



**THE RELATIONSHIP BETWEEN INTEGRATED FINANCIAL MANAGEMENT  
SYSTEM AND FINANCIAL ACCOUNTABILITY  
A CASE STUDY OF PALLISA DISTRICT  
LOCAL GOVERNMENT**

**OMAL WYCLIFE**

**BU/UP/2023/1360**

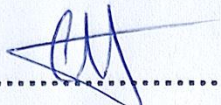
**2300401360**

**[omalwyclife.ac.ug@gmail.com](mailto:omalwyclife.ac.ug@gmail.com)**

**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF MANAGEMNET  
SCIENCES, DEPARTMENT OF ECONOMICS AND MANAGEMENT  
IN PARTIAL FULFILMENT FOR THE REQUIREMENT OF  
AWARD OF A BACHELORS IN BUSINESS  
ADMINISTRATION OF BUSITEMA  
UNIVERSIRTY  
AUGUST, 2025**

**DECLARATION**

I, **Omal Wyclife**, hereby declare that the work submitted in this project for the partial fulfillment of the requirements for the award of a Bachelor's degree in Business Administration at Busitema University is entirely my own original work. It has not been submitted, either in whole or in part, to any other institution for any academic award.

SIGNATURE.....


**OMAL WYCLIFE**

DATE 10/08/2025.....

**APPROVAL**

This is to certify that the research report entitled “**the relationship between integrated financial management system and financial accountability in Pallisa District Local Government**” has been prepared by **Omal Wyclife** under my supervision and is hereby submitted with my approval.

**Supervisor:**

**SIGNED:**  .....

MR. EMOJONG RONALD

**DATE:** 10/August/25 .....

## **DEDICATION**

This research is dedicated to my family members especially my mum Mrs. Ajambo Margret my dad Mr. Anjong Joseph and also my beloved sisters Athieno Dorcus and Nayadoi Dorothy not forgetting my beloved friends who managed to sacrifice their precious time in praying and paying my tuition during my study, may the almighty God reward and bless you abundantly.

## ACKNOWLEDGMENT

Work of this nature can only be accomplished with support and guidance. I therefore wish to extend my sincere gratitude and appreciation to my supervisor, **Mr. Emojong Ronald**, whose dedication, time, and insightful corrections at various stages of my research significantly improved the quality of this work.

I also wish to acknowledge the inspiration and encouragement from my father, **Anjong Joseph**, and my mother, **Ajambo Margaret**. Their unwavering support motivated me to pursue this course. My heartfelt thanks go to my sisters, **Atheino Dorcus** and **Nyadoi Dorothy**, as well as my classmates and friends **Nandase Fatuma**, **Wandera Jacob**, and **Muzaale Gerald** who have been instrumental in my academic progress in one way or another.

I sincerely thank all the respondents in advance for the time they will dedicate to providing information for this study. Finally, I am grateful to all my well-wishers and friends who have supported me spiritually, morally, and financially throughout this journey

## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGMENT.....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
LIST OF ACRONYMS .....	x
DEFINITION OF KEY TERMS .....	xi
ABSTRACT.....	xii
CHAPTER ONE.....	1
INTRODUCTION .....	1
1.0 Introduction.....	1
1.1 Background of the Study .....	1
1.2 Statement of the Problem.....	3
1.3 Purpose of the Study .....	4
1.4 Research Objectives.....	4
1.5 Research Questions .....	4
1.6.0 Study Scope .....	4
1.6.1 Content Scope .....	4
1.6.2 Geographical Scope .....	5
1.6.3 Time Scope .....	5
1.7.0 Significance of the Study.....	5
1.8 Conceptual Framework.....	6
CHAPTER TWO .....	8
2.0 Introduction.....	8
2.1 Theoretical Review .....	8
2.2.0 Empirical Review of Literature .....	9
2.2.1 System Budgeting and Financial Accountability.....	9
2.2.2 System Accounting and Financial Accountability.....	10

2.2.3 System Reporting and Financial Accountability .....	11
CHAPTER THREE .....	13
RESEARCH METHODOLOGY .....	13
3.0 Introduction.....	13
3.1 Research Design.....	13
<b>3.2 Study Population</b> .....	13
<b>3.3 Sample Size</b> .....	13
3.4 Sampling Method.....	14
3.5 Type and Sources of Data .....	14
3.6 Data Collection Methods .....	15
3.7 Data Analysis Plan.....	15
3.8 Data Analysis Techniques and Methods.....	15
3.9 Reliability and Validity of Research Instruments.....	16
3.10 Ethical Considerations .....	16
CHAPTER FOUR.....	18
PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS .....	18
4.0 Introduction.....	18
4.1 Response Rate.....	18
4.2 Demographic Information.....	18
4.2.1 Gender of Respondents .....	18
4.2.2 Education Characteristics.....	19
4.2.3 Work Experience Characteristics.....	19
4.2.4. Age Characteristics .....	20
4.3 Correlations Analysis.....	20
4.4.1 System Accounting and Financial Accountability.....	21
4.4.2 System Accounting and Financial Accountability.....	21
4.4.3 System Reporting and Financial Accountability .....	21
4.5 Regression Analysis.....	22
4.5.1 System Budgeting and Financial Accountability.....	22
4.5.2 System Accounting and Financial Accountability.....	23
4.5.2 System Reporting and Financial Accountability .....	23
CHAPTER FIVE: .....	25

DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS .....	25
5.0. Introduction.....	25
5.1.0 Discussion of the Study Findings .....	25
5.1.1 System Budgeting and Financial Accountability.....	25
5.1.2 System Accounting and Financial Performance .....	26
5.1.3 System Reporting and Financial Accountability .....	28
5.2 Conclusion .....	29
5.3 Recommendations.....	29
5.4 limitations of the Study.....	30
5.5 Areas for Further Research .....	31
REFERENCES .....	32
APPENDICIES .....	40
Appendix i: Introductory Letter .....	40
Appendix ii: Questionnaire.....	41
Appendix iii: Budget Estimates .....	46
Appendix iv: Research work plan.....	47
Appendix v: Krejcie and Morgan table.....	48

## LIST OF TABLES

Table 3. 1 Showing Sample Size Determination .....	14
Table 3. 2 Showing Reliability and Validity of results.....	16
Table 4. 1 Showing Gender of Respondents.....	18
Table 4. 2 Showing Education Level Characteristics .....	19
Table 4. 3 Showing Work Experience Characteristics .....	19
Table 4. 4 Showing Age Characteristics.....	20
Table 4. 5 Showing Correlation Analysis between Variables .....	21
Table 4. 6 System Accounting and Financial Accountability.....	22
Table 4. 7 System Accounting and Financial Accountability.....	23
Table 4. 8 System Reporting and Financial Accountability .....	24

## LIST OF FIGURES

Figure 1: Showing Conceptual framework of the relationship between integrated financial management and financial accountability.....	6
--	---

## **LIST OF ACRONYMS**

COVID	Corona Virus Disease
CVI	Content Validity Index
FA	Financial Accountability
IBP	International Budget Partnership
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
KSHS	Kenya shillings
LG	Local Government
LGFC	Local Government Finance Commission
MoFPED	Ministry of Finance, Planning and Economic Development
OECD	Organization of east African community development
OPM	Office of the Prime Minister
PDLG	Pallisa District Local Government
SAIs	Supreme Audit Institutions (SAIs),
SHS	Shillings
SPSS	Statistical Package for Social Sciences
UGSHS	Uganda shillings
USA	United states of America

## DEFINITION OF KEY TERMS

**An Integrated Financial Management System** is a comprehensive system that automates and links all public financial management processes in real time, allowing governments to better plan, execute, and monitor their budgets and financial operations (World Bank, 2025).

**System budgeting** refers to the automation and integration of budget formulation, execution, and reporting processes within a unified financial management information system, allowing for real-time data access, improved financial control, and evidence-based decision-making (Rubin, 2021).

**System accounting** is the automated and standardized process of recording and reporting financial transactions within an integrated platform, allowing for consistent, timely, and accurate financial data across all levels of government (Diamond & Khemani, 2021)

**System reporting** refers to the automated generation and dissemination of financial reports that provide timely, accurate, and comprehensive information on public financial activities (World Bank, 2025).

**Financial accountability** refers to the obligation of individuals and organizations, particularly those handling public resources, to account for their financial activities, ensure transparency in the use of funds, and accept responsibility for any shortcomings. It involves accurate financial reporting, adherence to legal frameworks, and mechanisms for oversight and control to prevent misuse or misallocation of resources (Muslim & Ratna, 2023).

## **ABSTRACT**

The sought to establish the relationship between integrated financial management system and financial accountability in Pallisa District Local Government. The study objectives were: the effect of system budgeting, system accounting, and system reporting on financial accountability in local governments, with a focus on Pallisa District Local Government in Uganda. A cross-sectional research design was employed, using a quantitative research approach based on statistical analysis. Data were collected from selected officials in the district and analyzed to establish the predictive power of each system component on financial accountability. The findings revealed that system budgeting significantly enhances financial accountability by providing structured resource allocation and expenditure control mechanisms. System accounting was found to positively influence financial accountability through accurate recording, classification, and reporting of financial transactions, thereby improving transparency and decision-making. Similarly, system reporting had a significant positive effect on financial accountability by ensuring timely, relevant, and reliable financial information for oversight and governance. The study concluded that strengthening system budgeting, system accounting, and system reporting is critical for promoting financial accountability in local governments. It recommends the establishment of robust budgeting frameworks, competent accounting systems, and comprehensive reporting mechanisms to enhance transparency and reduce the risk of financial mismanagement. However, the study was limited by its cross-sectional design, reliance on quantitative methods, and focus on a single district. Future research should adopt longitudinal designs, incorporate qualitative approaches, and expand the scope to cover multiple regions while considering mediating or moderating variables to better understand the mechanisms linking these systems to financial accountability.

# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

This chapter delineates the foundational aspects of the research, covering the background, statement of the problem, purpose, objectives, research questions, scope (including content, geographical, and time dimensions), significance and conceptual framework.

### 1.1 Background of the Study

Financial accountability refers to the obligations of public officials and entities to manage public funds efficiently, transparently, and in compliance with laws and regulations (Lesedi, 2025). Financial accountability in local governments is vital for ensuring transparency, effective resource management and public trust (Matovu et al., 2025). It enables local governments to demonstrate stewardship over funds, reduce corruption, and improve service delivery by aligning expenditures with development priorities, it also supports compliance with legal frameworks and promotes sustainable fiscal management essential for socio-economic development (Kato & Mirembe, 2025). Despite of the above relevance of financial accountability, many local governments continue to face significant challenges in its implementation thus leading to misappropriation of funds, reduced public trust, and poor service delivery, highlighting the gap between theoretical importance and practical realities (Kato & Mirembe, 2025)

Globally, the International Budget Partnership's 2023 Open Budget Survey revealed that the global average transparency score was 45 out of 100, falling short of the 61-point threshold deemed necessary for adequate budget transparency (Claire, 2020). She added that even among developed nations, many failed to publish essential budget documents timely, with 33% not releasing annual audit reports online promptly. Furthermore, Audit and oversight institutions, such as Supreme Audit Institutions (SAIs), also faced significant hurdles. A study by Eriole (2023) found that 88% of countries surveyed had low- or medium-quality institutional frameworks for public auditing. She concluded that notably, 48% of SAIs were not financially autonomous, and 38% experienced interference in selecting audit topics, undermining their effectiveness in ensuring accountability.

## REFERENCES

- ACODE. (2022). Local Government Councils Scorecard Report 2021/2022. *Advocates Coalition for Development and Environment*. <https://www.acode-u.org>
- Adeyemi, B., Okechukwu, U., & Lawal, T. (2020). Integrated financial management systems and fiscal transparency in Nigeria. *African Journal of Accounting and Public Finance*, 5(2), 58–72.
- Adeyemi, B., Oladipo, O., & Oladipo, O. (2019). Budget automation and its impact on public sector financial accountability in Nigeria. *Journal of Public Administration and Policy Research*, 11(3), 45–55.
- Adu-Gyamfi, E. (2021). Enhancing transparency through digital budgeting systems in public financial management. *African Journal of Public Administration*, 13(1), 34–47.
- aouattara. (2019). Despite Legal Frameworks, Corruption Still Thrives in Côte d’Ivoire. *International Ant-Corruption Conference*.
- Ayoo, C. O. (2020). *Contribution of Integrated Financial Management Systems (IFMIS) on Financial Accountability within Devolved Governments: In Nairobi City County, Kenya*. Africa Nazarene University. <http://repository.anu.ac.ke/handle/123456789/604>
- Babbie, E. R. (2020). *The Practice of Social Research* 15th ed. *Cengage Learning*.
- Chinomso, S. (2024). Mali Prosecutes Ex-Officials Over Jet Purchase Scandal. *News Central*.
- Claire, S. (2020). Challenges in Transparency, Oversight as Governments Respond to Pandemic. *International Journal of Government Auditing*, 47(3). <http://intosaijournal.org/our-submissions/journal-submission/>
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). *SAGE Publications*.

- Creswell, J. W., & Creswell, J. D. (2023). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (6th ed.). *SAGE Publications*.
- Dawson, C. (2007). *A practical guide to research methods: A user-friendly manual for mastering research techniques and projects* (3rd ed.). *How To Books*.
- Diamond, J., & Khemani, P. (2021). *Introducing financial management information systems in developing countries* (2nd ed.). *International Monetary Fund*.
- DiMaggio, P. J., & Powell, W. W. (1983). *The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields*.
- Emmanuel, C., Dorcas, M., & Grace, L. (2024). *Conceptual Frameworks*.
- Eriole, Z. N. T. (2023). Public auditing: What impact does the quality of the institutional framework have on the level of corruption? *International Review of Administrative Sciences*, 89(4), 1131-1146. <https://doi.org/10.1177/00208523231155>
- Festus, P. (2024). Liberia suspends central bank governor over audit. *Bloomberg*.
- Fleming, J., & Zegwaard, K. E. (2018). *Methodologies, methods and ethical considerations for conducting research in work-integrated learning*.
- Inspectorate of Government. (2023). *IG Performance Report 2022/2023*. *Kampala, Uganda*.
- Johnston, M. P. (2017). *Secondary data analysis: A method of which the time has come*. *Qualitative and Quantitative Methods in Libraries*, 3(3), 619–626.
- Kamau, J. N., & Njiru, J. K. (2019). Effect of budgeting practices on financial performance of county governments in Kenya. *International Journal of Economics, Commerce and Management*, 7(5), 213–229.
- Kariuki, J. M. (2020). Credit management and financial performance of microfinance institutions in Kenya. *Journal of Finance and Accounting*, 4(1), 13-27.

- Kato, J., & Mirembe, F. (2025). Financial accountability and governance in local governments: A study from East Africa. *Journal of Public Administration and Finance*, 10(1), 45-59.
- Kibet, L. C., & Tumwet, C. (2019). Financial reporting and its role in enhancing accountability in devolved governments in Kenya. *Journal of Economics and Public Finance*, 5(2), 26–35.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques* (2nd ed.). *New Age International Publishers*.
- Kumar, R. (2019). *Research methodology: A step-by-step guide for beginners* (5th ed.).
- Kumar, R. (2022). *Research methodology: A step-by-step guide for beginners* (6th ed.). *SAGE Publications*.
- Lesedi, S. M. (2025). There's a crisis of accountability in local government. *The Mail & Guardian*.
- LGFC. (2023). *Annual Performance Report FY 2022/2023*. Kampala, Uganda. *Local Government Finance Commission*.
- Lwanga, F., & Sserwanga, A. (2022). Programme-based budgeting and financial control in Uganda's public sector. *African Journal of Management and Administration*, 5(1), 45–63.
- Massawe, G., & Komba, H. (2021). Budget execution and compliance in Tanzania's decentralized governments. *Tanzania Journal of Administrative Studies*, 14(1), 22–38.
- Matovu, J., Nyambane, D., & Sewanyina, M. (2025). Determining the Relationship between Internal Controls and Financial Accountability in Bushenyi District Local Government, Uganda. *Asian Journal of Economics, Business and Accounting*, 25(3), 328–336.  
<https://doi.org/10.9734/ajeba/2025/v25i31713>

- Meyer, W. J., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340–363.  
<https://doi.org/10.1086/226550>
- Ministry of Local Government. (2024). *Internal Audit and Oversight Capacity Assessment Report for Local Governments*. Kampala: MoLG.
- Misairi, K. (2025). Financial chaos Exposed; auditor general’s findings on key ministries 2023/2024. *Parliament Watch*.
- MoFPED. (2023a). Local Government Budget Execution Report FY 2022/2023. Kampala: MoFPED. *Ministry of Finance, Planning and Economic Development*.
- MoFPED. (2023b). Public Financial Management Reform Report FY 2022/23. Kampala, Uganda. *Ministry of Finance, Planning and Economic Development*.
- Mugabe, T., & Namara, P. (2021). The effect of computerized accounting on financial accountability in Ugandan local governments. *African Journal of Public Sector Management*, 13(1), 45–58.
- Mugisha, D., & Kintu, A. (2020). Electronic reporting and financial accountability in Uganda’s district local governments. *Journal of Public Sector Management*, 11(2), 33–46.
- Mugisha, P. (2023). System budgeting frameworks and financial accountability in decentralized governance. *International Journal of Public Sector Finance*, 8(3), 55–70.
- Mugume, A., & Mugume, A. (2020). Challenges in the implementation of e-budgeting in Ugandan local governments. *Eastern Africa Journal of Finance and Economics*, 8(2), 56–70.

- Mulei, M. K. (2021). Influence of financial reporting on public financial accountability: A case of county governments in Kenya. *Journal of Public Sector Accounting and Finance*, 11(2), 88–97.
- Muslim, M., & Ratna, S. (2023). Accountability and Transparency in Public Sector Accounting: A Systematic Review. *Amkop Management Accounting Review (AMAR)*, 3(2), 90–106.  
<https://doi.org/10.37531/amar.v3i2.1440>
- Mutua, D. M. (2019). Performance-based budgeting and accountability in the public sector: Evidence from county governments in Kenya. *Public Finance and Management Journal*, 19(4), 301–318.
- Mutua, P., & Okoth, L. (2023). E-budgeting and citizen trust in county governments in Kenya. *Journal of Digital Governance in Africa*, 4(2), 19–33.
- Muwema, T., & Phiri, J. (2020). The Impact of Integrated Financial Management Information Systems on Procurement Process in Public Sector in Developing Countries—A Case of Zambia. *Open Journal of Business and Management*, 8(2), 983-996.  
<https://doi.org/10.4236/ojbm.2020.82062>
- Mwangi, J., & Nyongesa, J. (2020). ICT-based accounting systems and financial reporting accuracy in Kenyan counties. *Journal of Public Administration and Finance*, 6(2), 78–91.
- Mwangi, P., & Ndungu, J. (2021). The role of ICT in public expenditure reporting in Kenyan counties. *East African Journal of Governance*, 7(1), 25–39.
- Mwangi, P. W., & Karanja, L. W. (2020). Influence of accounting systems on financial accountability in public sector organizations in Kenya. *International Journal of Accounting and Finance*, 8(2), 134–148.

- Nabukeera, M., & Kakumba, U. (2023). System-based budgeting and institutional capacity: A case of Uganda. *Journal of African Governance and Accountability*, 9(1), 71–85.
- Nabwire, S. (2021). The role of structured budgeting systems in promoting transparency in public financial management. *Journal of African Public Policy*, 4(2), 112–128.
- Njoroge, D. M. (2021). Role of accounting systems in enhancing financial accountability: A case study of Nairobi City County. *International Journal of Public Finance and Management*, 9(1), 25–38.
- Nunnally, J. C. (1978). *Psychometric theory (2nd ed.)*. McGraw-Hill.
- OAG. (2023). Annual Report of the Auditor General for the Year Ended 30th June 2023. Kampala, Uganda. *Office of the Auditor General*.
- Ogachi, D. M., Miroga, J., & Otinga, H. N. (2024). Integrated Financial Management Information System (IFMIS) Practices and Financial Prudence of Kisii County Government, Kenya. *The Strategic Journal of Business & Change Management*, 11(2), 622-641. <http://dx.doi.org/10.61426/sjbcm.v11i2.2932>
- Okello, R. (2024). System-based budgeting and disclosure practices in Uganda’s local government. *Public Sector Accounting Review*, 12(1), 77–94.
- Olive, N. (2024). Supplementary Budgets Are Wasteful, Undermine Planning Auditor General. *URN, Business and Finance*. <https://ugandaradionetwork.net/story/supplementary-budgets-are-wasteful-auditor-general>
- Olupot, C. (2024). Integrated Financial Management System and Financial Accountability in Uganda Local Government: A Case Study of Kumi District Local Government. *Uganda Christian University*. <https://hdl.handle.net/20.500.12311/1629>

- OPM. (2022). Parish Development Model Implementation Guidelines. Kampala, Uganda. *Office of the Prime Minister*.
- Osei-Tutu, E., Mensah, J., & Amponsah, R. (2019). Integrated financial systems and audit outcomes in sub-Saharan Africa. *Public Finance Research Journal*, 5(3), 99–115.
- Otieno, D. O., & Simiyu, N. N. (2020). Effect of financial reporting practices on financial accountability in public sector institutions in Kenya. *International Journal of Accounting and Finance*, 9(1), 101–112.
- Polit, D. F., & Beck, C. T. (2006). The content validity index: Are you sure you know what's being reported? *Research in Nursing & Health*, 29(5), 489-497.  
<https://doi.org/10.1002/nur.20147>
- Rahman, M. H. (2013). Integrated financial management information system and public expenditure management in Bangladesh: Challenges and opportunities. *Journal of Business and Management*, 12(2).
- Redruth, N., David, A. A., Simon, A. E. M., & Michael, K. G. (2020). Effects of risk assessment, control environment and control activities on performance of listed Banks in Ghana. *Asian Journal of Economics Business and Accounting*, 14(4), 18–33.  
<https://doi.org/10.9734/ajeba/2020/v14i430200>
- Resnik, D. B. (2020). *Ethics of research with human subjects: Protecting people, advancing science, promoting trust*. Springer.
- Rubin, I. S. (2021). The politics of public budgeting: *Getting and Spending, Borrowing and Balancing (9th Ed.)*. CQ Press.

- Schouten, C. (2020). Challenges in Transparency, Oversight as Governments Respond to Pandemic. *INTOSAI Journal*. <https://www.intosaijournal.org/journal-entry/ibp-identifies-transparency-oversight-challenges-amid-pandemic-responses/>
- Scott, W. R. (2004). Institutional theory: Contributing to a theoretical research program. *Great Minds in Management*, 37, 460–484.
- Scott, W. R. (2008). Institutions and organizations: Ideas and interests (3rd ed.). *SAGE Publications*.
- Ssenyonjo, J. (2024). Assessing the impact of ICT-enabled budgeting on financial accountability in East African public sectors. *East African Journal of Public Finance*, 6(1), 40–53.
- Tumwebaze, A., & Alinda, F. (2022). Effectiveness of Integrated Financial Management Systems in Uganda’s public sector. *Journal of Government Financial Management*, 72(2), 88–101.
- Wambua, F. M., & Muturi, W. (2019). Effect of accounting practices on financial accountability in county governments. *Journal of Public Administration and Policy Research*, 11(3), 45–53.
- World Bank. (2025). Financial inclusion and service delivery in sub-Saharan Africa: Progress and challenges. *World Bank Publications*.