. Descriptive adopted the use of frequencies and percentages while inferential werebased on correlation.

3.13 Data presentation

The data was collected and analyzed using both quantitative and qualitative data analysis methods. Quantitative method involved both descriptive and inferential analysis. Descriptive analysis such as frequencies and percentages were used to present quantitative data in form of tables. Data from questionnaire was then coded and logged in the computer using Statistical Package for Social Science (SPSS V 20.0). This involved coding items in order to run simple descriptive analyses to get reports on data status. Descriptive statistics involved the use of absolute and relative frequencies.

3.14 Limitations to the study

Survey has the problem of internal limitation and interpretation, however, the method was still used and results accepted.

Some respondents were hesitant to give information about financial reporting in Arua District as asked in the questionnaires. The researcher, however, informed them of the objectives of the research and confidentiality of the information that were provided.

Scheduling problems, especially with respondents that were interviewed; some respondents were too busy to be interviewed. The researcher kept in touch with all the respondents to harmonize schedules.

CHAPTER FOUR

IFMS AND ACCOUNTABILITY IN HANDLING AND USE OF PUBLIC RESOURCES IN ARUA DISTRICT LOCAL GOVERNMENT

4.1 Introduction

This chapter examines how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government. Findings obtained from the field are presented in tables that follow. Out of the 85 questionnaires administered to respondents, 80 were filled and returned represents 94% response rate.

4.2 Improved recording of government financial transactions

Mckinney (2004) explains that IFMIS allows improved recording and government processes of financial transactions that allows prompt and efficient access to reliable financial data. When efficient and reliable financial data is available, prompt decision making can easily be made.

The respondents were asked whether there is improved recording of government financial transactions. Responses obtained are shown in table 4.1.

Table 4.1:Improved recording of government financial transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.5	2.5	2.5
	Disagree	4	5.0	5.0	7.5
	Neutral	5	6.3	6.3	13.8
	Agree	58	72.5	72.5	86.3
	Strongly Agree	11	13.7	13.7	98.7
					100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 4.1 shows that, 2 (2.5%) of the respondents strongly disagreed, 4 (5%) disagreed, 5 (6.3%) were neutral, 58 (72.5%) agreed, and 10 (12.5%) of them strongly agreed. Majority of

the respondents 68 (85%) generally agreed and this implies that there is improved recording of government financial transactions. This ensures that every transaction is tracked and it explains how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

"*During the interview, the accountant of Arua regional Referral hospital agreed that there is 50% improvement in the recording of government financial transactions.*""*However, there is still a lot of manual work involved before recording is done using IFMS."*

4.3 Improved processing of government financial transactions.

The respondents were asked whether there is improved processing of government financial transactions. Responses obtained are shown in table 4.2.

Table 4.2:Improved processing of government financial transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	3.8	3.8	3.8
	Disagree	7	8.8	8.8	12.5
	Neutral	5	6.3	6.3	18.8
	Agree	58	72.5	72.5	91.3
	Strongly Agree	7	8.8	8.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.2 indicates that 3(3.8%) strongly disagreed, 7(8.8%) disagreed, 5(6.3%) were neutral,58(72.5%) agreed and 7(8.8%) strongly agreed that there is improved processing of government financial transactions. Majority of the respondents 65(81.3%) generally agreed and this implies that the processing of government financial transactions has improved in Arua District Local Government.Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

4.4 Prompt and efficient access to financial data through the use of IFMS.

The study sought to know from respondents whether there is prompt and efficient access to financial data through the use of IFMS. Responses obtained are shown in table 4.3.

Table 4.3:Prompt and efficient access to financial data through the use of IFMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	11	13.8	13.8	15.0
	Neutral	8	10.0	10.0	25.0
	Agree	47	58.8	58.8	83.8
	Strongly Agree	13	16.3	16.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 4.3 indicates that 1 (1.3%) respondent strongly disagreed, 11 (13.8%) disagreed, 8 (10%) were neutral, 47 (58.8%) agreed and 13 (16.3%) strongly agreed that there is prompt and efficient access to financial data through the use of IFMS. Majority of the respondents 60 (75.1%) generally agreed and this implies that there is prompt and efficient access to financial data through the use of IFMS. Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

"*In the interview, the respondents agreed that there is prompt and efficient access to financial data only if there is internet and the network is good.*""*However, when there is network interruption, and many users have loged on to the IFMS it becomes hard to access financial data at that very time and the system being controlled at the center means when its not loged on at the center and theone with the pass cord has not loged on, then no one can access any financial data at any required time."*

4.5 IFMIS strengthens financial controls in the district.

The respondents were asked whether IFMIS strengthens financial controls in Arua District Local Government. Responses obtained are shown in table 4.4.

Table 4.4: IFMIS strengthens financial controls in the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	35.0	35.0	35.0
	Disagree	11	13.8	13.8	48.8
	Neutral	4	5.0	5.0	53.8
	Agree	29	36.3	36.3	90.0
	Strongly Agree	8	10.0	10.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 4.4 show that, 28 (35%) of the respondents strongly disagreed, 11 (13.8%) disagreed, 4 (5%) were neutral, 29 (36.3%) agreed and 8 (10%) of them strongly agreed. Results obtained indicate that sizeable number of the respondents 39 (48.8%) generally disagreed that IFMIS strengthens financial controls in Arua District Local Government. This may imply that some people have not yet realized the importance of IFMS in strengthening financial controls in the district. Therefore, the implementation of IFMS in Arua District Local Government is still lacking in terms of instituting financial control over the resources of the district.

4.6: IFMS facilitates commitments and expenditure on a continuous basis.

The respondents were asked IFMS facilitates a full and updated picture of commitments and expenditure on a continuous basis and results obtained are presented in table 4.5.

Table 4.5: IFMS facilitates commitments and expenditure on a continuous basis.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	15.0	15.0	15.0
	Disagree	16	20.0	20.0	35.0
	Neutral	10	12.5	12.5	47.5
	Agree	35	43.8	43.8	91.3
	Strongly Agree	7	8.8	8.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 4.5 indicates that 12 (15%) respondents strongly disagreed, 16 (20%) disagreed, 10 (12.5%) were neutral, 35 (43.8%) agreed and 7 (8.8%) strongly agreed that IFMS facilitates a full and updated picture of commitments and expenditure on a continuous basis. Majority of the respondents 42 (52.6%) generally agreed and this implies that the IFMS system offers updates on all financial commitments of the district.This is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

4.7: IFMS traces all the stages of the transaction processing from budget releases to payment request.

The respondents were asked whether IFMS traces all the stages of the transaction processing from budget releases to payment request. Responses obtained are shown in table 4.6.

Table 4.6: IFMS traces all the stages of the transaction processing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	3.8	3.8	3.8
	Disagree	7	8.8	8.8	12.5
	Neutral	5	6.3	6.3	18.8
	Agree	42	52.5	52.5	71.3
	Strongly Agree	23	28.8	28.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.6 indicates that 3 (3.8%) strongly disagreed, 7 (8.8%) disagreed, 5 (6.3%) were neutral, 42 (52.5%) agreed and 23 (28.8%) strongly agreed that IFMS traces all the stages of the transaction processing from budget releases to payment request. Majority of the respondents 65 (81.3%) generally agreed and this implies that IFMS tracks all the transactions of the district throughout the whole process. Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

"During the interview, it was revealed that IFMS improves transparency and accountability but it does not prevent fraud because some officers change the budget lines for a given activity to another activity that suits their personal objectives"

4.8 IFMS assists management in the deployment and use of public resources.

The respondents were asked whether IFMS assists management in the deployment and use of public resources. Responses obtained are shown in table 4.7.

Table 4.7: IFMIS assists management in the deployment and use of public resources.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.5	2.5	2.5
	Disagree	36	45.0	45.0	47.5
	Neutral	6	7.5	7.5	55.0
	Agree	31	38.8	38.8	93.8
	Strongly Agree	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 4.7 above indicates that 2 (2.5%) respondents strongly disagreed, 36 (45%) disagreed, 6(7.5%) were neutral, 31 (38.8%) agreed and 5 (6.3%) strongly agreed that IFMS assists management in the deployment and use of public resources. A good number of the respondents 38 (47.5%) generally disagreed and this implies that IFMS has not necessarily assisted management of Arua District Local Government in the deployment and use of public resources. Therefore, the use of IFMS to ensure accountability in handling and use of public resources in Arua District Local Government needs to be looked into.

4.9 There is tracking of financial events through an automated financial system.

The respondents were asked whether there is tracking of financial events through an automated financial system. Responses obtained are shown in table 4.8.

Table 4.8: There is tracking of financial events through an automated financial system.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	6	7.5	7.5	8.8
	Neutral	6	7.5	7.5	16.3
	Agree	41	51.3	51.3	67.5
	Strongly Agree	26	32.5	32.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 4.8 shows that 1(1.3%) respondent strongly disagreed, 6 (7.5%) disagreed, 6 (7.5%) were neutral, 41 (51.3%) agreed and 26 (32.5%) strongly agreed that there is tracking of financial events through an automated financial system. Majority of the respondents 67 (83.8%) generally agreed and this implies that IFMIS helps in tracking of financial events the district. This is therefore, how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

"During the interview, it was found out that IFMS only tracks financial related transactions but not inventory, preliminary procurement processes before the use of IFMS such as placement of tender notice, receipt of bids, evaluation of bidders, award process and management assets in the district apart from mearly keeping records of assets ."

4.10 There is improved control over expenditure in the budget cycle as a whole

The respondents were asked whether there is improved control over expenditure in the budget cycle as a whole. Responses obtained are shown in table 4.9.

Table 4.9: There is improved control over expenditure in the budget cycle as a whole

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	29	36.3	36.3	36.3
	Disagree	9	11.3	11.3	47.5
	Neutral	6	7.5	7.5	55.0
	Agree	29	36.3	36.3	91.3
	Strongly Agree	7	8.8	8.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in 4.9 indicate that 29 (36.3%) respondents strongly disagreed, 9 (11.3%) disagreed, 6(7.5%) were neutral, 29 (36.3%) agreed and 7 (8.8%) strongly agreed that there is improved control over expenditure in the budget cycle as a whole. However, a slight majority of the respondents 38 (47.6%) generally disagreed and this may imply that there is no improved control over expenditure in the budget cycle as a whole. This therefore, shows a mixed reaction over whether there has been improved control over expenditure in the budget cycle as a whole in Arua District Local Government.

"In the interview, respondents agreed that payments are automated for other activities. But for procurement, inventory management, reconciliation and other activities are partly automated and partly still manual. The officer concerned does some of the paper work manually for especially procurement and specifically for inventory, issues of stock and determination of stock levels and balance cannot be done using the IFMS. The procurement officer and Inventory manager enters data into the system after all the paper works have been completed while for

reconciliation the concerned officer opens the data and mearly looks at the data in the system compares it with bank statement and reconciles manually by ticking. This is applicable with Tier1 that is used by Arua Regional Referral Hospital. However, for Arua District Administration and Arua Municiple Council that use Tier11, reconciliation is automatic."

4.11 Availability of comprehensive and fully reconciled fiscal data and reports.

The respondents were asked whether comprehensive and fully reconciled fiscal data and reports are available on a continuous basis. Responses obtained are shown in the table 4.10.

Table 4.10: Availability of comprehensive and fully reconciled fiscal data and reports.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	9	11.3	11.3	12.5
	Neutral	12	15.0	15.0	27.5
	Agree	48	60.0	60.0	87.5
	Strongly Agree	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.10 indicate that 1 (1.3%) of the respondents strongly disagree, 9 (11.3%) disagreed, 12 (15%) were neutral, 48 (60%) agreed and 10 (12.5%) strongly agreed that comprehensive and fully reconciled fiscal data and reports are available on a continuous basis. Majority of the respondents 58 (72.5%) generally agreed and this implies that IFMS ensures availability of comprehensive and fully reconciled fiscal data and reports on a continuous basis. This is therefore, how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

4.12 Citizens are able to hold district officials accountable for the services they provide

The respondents were asked whether the citizens are able to hold district officials accountable for the services they provide. Responses obtained are shown in table 4.11.

Table 4.11: Citizens hold district officials accountable for the services they provide

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	33	41.3	41.3	41.3
	Disagree	15	18.8	18.8	60.0
	Neutral	18	22.5	22.5	82.5
	Agree	9	11.3	11.3	93.8
	Strongly Agree	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.11 indicate that 33 (41.3%) respondents strongly disagreed, 15 (18.8%) disagreed, 18 (22.5%) were neutral, 9 (11.3%) agreed and 5 (6.3%) strongly agreed that citizens are able to hold district officials accountable for the services they provide. Majority of the respondents 48 (60.1%) generally disagreed and this implies that the citizens are notable to hold district officials accountable for the services they provide.Therefore, IFMS does not empower citizens to hold their leaders accountable as regards service delivery in Arua District Local Government.

4.13 IFMS and information about how public money is being spent

The respondents were asked whether IFMS provides information to the citizens about decisions made and how public money is being spent. Responses obtained are shown in table 4.12.

Table 4.12: IFMS and information about how public money is being spent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	33	41.3	41.3	41.3
	Disagree	18	22.5	22.5	63.8
	Neutral	10	12.5	12.5	76.3
	Agree	17	21.3	21.3	97.5
	Strongly Agree	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.12 indicate that 33 (41.3%) respondents strongly disagreed, 18 (22.5%) respondents disagreed, 10 (12.5%) were neutral, 17(21.3%) agreed and 2 (2.5%) strongly agreed that IFMS provides information to the citizens about decisions made and how public money is being spent. Majority of the respondents 51 (63.8%) generally disagreed and this implies that the IFMS does not provide information to the citizens about decisions made and how public money is being spent. This may be because the system is not accessible to the public and even a section of the district employees.

4.14IFMS produces information showing monthly revenue and expenditure

The respondents were asked whether IFMS produces information showing monthly revenue and expenditure. Responses obtained are shown in table 4.13.

Table 4.13: IFMS produces information showing monthly revenue and expenditure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	5.0	5.0	5.0
	Disagree	8	10.0	10.0	15.0
	Neutral	4	5.0	5.0	20.0
	Agree	56	70.0	70.0	90.0
	Strongly Agree	8	10.0	10.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 4.13 indicate that 4 (5%) respondents strongly disagreed, 8 (10%) respondents disagreed, 4 (5%) were neutral, 56 (70%) agreed and 8 (10%) strongly agreed that IFMS produces information showing monthly revenue and expenditure. Majority of the respondents 64 (80%) generally agreed and this implies that IFMS produces information showing monthly revenue and expenditure. This is therefore, how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

CHAPTER FIVE

IFMS AND AUTOMATION OF FINANCIAL REPORTING IN ARUA DISTRICT LOCAL GOVERNMENT

5.1 Introduction

This section of the study analyzes how IFMS has ensured automation of financial reporting in Arua District Local Government. Findings obtained from the field are presented in the tables that follow:

5.2 There is automatic reconciliation of financial transactions on a daily basis.

The respondents were asked whether there is automatic reconciliation of financial transactions on a daily basis. Responses obtained are shown in table 5.1.

Table 5.1: There is automatic reconciliation of financial transactions on a daily basis.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	33	41.3	41.3	42.5
	Neutral	8	10.0	10.0	52.5
	Agree	33	41.3	41.3	93.8
	Strongly Agree	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 5.1 indicate that 1 (1.3%) respondent strongly disagreed, 33 (41.3%) disagreed, 8 (10%) were neutral, 33 (41.3%) agreed and 5 (6.3%) strongly agreed that there is automatic reconciliation of financial transactions on a daily basis. Majority of the respondents 38 (47.6%) generally agreed and this implies that financial transactions in Arua District Local Government are automatically reconciled on a daily basis using IFMS.This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.3 Transactions can be initiated online.

The respondents were asked whether transactions can be initiated online. Responses obtained are shown in table 5.2.

Table 5.2: Transactions can be initiated online.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	5.0	5.0	5.0
	Disagree	32	40.0	40.0	45.0
	Neutral	7	8.8	8.8	53.8
	Agree	22	27.5	27.5	81.3
	Strongly Agree	15	18.8	18.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.2 shows that 4 (5%) respondents strongly disagreed, 32 (40%) disagreed, 7 (8.8%) were neutral, 22 (27.5%) agreed and 15 (18.8%) strongly agreed that transactions can be initiated online. A slight majority of the respondents 37 (46.3%) generally agreed. However a considerable number of respondents 36 (45%) generally disagreed and this implies that there was mixed reactions on whether transactions can be initiated online. This shows that a sizeable number of the population does not know about online initiation of transactions capabilities of IFMS. This therefore, means that there is more work to be done on how IFMS can ensure automation of financial reporting in Arua District Local Government.

5.4 Processing through IFMS is done on real time.

The respondents were asked whether processing through IFMS is done on real time. Responses obtained are shown in table 5.3.

Table 5.3: Processing through IFMS is done on real time.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	22	27.5	27.5	21.3
	Neutral	16	20.0	20.0	33.8
	Agree	31	38.8	38.8	72.5
	Strongly Agree	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Results intable 5.3 show that, 1 (1.3%) respondents strongly agreed, 16 (20%) of the respondents disagreed, 10 (12.5%) were neutral, 31 (38.8%) agreed and 22 (27.5%) of them strongly agreed. Results obtained indicate that majority of the respondents 53 (66.3%) generally agreed thatprocessing through IFMS is done on real time. Therefore this is how IFMS has ensured automation of financial reporting in Arua District Local Government.

"During the interview, respondents agreed that processing of information is done on real time. However, when the system is overwhelemed with a lot of users and work it slows down and tells the operator to wait for some time before it can resume."

5.5 All financial management functions are put into one suite of applications.

The respondents were asked whether all financial management functions are put into one suite of applications. Responses obtained are shown in table 5.4.

Table 5.4: All financial management functions are put into one suite of applications.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	6	7.5	7.5	8.8
	Neutral	14	17.5	17.5	26.3
	Agree	32	40.0	40.0	66.3
	Strongly Agree	27	33.8	33.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 5.4 indicate that 1 (1.3%) respondent strongly disagreed, 6 (7.5%) disagreed, 14 (17.5%) were neutral, 32 (40%) agreed and 27 (33.8%) strongly agreed that all financial management functions are put into one suite of applications. Majority of the respondents 59 (73.8%) generally agreed and this implies that IFMS helps to put financial management functions of Arua District Local Government in one pool.

This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.6 There is automatic update of accounting and financial records.

The respondents were asked whether there is automatic update of accounting and financial records. Responses obtained are shown in table 5.5.

Table 5.5: There is automatic update of accounting and financial records.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.3	1.3	1.3
	Disagree	8	10.0	10.0	11.3
	Neutral	8	10.0	10.0	21.3
	Agree	53	66.3	66.3	87.5
	Strongly Agree	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.5 shows that 1 (1.3%) respondents strongly disagreed, 8 (10%) disagreed, 8 (10%) were neutral, 53 (66.3%) agreed and 10 (12.5%) strongly agreed thatthere is automatic update of accounting and financial records. Majority of the respondents 63 (78.8%) generally agreed and this implies that IFMS automatically updates accounting and financial records of Arua District Local Government when required.This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.7 There is automatic initiation and processing of all payments in the district.

The respondents were asked whether there is automatic initiation and processing of all payments in the district. Responses obtained are shown in table 5.6.

Table 5.6:T here is automatic initiation and processing of all payments in the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	11.3	11.3	11.3
	Disagree	34	42.5	42.5	53.8
	Neutral	6	7.5	7.5	61.3
	Agree	24	30.0	30.0	91.3
	Strongly Agree	7	8.8	8.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 5.6 indicate that 9 (11.3%) of the respondents strongly disagreed, 34 (42.5%) disagreed, 6 (7.5%) were neutral, 24 (30%) agreedand 7 (8.8%) strongly agreed that there is automatic initiation and processing of all payments in the district. Majority of the respondents 43 (53.8%) generally disagreed and this implies that the management of Arua District Local Government does not use IFMS to process all payments in the district.

This therefore means that the district should start automatically initiating and processing of all payments using IFMS in order to ensure automation of financial reporting in Arua District Local Government.

5.8 There is automatic reporting on the financial activities of the district.

The respondents were asked whether there is automatic reporting on the financial activities of the district. Responses obtained are shown in table 5.7.

Table 5.7: There is automatic reporting on the financial activities of the district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.5	2.5	2.5
	Disagree	15	18.8	18.8	21.3
	Neutral	8	10.0	10.0	31.3
	Agree	49	61.3	61.3	92.5
	Strongly Agree	6	7.5	7.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 5.7 show that, 2 (2.5%) of the respondents strongly disagreed, 15 (18.8%) disagreed, 8 (10%) were neutral, 49 (61.3%) agreed and 6 (7.5%) of them strongly agreed that there is automatic reporting on the financial activities of the district. Results obtained indicate that majority of the respondents 55 (68.8%) generally agreed and this implies that IFMS automatically generates financial reports for Arua District Local Government.This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.9 There are streamlined fiscal and financial management processes in the district.

The respondents were asked whether there are streamlined fiscal and financial management processes in the district. Responses obtained are shown in table 5.8.

Table 5.8: There are streamlined fiscal and financial management processes in the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.5	2.5	2.5
	Disagree	17	21.3	21.3	23.8
	Neutral	11	13.8	13.8	37.5
	Agree	48	60.0	60.0	97.5
	Strongly Agree	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.8 shows that 2 (2.5%) respondents strongly disagreed, 17 (21.3%) disagreed, 11 (13.8%) were neutral, 48 (60%) agreed and 2 (2.5%) strongly agreed that there are streamlined fiscal and financial management processes in the district. Majority of the respondents 50 (62.5%) generally agreed and this implies that the IFMS system has helped to streamline the financial management processes in Arua District Local Government.

This istherefore, how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.10 There is accurate, timely and appropriate budget and accounting information.

The respondents were asked whether there is accurate, timely and appropriate budget and accounting information. Responses obtained are shown in table 5.9.

Table 5.9: There is accurate, timely and appropriate budget and accounting information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	3.8	3.8	3.8
	Disagree	20	25.0	25.0	28.8
	Neutral	14	17.5	17.5	46.3
	Agree	36	45.0	45.0	91.3
	Strongly Agree	7	8.8	8.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.9 shows that 3 (3.8%) respondents strongly disagreed, 20 (25%) disagreed, 14 (17.5%) were neutral, 36 (45%) agreed and 7 (8.8%) strongly agreed thatthere is accurate, timely and appropriate budget and accounting information. Majority of the respondents 43 (53.8%) generally agreed and this implies that IFMS has ensure availability of accurate, timely and appropriate budget and accounting information for Arua District Local Government.This istherefore, how IFMS has ensured automation of financial reporting in Arua District Local Government.

"However, during the interview, it was revealed that it was not possible to access inventory information, procurements and budgets accurately and timely from other departments".

5.11 There is automatic recording and processing of all financial transactions.

The respondents were asked whether there is automatic recording and processing of all financial transactions. Responses obtained are shown in table 5.10.

Table 5.10: There is automatic recording and processing of all financial transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	3.8	3.8	3.8
	Disagree	18	22.5	22.5	26.3
	Neutral	4	5.0	5.0	31.3
	Agree	47	58.8	58.8	90.0
	Strongly Agree	8	10.0	10.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.10 shows that 3 (3.8%) respondents strongly disagreed, 18 (22.5%) disagreed, 4 (5%) were neutral, 47(58.8%) agreed and 8 (10%) strongly agreed thatthere is automatic recording and processing of all financial transactions. Majority of the respondents 55 (68.8%) generally agreed and this implies that IFMS automatically records and processes financial transactions of Arua District Local Government.This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

5.12 Officers can access permitted information at a click of a button.

The respondents were asked whether officers can access permitted information at a click of a button. Responses obtained are shown in table 5.11.

Table 5.11: Officers can access permitted information at a click of a button

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.5	2.5	2.5
	Disagree	15	18.8	18.8	21.3
	Neutral	6	7.5	7.5	28.8
	Agree	33	41.3	41.3	70.0
	Strongly Agree	24	30.0	30.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.11 shows that 2 (2.5%) respondents strongly disagreed, 15 (18.8%) disagreed, 6 (7.5%) were neutral, 33 (41.3%) agreed and 24 (30%) strongly agreed that officers can access permitted information at a click of a button. Majority of the respondents 57 (71.3%) generally agreed and this implies that IFMS enables easy access to information in Arua District Local Government.

5.13Decision making has improved as a result of IFMS in Arua district.

The respondents were asked whether decision making has improved as a result of IFMS in Arua district. Responses obtained are shown in table 5.12.

Table 5.12: Decision making has improved as a result of IFMS in Arua district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	3.8	3.8	3.8
	Disagree	7	8.8	8.8	12.5
	Neutral	11	13.8	13.8	26.3
	Agree	58	72.5	72.5	98.8
	Strongly Agree	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 5.12 shows that 3 (3.8%) respondents strongly disagreed, 7 (8.8%) disagreed, 11 (13.8%) were neutral, 58 (72.5%) agreed and 1 (1.3%) strongly agreed thatdecision making has improved as a result of IFMS in Arua district. Majority of the respondents 59 (73.8%) generally agreed and this implies that IFMS has improve the decision making process in Arua district through providing information promptly. This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

CHAPTER SIX

IFMS AND VALUE FOR MONEY IN THE PROJECTS CARRIED OUT IN ARUA DISTRICT LOCAL GOVERNMENT

6.1 Introduction

This section of the study examines how IFMS has ensured value for money in the projects carried out in Arua District Local Government. Findings obtained from the field are presented intables that follow.

6.2 Overspending in the district has been eliminated as a result of the use of IFMS

The respondents were asked whether overs pending in the district has been eliminated as a result of the use of IFMS. Responses obtained are shown in table 6.1.

Table 6.1: Overspending in the district has been eliminated because of the application of IFMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	32.5	32.9	32.9
	Disagree	11	13.8	13.9	46.8
	Neutral	11	13.8	13.9	60.8
	Agree	24	30.0	30.4	91.1
	Strongly Agree	8	10.1	8.9	100.0
Total		80	100.0		

Source: Field data

Results in table 6.1 show that, 26 (32.5%) respondents strongly disagreed, 11 (13.8%) of the respondents disagreed, 11 (13.8%) were neutral, 24 (30%) agreed and 7 (8.8%) of them strongly agreedthatthere is elimination of over spending in the district. A slight majority of the respondents 37 (46.3%) generally disagreed and this may imply that IFMS has not managed to curb over spending of the budget in Arua District Local Government.

This therefore means that the use of IFMS needs to be improved to eliminate over spending of the budget in Arua District.

6.3 There is achievement of district departments' objectives.

The respondents were asked whether there is achievement of district departments' objectives. Responses obtained are shown in table 6.2.

Table 6.2: There is achievement of district departments' objectives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	5.0	5.0	5.0
	Disagree	10	12.5	12.5	17.5
	Neutral	11	13.8	13.8	31.3
	Agree	51	63.8	63.8	95.0
	Strongly Agree	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 6.2 indicate that 4 (5%) strongly disagreed, 10 (12.5%) disagreed, 11 (13.8%) were neutral,51 (63.8%) agreed and 4 (5%) strongly agreed that there is achievement of district departments' objectives. Majorityof the respondents 55 (68.8%) generally agreed and implies that IFMS has helped departments in Arua District Local Government to achieve their objectives. This is how IFMS has ensured value for money in service delivery in the district.

6.4 There is compliance with internal laws and regulations

The respondents were asked whether there is compliance with internal laws and regulations. Responses obtained are shown in table 6.3.

Table 6.3: There is compliance with internal laws and regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	17.5	17.5	17.5
	Disagree	22	27.5	27.5	45.0
	Neutral	11	13.8	13.8	58.8
	Agree	32	40.0	40.0	98.8
	Strongly Agree	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 6.3 indicates that 14 (17.5%) respondents strongly disagreed, 22 (27.5%) disagreed, 11 (13.8%) were neutral, 32 (40%)agreed and 1 (1.3%) strongly agreed thatthere is compliance with internal laws and regulations. A slight majority of the respondents 36 (45%) generally disagreed and this may imply that IFMS does not ensure compliance with internal laws and regulations of Arua District Local Government.

6.5 There is proper performance monitoring in the district

The respondents were asked whether there is proper performance monitoring in the district. Responses obtained are shown in table 6.4.

Table 6.4: There is proper performance monitoring in the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	26.3	26.3	26.3
	Disagree	12	15.0	15.0	41.3
	Neutral	11	13.8	13.8	55.0
	Agree	32	40.0	40.0	95.0
	Strongly Agree	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Results in table 6.4 show that, 21 (26.3%) respondents strongly disagreed, 12 (15%) of the respondents disagreed, 11 (13.8%) were neutral, 32 (40%) agreed and 4 (5%) of them strongly agreed that there is proper performance monitoring in the district. Results obtained indicate that a slight majority of the respondents 36 (45%) generally agreed and this implies that FMS has helped Arua District Local Government to ensure proper performance monitoring. This is how IFMS has ensured value for money in service delivery Arua District Local Government.

6.6: There is proper asset management in the district.

The respondents were asked whether there is proper asset management in the district. Responses obtained are shown in table 6.5.

Table 6.5: There is proper asset management in the district

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	20.0	20.0	20.0
	Disagree	28	35.0	35.0	55.0
	Neutral	16	20.0	20.0	75.0
	Agree	17	21.3	21.3	96.3
	Strongly Agree	3	3.8	3.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 6.5 indicates that 16 (20%) respondents strongly disagreed, 28 (35%) disagreed, 16 (20%) were neutral, 17 (21.3%) agreed and 3 (3.8%) agreed that there is proper asset management in the district. Majority of the respondents 44 (55%) generally disagreed and this implies IFMS has not ensured proper asset management in Arua District Local Government.This therefore means that the use of IFMS has to be improved to ensured value for money in service delivery in Arua District Local Government.

"From the interview, it was revealed that IFMS is not used in the inventory department and preliminary procurement process most especially evaluation of the best bidders where conflict of interest from officers canot be monitored. The system only captures the records of the assets but their maintenance and usage cannot be monitored by the system".

6.7: There is proper procurement process in the district.

The respondents were asked whether there is proper procurement process in the district. Responses obtained are shown in table 6.6.

Table 6.6: There is proper procurement process in the district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	29	36.3	36.3	36.3
	Disagree	11	13.8	13.8	50.0
	Neutral	8	10.0	10.0	60.0
	Agree	28	35.0	35.0	95.0
	Strongly Agree	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 6.6 indicate that 29 (36.3%) strongly disagreed, 11 (13.8%) disagreed, 8 (10%) were neutral, 28 (35%) agreed and 4 (5%) strongly agreed that there is proper procurement process in the district. Half of the respondents 40 (50%) generally disagreed and this may imply that the IFMS system in Arua District Local Government may not be used to streamline the procurement process in the district.This therefore means that the use of the IFMS system should be revised to ensure proper procurement process in the district.

"In the interview, it was revealed that there is no transparency and proper accountability when it comes to procurement. Some staff still act as conduits in the procurement process, which the system cannot detect."

6.8 There is prioritized expenditure across policies, programmes and projects in Arua District.

The respondents were asked whether there is prioritized expenditure across policies, programmes and projects in Arua District. Responses obtained are shown in table 6.7.

Table 6.7: There is prioritized expenditure across policies, programmes and projects in Arua District

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	7.5	7.5	7.5
	Disagree	33	41.3	41.3	48.8
	Neutral	8	10.0	10.0	58.8
	Agree	30	37.5	37.5	96.3
	Strongly Agree	3	3.8	3.8	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 6.7 indicates that 6 (7.5%) respondents strongly disagreed, 33 (41.3%) disagreed, 8 (10%) were neutral, 30 (37.5%) agreed and 3 (3.8%) strongly agreed thatthere is prioritized expenditure across policies, programmes and projects in Arua District. A slight majority of the respondents 39 (48.8%) generally disagreed and this may imply that prioritization of expenditure across policies, programmes and projects in Arua District needs to be strengthened using the information provided by IFMS.

6.9 There is efficiency and equity in the allocation of resources in the district.

The respondents were asked whether there is efficiency and equity in the allocation of resources in the district. Responses obtained are shown in table 6.8.

Table 6.8: There is efficiency and equity in the allocation of resources in the district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	10.0	10.0	10.0
	Disagree	43	53.8	53.8	63.8
	Neutral	11	13.8	13.8	77.5
	Agree	17	21.3	21.3	98.8
	Strongly Agree	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Table 6.8 shows that 8 (10%) strongly disagreed, 43 (53.8%) respondents disagreed, 11 (13.8%) were neutral, 17 (21.3%) agreed and 1 (1.3%) strongly agreed thatthere is efficiency and equity in the allocation of resources in the district. Majority of the respondents 51 (63.8%) generally disagreed and this implies that there is no efficiency and equity in the allocation of resources in the district.

6.10 Improved budget planning and execution for budget management

The respondents were asked whether there is improved budget planning and execution through timely and accurate data for budget management. Responses obtained are shown in table 6.9

Table 6.9: Improved budget planning and execution for budget management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	7.5	7.5	7.5
	Disagree	18	22.5	22.5	30.0
	Neutral	7	8.8	8.8	38.8
	Agree	41	51.3	51.3	90.0
	Strongly Agree	8	10.0	10.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 6.9 indicate that 6 (7.5%) respondents strongly disagreed, 18 (22.5%) disagreed, 7 (8.8%) were neutral, 41 (51.3%) agreed and 8 (10%) strongly agreed that there is improved budget planning and execution through timely and accurate data for budget management.Majority of the respondents 49 (61.3%) generally agreed and this implies that IFMS has improved budget planning and execution through providing timely and accurate data for proper budget management.

6.11 There is early detection of excessive payments in the district.

The respondents were asked whether there is early detection of excessive payments in the district. Responses obtained are shown in table 6.10.

Table 6.10: There is early detection of excessive payments in the district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	31	38.8	38.8	38.8
	Disagree	11	13.8	13.8	52.5
	Neutral	4	5.0	5.0	57.5
	Agree	29	36.3	36.3	93.8
	Strongly Agree	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 6.10 indicate that 31 (38.8%) strongly disagreed, 11 (13.8%) disagreed, 4 (5%) were neutral, 29 (36.3%) agreed and 5 (6.3%) strongly agreed that there is early detection of excessive payments in the district. Majority of the respondents 42 (52.1%) generally disagreed and this implies that there is no early detection of excessive payments in the district. Therefore, the IFMS system has not helped to detect excessive payments in the financial management of Arua District Local Government.

6.12 There is early detection of fraud and theft in Arua district.

The respondents were asked whether there is early detection of fraud and theft in Arua district. Responses obtained are shown in table 6.11.

Table 6.11: There is early detection of fraud and theft in Arua district.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	31	38.8	38.8	38.8
	Disagree	14	17.5	17.5	56.3
	Neutral	15	18.8	18.8	75.0
	Agree	16	20.0	20.0	95.0
	Strongly Agree	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

Source: Field data

Findings in table 6.11 indicate that 31 (38.8%) strongly disagreed, 14 (17.5%) disagreed, 15 (18.8%) were neutral, 16 (20%) agreed and 4 (5%) strongly agreed that there is early detection of fraud and theft in Arua district Local Government. Majority of the respondents 45 (56.3%) generally disagreed and this implies that there is no early detection of fraud and theft in Arua District.Therefore, IFMS has not helped to improve early detection of fraud and theft in Arua District Local Government.

"In the interview, it was revealed that when handling especially procurement process, some officers act as conduit suppliers through the tenderers and at the end the suppliers make pacentage payments to them on agreed termsand most importantly the accounting officers together with procurement officers, finance officers and heads of departments tend to delay procurement of some particular goods and services to a later period particularly towards the end of the financial year in a bid to manipulate transaction figures aimed at embezzling public

funds and concocting the accountability to the government to make it appear as though the transactions were genuinely carried out."

6.13 Hypothesis Testing

There is no significant relationship between IFMS and financial reporting in Arua District Local Government. The hypothesis was tested using Multiple Regression Analysis because it helps to determine the overall fit of the model and the relative contribution of each of the predictors to the total variance explained. The model summary is presented in table 6.12.

Table 6.12: Model Summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680[a]	.597	.560	.69097

a.Predictors: (Constant), budgeting, approval, and cash management (IFMS).

b. Dependent Variable: accountability, automation, and value for money.

The results in table 6.12 shows that R square 59.7% of the observed variability in thedependent variable (financial reporting) and this was explained by three variables (accountability, automation, and value for money). r = 0.680 is the correlation coefficient between the observed value of the dependent variable and the predicted value based on the regression model. r = 0.680 with asignificant relationship of 0.000<0.05. This means that if IFMS is well implemented, there will be better financial reporting and if IFMS is not well implemented , then financial reporting in Arua District will experience a set back.

A value close to zero tells that the independent variables are not linearly related to the dependent variables. The observed value of 0.597 is indicating that the linear regression model fits well.

The Adj. R^2 (0.560) is the proportion of the variability in the dependent variable explained by the linear regression. The results show that the IFMS contributes 59.7% to financial reporting in

Arua District Local Government. The remaining 40.3% is contributed by other factors outside the scope of the current study.

Table 6.13: ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.427	3	4.142	22.032	.000
	Residual	13.138	70	.188		
	Total	25.565	73			

a.Predictors: IFMS, (budgeting, approval, and cash management)

b. Dependent Variables: Financial Reporting, (accountability, automation, and value for money.)

The F-ratio in the ANOVA table above tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically and significantly predict the dependent variable, $F(3, 70) = 22.032$, $p < .0005$. Therefore, the regression model is a good fit of the data. The significance level of 0.000 is less than the significance level for 95% confidence and this implies that IFMS influences financial reporting in Arua District Local Government. Therefore, the null hypothesis is rejected.

Table 6.14: Coefficients[o]

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.816	.852		-3.306	.001
	Budgeting	.432	.181	.238	2.388	.021
	Approval	.455	.138	.028	.251	.013
	Cash management	.495	.123	.019	.076	.035

a.Dependent Variable: Financial reporting

The regression matrix in table 6.14 tests what independent variable is more important to the dependent variable. The results indicate that budgeting has Beta=0.238, with p<0.021, and t-statistic= 2.388. The t=2.388 is statistically significant with p<0.05 (0.021) and this signifies that the model fits the data and that there is a significant relationship between budgeting and financial reporting in Arua district.

Approval has Beta=0.028, with p<0.05, and t-statistic=0.251.The t-statistic=0.251 is statistically significant with p<0.05 (0.013) and this signifies that the model fits the data and that there is a significant relationship between approval and financial reporting in Arua district.

Cash management has Beta=0.019, with p<0.05, and t-stat=0.076.The t-statistic=0.251 is statistically significant with p<0.05 (0.035) andthis signifies that the model fits the data and that there is a significant relationship between cash management and financial reporting in Arua district.

CHAPTER SEVEN

TOWARDS HARMONIZING THE ROLE OF IFMS IN FINANCIAL REPORTING IN ARUA DISTRICT LOCAL GOVERNMENT

7.1 Introduction

This chapter presents the harmonization of IFMS and financial reporting. It links the findings of the study to the literature review.

7.2 How IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government.

According to McKinney (2004), the benefits of IFMIS could be argued to be profound. First, the improved recording and process of government financial transactions also allows prompt and efficient access to reliable financial data. Second, IFMIS strengthens financial controls, facilitating a full and updated picture of commitments and expenditure on a continuous basis. Once a commitment is made, the system should be able to trace all the stages of the transaction processing from budget releases, commitment, purchase, payment request, and reconciliation of bank statements and accounting of expenditure.

Majority of the respondents 68 (85%) generally agreed that there is improved recording of government financial transactions. This ensures that every transaction is tracked and it explains how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

According to Dener and Young (2013), most discussants agree that for true lucidity, it is important not only that governments publish budget data on websites, but that the data they disclose are meaningful and provide a full picture of their financial activity to the public. Hendricks (2012) highlights that IFMIS assists management in ensuring accountability for the

deployment and use of public resources and in improving the effectiveness and efficiency of public expenditure programmes.

Majority of the respondents 65(81.3%) generally agreed that the processing of government financial transactions has improved in Arua District Local Government. Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

By tracking financial events through an automated financial system, management is able to exercise improved control over expenditure and to improve transparency and accountability in the budget cycle as a whole.

Majority of the respondents 60 (75.1%) generally agreed that there is prompt and efficient access to financial data through the use of IFMS. Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

IFMIS has many advantages in the government domain including prompt and efficient access to reliable financial data, helping to strengthen a government's financial controls, improving the provision of government services, raising the budget process to higher levels of transparency and accountability, and expediting government operations (Peterson, 2008). The scale and scope of IFMIS can vary from simple general ledger system to a comprehensive system addressing budget, revenue, expenditure control, debt, resource management, human resources, payroll, accounting, financial reporting, and auditing processes across central government or even including local government and other public sector and quasi-governmental agencies and operations (USAID Report, 2008).

Majority of the respondents 42 (52.6%) generally agreed that the IFMS system offers updates on all financial commitments of the district. This is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

Good governance requires local authorities to demonstrate fiscal accountability and transparency in all revenue mobilization and expenditure decisions. This means, citizens should be able to hold governments accountable for the services they provide. This requires governments to provide information to the citizens about decisions they make and how public money is being spent. Therefore, IFMIS is supposed to produce information showing monthly revenue and expenditure. Governments use different communication media such as notice boards and websites to disseminate information to their citizens.

Majority of the respondents 65 (81.3%) generally agreed that IFMS tracks all the transactions of the district throughout the whole process.Therefore, this is how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

Diamond and Khemani (2005) for instance reported that in Tanzania, the benefits of the IFMIS have been extensive, with the restoration of expenditure control and improved levels of transparency and accountability.

However, a slight majority of the respondents 38 (47.6%) generally disagreed that there is no improved control over expenditure in the budget cycle as a whole. This therefore, shows a mixed reaction over whether there has been improved control over expenditure in the budget cycle as a whole in Arua District Local Government.

The Commitment Control System has led to the elimination of overspending, and a substantial reduction in domestic arrears. A number of government bank accounts have been reduced to treasury single accounts maintained at the central bank, and the lag in reconciliation with

banking data has been reduced from up to two years to automatic reconciliation on a daily basis. Comprehensive and fully reconciled fiscal data and reports are available on a continuous basis.

Majority of the respondents 58 (72.5%) generally agreed that IFMS ensures availability of comprehensive and fully reconciled fiscal data and reports on a continuous basis. This is therefore, how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

Good governance requires local authorities to demonstrate fiscal accountability and transparency in all revenue mobilization and expenditure decisions. This means, citizens should be able to hold governments accountable for the services they provide. This requires governments to provide information to the citizens about decisions they make and how public money is being spent. Therefore, IFMIS is supposed to produce information showing monthly revenue and expenditure. Governments use different communication media such as notice boards and websites to disseminate information to their citizens.

Majority of the respondents 64 (80%) generally agreed that IFMS produces information showing monthly revenue and expenditure. This is therefore, how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

7.3 How IFMS has ensured automation of financial reporting in Arua District Local Government.

According to both Dorotinsky (2003) and Rozner (2008), an IFMIS is aninformation system that tracks financial events and summarises financial information. It supports adequate management reporting, policy decisions, fiduciary responsibilities and the preparation of auditable financial statements. In its basic form, an IFMIS is little more than an accountingsystem configured to

operate according to the needs and specifications of the environment in which it is installed (Rodin Brown 2008). In general terms, it refers to the automating offinancial operations.

Majority of the respondents 38 (47.6%) generally agreed that financial transactions in Arua District Local Government are automatically reconciled on a daily basis using IFMS. This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

Financial reports retrospectively describe the results of an organization‘s financial transactions and events in terms of its financial position and performance. According 20 to Simson, Sharma and Aziz (2011), financial reports aim to improve budget compliance. They provide a means for internal or external actors to assess government performance. Thurakam (2007) posit that in order to serve its objectives meaningfully, financial reports must be relevant, accurate, prompt and authentic. The financial statements must be pertinent for the purpose for which they are meant for. Irrelevant and unwanted information should be avoided but at the same time material facts must necessarily be disclosed (Thurakam, 2007).

Results obtained indicate that majority of the respondents 53 (66.3%) generally agreed that processing through IFMS is done on real time. Therefore this is how IFMS has ensured automation of financial reporting in Arua District Local Government.

According to Rupanagunta (2006), transactions data captured in the right formats classified appropriately and presented in simple, easy to use formats can be used as valuable decision support systems. For instance, capturing the specific function performed or service rendered and the nature of the expenditure of each financial transaction undertaken by the government can be used to understand the true cost of service delivery by activity.

Majority of the respondents 59 (73.8%) generally agreed and this implies that IFMS helps to put financial management functions of Arua District Local Government in one pool. This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

The functional process of budgeting can be categorized as those carried out by the central agencies and those carried out by the spending ministries and agencies. Those of the former group are most directly linked to the control framework-indeed one of the main functions of the central agencies (particularly the ministry of finance) is to ensure that the control framework is properly applied through government ministries. This functional process covers two interrelated areas; macro fiscal forecasting, budget preparation and approval, and budget execution, cash management and accounting. The first set of processes supports the objectives of setting fiscal policy and strategic priorities.

Majority of the respondents 63 (78.8%) generally agreed that IFMS automatically updates accounting and financial records of Arua District Local Government when required.This is how IFMS has ensured automation of financial reporting in Arua District Local Government.

Results obtained also indicate that 55 (68.8%) generally agreed that IFMS automatically generates financial reports for Arua District Local Government.

The second set supports the objective of optimizing the use of budgeted resources and ensuring accountability (Allan, 1999). At the start of the budget cycle, the central agencies generally the ministry of finance send the sector agencies a budget circular indicating economic prospects and broad policy objectives (in some cases based on the formal micro economic framework), and giving the parameters within which the budget for each ministry is to be prepared. The circular may give 19 specific ceilings for expenditure by each agency and program. The sector agencies respond with their budget projects (World Bank, 2004).

Majority of the respondents 50 (62.5%) generally agreed and this implies that the IFMS system has helped to streamline the financial management processes in Arua District Local Government. This is therefore, how IFMS has ensured automation of financial reporting in Arua District Local Government.

Dorotinsky (2003) argues that there are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater comprehensiveness and transparency of information. They seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making. IFMIS allow a more standardized and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data.

Majority of the respondents 43 (53.8%) generally agreed that IFMS has ensure availability of accurate, timely and appropriate budget and accounting information for Arua District Local Government.Therespondents 59 (73.8%) also agreed that IFMS has improve the decision making process in Arua district through providing information promptly. This is IFMS has ensured automation of financial reporting in Arua District Local Government.

7.4 How IFMS has ensured value for money in the projects carried out in Arua District Local Government

Internal control systems are the policies and procedures put in place by the management of a government agency in order to ensure the agency achieves its objectives and complies with external laws and regulations. Such policies and procedures tend to cover monetary book-keeping and reporting, performance monitoring, asset management and procurement (Simson et al., 2011). As a management tool IFMIS also enables management to do the following: control

aggregate spending and the deficit, prioritise expenditure across policies, programmes and projects to achieve efficiency and equity in the allocation of resources, make better use of budgeted resources, namely, to achieve outcomes and produce outputs at the lowest possible cost (Hendricks, 2012). In other words, the benefits anticipated in implementing IFMIS are: enhanced governance, reduced fraud, transparency and accountability, and better monitoring and evaluation.

Majority of the respondents 55 (68.8%) generally agreed that IFMS has helped departments in Arua District Local Government to achieve their objectives. This is how IFMS has ensured value for money in service delivery in the district.

Hendricks (2012) submits that a well-designed IFMIS can provide a number of features that may help detect excessive payments, fraud and theft. These include, for example, automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-referencing of asset inventories with equipment purchase to detect theft, automated cash disbursement rules and identification of ghost workers.

Results obtained indicate that a slight majority of the respondents 36 (45%) generally agreed that IFMS has helped Arua District Local Government to ensure proper performance monitoring. This is how IFMS has ensured value for money in service delivery Arua District Local Government.

There are a number of ways in which IFMIS can improve public finance management, but generally IFMIS seek to enhance confidence and credibility of the budget through greater comprehensiveness and transparency of information. They seek to improve budget planning and execution by providing timely and accurate data for budget management and decision making.

IFMIS allow a more standardised and realistic budget formulation across government, while promoting better control over budget execution through the full integration of budget execution data. They also allow for the decentralisation of financial functions and processes under the overall control of the Ministry of Finance, force financial discipline, decrease operating costs by reducing administrative tasks and civil servants' workload.

Majority of the respondents 49 (61.3%) generally agreed that IFMS has improved budget planning and execution through providing timely and accurate data for proper budget management.

In addition, IFMIS also seek to strengthen the efficiency of financial controls by making comprehensive, reliable and timely financial information available to the Auditor General, parliament, investigative and prosecutorial agencies, etc., as they improve accounting, recording and reporting practices through the provision of timely and accurate financial data, a standardised integrated financial management reporting system and an upgraded computerised accounting system. When they work well, they make bank reconciliation automatic and allow a closer monitoring of outstanding bills and cash in bank accounts.

IFMIS can have a deterrent function on corruption by increasing the risks of detection. A well designed IFMIS can provide a number of features that may help detect excessive payments, fraud and theft. These include, for example, automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-reference of asset inventories with equipment purchase to detect theft, automated cash disbursement rules, identification of ghost workers, etc.

CHAPTER EIGHT

SUMMARY, CONCLUSION AND RECOMMENDATIONS OF THE STUDY

8.1 Introduction

This section of the study presents the summary of findings, conclusion and recommendations of the study.

8.2 Examining how IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government.

On how IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government, study revealed that;

Majority of the respondents 68 (85%) generally agreed that there is improved recording of government financial transactions. This ensures that every transaction is tracked and it explains how IFMS has ensured accountability in handling and use of public resources in Arua District Local Government.

Majority of the respondents 65 (81.3%) generally agreed that the processing of government financial transactions has improved in Arua District Local Government.

Majority of the respondents 60 (75.1%) generally agreed that there is prompt and efficient access to financial data through the use of IFMS.

Majority of the respondents 42 (52.6%) generally agreed that the IFMS system offers updates on all financial commitments of the district.

Majority of the respondents 65 (81.3%) generally agreed that IFMS tracks all the transactions of the district throughout the whole process.

However, a slight majority of the respondents 38 (47.6%) generally disagreed that there is no improved control over expenditure in the budget cycle as a whole. This therefore, shows a mixed

reaction over whether there has been improved control over expenditure in the budget cycle as a whole in Arua District Local Government.

Majority of the respondents 58 (72.5%) generally agreed that IFMS ensures availability of comprehensive and fully reconciled fiscal data and reports on a continuous basis.

Majority of the respondents 64 (80%) generally agreed that IFMS produces information showing monthly revenue and expenditure.

In conclusion, IFMIS has many advantages in the government domain including prompt and efficient access to reliable financial data, helping to strengthen a government's financial controls, improving the provision of government services, raising the budget process to higher levels of transparency and accountability, and expediting government operations. The scale and scope of IFMIS can vary from simple general ledger system to a comprehensive system addressing budget, revenue, expenditure control, debt, resource management, human resources, payroll, accounting, financial reporting, and auditing processes across central government or even including local government and other public sector and quasi-governmental agencies and operations.

In view of the findings of the study, the researcher recommends that:

Financialcontrols in Arua District Local Government need to be strengthened. The management of the district should be oriented on how IFMS can be used to ensure financial control and assist management in the deployment and use of public resources.

Thereis need to improve on control over expenditure in the budget cycle as a whole to ensure accountability in the handling and use of public resources in Arua District Local Government.

The district management should empower citizens to hold their leaders accountable as regards service delivery and provide information to the citizens about decisions made and how public money is being spent.

8.3 Analyzing how IFMS has ensured automation of financial reporting in Arua District Local Government.

On howIFMS has ensured automation of financial reporting in Arua District Local Government, the study revealed that:

Majority of the respondents 38 (47.6%) generally agreed that financial transactions in Arua District Local Government are automatically reconciled on a daily basis using IFMS.

Results obtained indicate that majority of the respondents 53 (66.3%) generally agreed that processing through IFMS is done on real time.

Majority of the respondents 59 (73.8%) generally agreed that IFMS helps to put financial management functions of Arua District Local Government in one pool.

Majority of the respondents 63 (78.8%) generally agreed that IFMS automatically updates accounting and financial records of Arua District Local Government when required.

Results obtained also indicate that 55 (68.8%) generally agreed that IFMS automatically generates financial reports for Arua District Local Government.

Majority of the respondents 50 (62.5%) generally agreed that the IFMS system has helped to streamline the financial management processes in Arua District Local Government.

Majority of the respondents 43 (53.8%) generally agreed that IFMS has ensure availability of accurate, timely and appropriate budget and accounting information for Arua District Local Government.

The respondents 59 (73.8%) also agreed that IFMS has improve the decision making process in Arua district through providing information promptly.

In conclusion, IFMS is aninformation system that tracks financial events and summarises financial information. It supports adequate management reporting, policy decisions, fiduciary responsibilities and the preparation of auditable financial statements. In its basic form, an IFMIS is little more than an accountingsystem configured to operate according to the needs and specifications of the environment in which it is installed. In general terms, it refers to the automating offinancial operations.

In view of the findings of the study, the researcher recommends that:

The district should start automatically initiating and processing of all payments using IFMS in order to ensure automation of financial reporting in Arua District Local Government.

All financial transactions in the district should be initiated online and management of the district should use IFMS to streamline all paymentsprocessesin order to ensure automation of financial reporting in Arua District Local Government.

8.4Examining how IFMS has ensured value for money in the projects carried out in Arua District Local Government.

On how IFMS has ensured value for money in the projects carried out in Arua District Local Government, the study revealed that:

A slight majority of the respondents 37 (46.3%) agreed that IFMS has not managed to curb overspending of the budget in Arua District Local Government.

Majority of the respondents 55 (68.8%) generally agreed that IFMS has helped departments in Arua District Local Government to achieve their objectives.

A slight majority of the respondents 36 (45%) agreed that IFMS does not ensure compliance with internal laws and regulations of Arua District Local Government.

Results obtained indicate that a slight majority of the respondents 36 (45%) generally agreed that IFMS has helped Arua District Local Government to ensure proper performance monitoring.

Majority of the respondents 44 (55%) generally agreed IFMS has not ensured proper asset management in Arua District Local Government.

Half of the respondents 40 (50%) generally agreed that the IFMS system in Arua District Local Government has not streamline the procurement process in the district.

Majority of the respondents 51 (63.8%) generally agreed that there is no efficiency and equity in the allocation of resources in the district.

Majority of the respondents 49 (61.3%) generally agreed that IFMS has improved budget planning and execution through providing timely and accurate data for proper budget management.

In conclusion, as a management tool IFMIS enables management to do the following: control aggregate spending and the deficit, prioritise expenditure across policies, programmes and projects to achieve efficiency and equity in the allocation of resources, make better use of budgeted resources, namely, to achieve outcomes and produce outputs at the lowest possible cost.

Awell-designed IFMIS can provide a number of features that may help detect excessive payments, fraud and theft. These include, for example, automated identification of exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-referencing of asset inventories with equipment purchase to detect theft, automated cash disbursement rules and identification of ghost workers..

In view of the findings of the study, the researcher recommends that:

IFMS should be used to eliminate overspending of the budget in Arua District.

The management of the district should ensure that there is strict compliance with internal laws and regulations of Arua District Local Government.

The users of the IFMS should be trained and given frequent trainings to help them understand the system well. This will help them to use the system effectively to benefit the district and ensure value for money in service delivery in Arua District Local Government.

Prioritizationof expenditure across policies, programmes and projects in Arua District should be strengthened using the information provided by IFMS.

Key departments such as internal audit should be given priority to use the IFMIS since they provide checks and financial adviseon both financial and non financial activities of the district.

8.5 Areas for further research

There is need for further research in the following areas:

1) IFMS and its adaptability to different environments in Uganda.
2) IFMS and capacity building for different districts

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APPENDIX 1:QUESTIONNAIRE

Dear Respondent,

This questionnaire comes from Alini .B. Victor, a student of Nkumba University pursuing a Degree of Master in Business Administration. You are kindly requested to spare some time and fill in this questionnaire. This is purely an academic research titled *"The role of IFMS on financial reporting in the local government in Uganda, a case study ofArua District Local Government".* Any responses given will be treated with utmost confidentiality. So feel free to give the most appropriate answer by ticking in the box or filling in the space provided.

SECTION A: Background information of respondents

Instructions: For section A, Tick the appropriate option

1. Gender

a) Male ☐

b) Female ☐

2. Age group

a) 20-30 years ☐ b) 31-40 years ☐

c) 41-50 years ☐ d) 50+ years ☐

3. Marital status

a) Single ☐ b) Married ☐

c) Divorced ☐ d) Widowed ☐

4. Level of education

Please state the highest level of education attained

a) Masters ☐ d) Certificate ☐

b) Degree ☐ e) None ☐

c) Diploma ☐ f) Others (specify)…….

5. Duration in current employment in Arua

a) 0-3 years ☐ b) 4-6 years ☐

c) 7-10 yearsd) 10 years and above ☐ ☐

6. Department/Category

CAO's Office ☐ Health ☐

Town clerk ☐ Education ☐

Human resource ☐ Finance ☐

Planning unit ☐ Works department ☐

Community services ☐ Environment & Natural Resources ☐

Production and ☐ MarketingPolitical leaders ☐

Opinion leaders ☐

SECTION B: How IFMS has ensured accountability in the handling and use of public resources in Arua District Local Government.

7.There is improved recording of government financial transactions.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

8.There is improved processing of government financial transactions.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

9. There isprompt and efficient access to financial data through the use of IFMS.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

10. IFMIS strengthens financial controls in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

11. IFMIS facilitates a full and updated picture of commitments and expenditure on a continuous basis.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

12. IFMS traces all the stages of the transaction processing from budget releases to payment request.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

13. IFMIS assists management in the deployment and use of public resources.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

14. There is tracking of financial events through an automated financial system.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

15. There is improved control over expenditure in the budget cycle as a whole.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

16. Comprehensive and fully reconciled fiscal data and reports are available on a continuous basis.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

17. Citizens are able to hold district officials accountable for the services they provide.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

18. IFMS provides information to the citizens about decisions made and how public money is being spent.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

19. IFMIS produces information showing monthly revenue and expenditure.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION C: How IFMS has ensured automation of financial reporting in Arua District Local Government.

20. There is automatic reconciliation of financial transactions on a daily basis.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

21. Transactions can be initiated online.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

22. Processing through IFMS is done on real time

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

23. All financial management functions are put into one suite of applications.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

24. There is automatic update of accounting and financial records.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

25. There is automatic initiation and processing of all payments in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

26. There is automatic reporting on the financial activities of the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

27. There are streamlined fiscal and financial management processes in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

28. There is accurate, timely and appropriate budget and accounting information.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

29. There is automatic recording and processing of all financial transactions.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

30. Officers can access permitted information at a click of a button.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

31. Decision making has improved as a result of IFMS in Arua district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION D: How IFMS has ensured value for money in the projects carried out in Arua District Local Government.

32. Over spending in the district has been eliminated as a result of the use of IFMS

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

33. There is achievement of district departments' objectives.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

34. There is compliance with internal laws and regulations.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

35. There is proper performance monitoring in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

36. There is proper asset management in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

37. There is proper procurement process in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

38. There is prioritized expenditure across policies, programmes and projects in Arua District.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

39. There is efficiency and equity in the allocation of resources in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

40. There is improved budget planning and execution through timely and accurate data for budget management.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

41. There is early detection of excessive payments in the district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

42. There is early detection of fraud and theft in Arua district.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Thank you very much for your co-operation

APPENDIX 11: INTERVIEW GUIDE

1. Duration in current employment

a) 0-3 years ☐ b) 4-6 years ☐

c) Over 6 years ☐

2. Is there improved recording and processing of government financial transactions in the district?

3. Is there prompt and efficient access to reliable financial data using IFMS?

4. Is there tracking of financial events through an automated financial system?

5. Is there improved control over expenditure in the budget cycle as a whole in the district?

6. Is there improved transparency and accountability in the budget cycle as a whole?

7. Is there automatic reconciliation of financial transactions on a daily basis?

8.Are there automated patterns of suspicious activities in the system?

9. Is there automated identification of exceptions to normal operations?

10. Are there automated cash disbursement rules and identification of irregularities?

11. Is there automatic initiation and processing of all payments in the district?

12. Are there streamlined fiscal and financial management processes in the district?

13. Is there accurate, timely and appropriate budget and accounting information?

14. Is there elimination of overspending in the district?

15. Is there achievement of district departments' objectives through the use of IFMS?

16. Is there proper performance monitoring, asset management and procurement in the district?

17. Is there prioritized expenditure across policies, programmes and projects in Arua District?

18. Is there efficiency and equity in the allocation of resources in the district?