

An analysis of the effects of financial decentralisation on the financial reporting in Kamuli District Local Government

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ABSTRACT

This study was an analysis of the effects of financial decentralisation on financial reporting in Kamuli district local government. The study was based on three objectives, to examine the contribution of the local authority personnel in the implementation of financial decentralization policy, to assess the mode of financial planning and budgeting and to establish the relationship between financial decentralisation and financial reporting in Kamuli district. The methodology employed in data collection was descriptive survey and the use of questionnaires was the major method of data collection. The descriptive survey was used in order to get a wide perspective of the subject under study. The study looked at the budgeting, budget control, and Development work plans in Kamuli district for the period between 2004/2005, 2005/06, 2006/2007. The research has revealed that policy makers in local governments greatly depend on financial reports to make policy decisions for development. Thus, it is of great importance to under take effective reporting in order to have timely and meaningful planning. But effective financial reporting was lacking due to lack of full involvement of stakeholders and members of the community in the budgeting and planning process. There is no proper schedule of duties and responsibilities assigned to particular staff hence some are made redundant. There is poor delegation of duties which has led to lack of morale to perform and has played a great role in high rate of labour turnover for the experienced staff. The researcher therefore, recommended that in order for Local governments to achieve their plans and set objectives, there must be timely and meaningful reporting. It was further recommended that the central government through the ministry of local government and Public Service need to improve on there supervision over local governments. It should conduct seminars and workshops, refresher courses to equip different personnel at different levels of responsibilities in local governments so as to avoid redundancies. In addition, there is a great need for Local governments to improve on their recruitment and motivational policies, in order to be able to acquire, retain qualified and experienced staff in their areas