BUDGETING PROCESS AND BUDGET PERFORMANCE OF CATHOLIC HOSPITALS IN MASAKA DIOCESE

A CASE OF ST. JOSEPH'S HOSPITAL KITOVU, MASAKA DIOCESE, NYENDO-SSENYANGE DIVISION – MASAKA DISTRICT

BY

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DECLARATION

I Alinaitwe Albert hereby declare that this work is my own initiative. It has never been submitted to any other institution of learning partially or in its entirety for the award of any other academic qualification.

Signed…………………………… Date………………………………

APPROVAL

This research report by...has been done under my supervision and is now ready for submission with my approval

. Signature ……………………………

MR. AHABWE ALEX

(SUPERVISOR)

Date ……………………………………

DEDICATION

This research is dedicated to Sr. Lucy Ekyagonza who has supported my education, management of St. Joseph's hospital Kitovu who granted me permission to carryout research in their organisation and to my parents Mr. Ayesiga Gerald and Mrs. Suzan Ayesiga who explained to me the value of education and encouraged me to study so as to be enlightened.

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LIST OF ACRONYMS

BC	Budget control
BP	Budget planning
DM	Daughters of Mary.
MMM	Medical Missionaries of Mary.
MTEF	Medium-Term Expenditure Framework
OMB	Office of Management and Budget
PNFP	Private not for profit
RM	Revenue Management
USA	United States of America

ABSTRACT

The study was set to find out the relationship between Budgeting Process and Budget Performance of Catholic Hospitals in Masaka Diocese a case of St. Joseph Hospital Kitovu; the objectives of the study were; to establish the relationship between budget planning on budget performance at St. Joseph's Hospital Kitovu, to establish the relationship between budget Participation on budget performance at St. Joseph's Hospital Kitovu and to establish the relationship between budget control on budget performance at St. Joseph's Hospital Kitovu.

The study was guided by the goal setting theory as the main theory. The research employed a case study design by adopting both qualitative and quantitative approaches. A sample of 80 respondents was considered out of a total population of 105 using Krejcie and Morgan table. The data collection tools used included questionnaire and documentary review. Data was analyzed using SPSS (21).

The findings of the study from the first objective showed that, the relationship between budget planning and budget performance has a high positive and significant relationship (r=709) (70.9%) and the effect was shown by a beta value of 0.086. For the second objective of Budget participation and budget performance, results showed a high positive and significant relationship with budget performance at r =0.736 (73.6%) implying that an improvement in budget participation positively results into an improvement in budget performance. The findings about budget control which was the third objective also showed that there was a high positive and significant relationship with budget performance r =0.866 (86.6%). This implies that an improvement in budget control positively results into an improvement in budget performance by 86.6%. It can be said that among all factors, budget control is the most important element of the budgeting process and it has showed significant interactions with all elements of budget performance. And when all the elements of budget process combined together, results showed a correlation R= 0.892, Adjusted R=0.795, while the adjusted R Square is 0.787, these findings imply that budgeting process with all its dimensions (budget planning, control and participation) predict budget performance by 78.7%.

The study recommends, that budget planning should be considered at the onset of the budgeting process by all the stakeholders involved in the budgeting process; budget participation should be well handled and managed by the management of the hospital and lastly that the management of the hospitals in Masaka diocese in particular St. Joseph's hospital Kitovu which is considered in this study should take budget control as a vital aspect of the entire budget process, this is because from the findings, it has proved to be the most influential and the best predictor of budget performance.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This study was carried out at St. Joseph's Hospital Kitovu as a case study on the relationship between budgeting process and budget performance in private not-for-profit (PNFP) hospitals. The budgeting process was the study's independent variable, and budget performance was the study's dependent variable. This chapter discusses the study's background, problem statement, purpose, research objectives, and research questions, as well as the study's significance and justification, and scope.

1.2Background to the study

The study's background is presented in this section from four perspectives: historical, theoretical, conceptual, and contextual.

1.2.1 Historical background

Budgeting in a global context, such as the United States of America (USA), is a time-consuming and complicated procedure. It entails the involvement of both the executive and legislative branches. The budget process begins a year and a half before the fiscal year begins, when the Office of Management and Budget (OMB) gives planning recommendations to agencies in April. The budget includes spending and income predictions, information on the economy's performance, and legislative and policy recommendations. (Congressional Research Service, 2012, as cited in Kamau*et al*, 2017, p.257).

In June-February, Office of Management and Budget conducts an internal review exercise focused on management and programmatic priorities in each department, ensures budget estimates are prepared and reviewed. Prior to its possible release, the President's budget is first debated in the spring by federal agencies that work under the Office of Management and Budget inside the executive branch.In late summer, each department sends its request to the Office of Management and Budget. These requests are then examined by the White House's Office of Management and Budget and personnel. The President’s budget documentation should be finalized by December and publication usually occurs in January. The final president’s budget is submitted to Congress on /or before first Tuesday of February in accordance with Budget and Accounting Act of 1921 (Congressional Research Service, 2012, as cited in Kamau*et al*, 2017).

The President's budget, which is expected to be released in early February, provides Congress with an analysis of the President's principal budget proposals, as well as historical patterns and program statistics. The first step in the legislative budget process is to draft a concurrent budget resolution. The Budget Committee in both the House and the Senate is in charge of marking up and reporting the budget resolution, and if enacted, it will follow the same rules for floor discussion. According to the Congressional Budget and Impoundment Control Act of 1974, the final adoption of the budget resolution must be accomplished by April 15. (Folscher, 2007).

Reconciliation legislation is periodically used by Congress to bring existing income and expenditure policies into compliance with the budget resolution. Reconciliation legislation is used to amend existing law's financial authority or expenditure outlays. In recent years, however, Congress has modified the reconciliation process to focus entirely on deficit reduction. (Congressional Research Service, 2012).

While several reasons have been presented for the late submission and poor performance of the federal budget, the budgeting process has been pronounced to be the culprit (Babalola, 2008).

In Africa and Nigeria specifically, budget process is on annual basis and has become a standard practice backed by legal provisions such as constitution and financial regulations in various states. The Budget Process begins on January 1st and ends December 31st.Early in the fiscal year, the Budget Office meets to review and determine trends in revenue performance and macroeconomic indicators, as well as their implications for the next three fiscal years. Following this income determination, the Medium-Term Expenditure Framework (MTEF) is established, which outlines important categories of expenditure (statutory transfers, debt service, and expenditure by Ministries, Departments, and Agencies (MDAs), as well as the expected fiscal balance. (Suleiman, 2015).

According to the guide of the budget process 2009 by the legislative basis for the budget process is entrenched in the Uganda Constitution 1995, the Local Government Act 1997, the Budget Act 2001, and the Public Finance and Accountability Act 2003, according to Uganda's ministry of finance, planning, and economic development. The legal basis for the creation and adoption of the national budget is laid forth in Articles 155-158 of Chapter 9 of the Constitution of the Republic of Uganda, 1995. The budget is created through a process that is open, transparent, and inclusive. The goal of the consultation process is to gather input from all stakeholders during the budget development process, ensuring that the national budget reflects all stakeholders' perspectives, goals, and priorities.

1.2.2 Theoretical background

In the study, the researcher adopted a goal setting theory of motivation that was developed by Locke and Latham in the late 1960s.According to his theory of task motivation and rewards, employees were motivated by clear goals and appropriate feedback. Locke also emphasized that, working toward a goal gives a significant amount of incentive for achieving the objective, which increases performance. He demonstrated in this study that there was a link between the difficulty and specificity of a goal and people's job performance. Specific and difficult goals, according to Locke, can lead to higher job performance than ambiguous ones. A person must have clear goals that are measurable and not ambiguous in order to inspire goals. There is less doubt about what activities will be rewarded when a goal is clear and specific with a stated deadline for completion. (Gregory, 2001).

Goals affect performance through four key pathways, according to goal-setting theory (Latham 2004). Goals, for starters, have a directive role. They focus on an employee's attention and effort on activities that are related to the company's goals and away from those that aren't. Goals, on the other hand, have an invigorating effect. As a result, high goals elicit more effort than low goals. Thirdly, goals have an impact on persistence. When participants are given control over how much time they spend on an activity, hard goals increase effort. Finally, goals influence action indirectly by boosting arousal, discovery, and/or use of task-relevant knowledge and methods, all of which increase the likelihood of success. (Locke and Latham 2002). These four methods explain how goal setting affects an employee's performance, but they don't explain where the motivational element of goals comes from.

When moderating elements such as macroeconomic circumstances, motivation, employee attitudes, and commitments are carefully considered, goal setting is one of the most potent and evidence-based strategies for improving performance.

For the Catholic hospitals in Masaka Diocese and in particular St. Joseph's hospital Kitovu to achieve its vision for a healthy service delivery of the clients and stakeholders, it is important to set realistic goals, objectives and derive activities that should be implemented with measurable outcomes towards the determined vision. This can only be possible when goals are set, resources mobilized and utilized to accomplish set objectives. Budgets have to be planned for, with participation from relevant stakeholders who control and coordinate them according to the hospital sources of revenue and measured for the impact upon the activities being carried out and beneficiaries served. It is upon this background that the researcher adopted the goal setting theory by Locke as evidence based benchmark to support the rationale for the choice of the theory.

As (Shields and Young 1993) put it, budgeting functions as a director of variations between organizational objectives and performance, and is a crucial aspect of the umbrella notion of effective budget performance. Budgets forecast future financial performance, allowing you to assess the financial sustainability of a strategy.In most organisations, this process is formalized by generating annual budgets and assessing performance against budget goals (Silva and Jayamaha, 2012).

A budget provides for the establishment of a goal and benchmark for budget performance, followed by a comparison of actual results to the available and desired standards. It necessitates individuals concerned in budgeting to look forward rather than backward. Budgets help to clarify goals, code learning, improve control, and contract with other parties (Selznick, 2008).Fisher exemplified this by linking compensation to performance measures against the budget, thereby making goals clear, communicating goals as well as coding learning and clarifying performance measures for individual employees of an organisation (Goldstein, 2005).

Therefore, budgeting assists in planning by formalizing objectives or goals through a budget. Through the budget, the organisation will be able to decide what inputs are needed to attain the output of goods and services, and to make sure that everything will be available at the right time. The budget communicates and co-ordinates because it is agreed upon by the entire stakeholders that work to achieve the overall goals of the organisation. The budget helps in monitoring the income and expenditure of the organization and identifies, resolve or clarify any potential confusion of any anticipated problems before hand. All departments in Kitovu Hospital should be in a position to play their part in achieving the overall goals of their departments through budgeting process.

1.2.3 Conceptual background

Björn, J. & Andersson, B. (2014)defined a process as a series of interconnected and linked procedures that utilize one or more resources (employee time, energy, machines, money) to convert inputs (data, material, parts, and so on) into outputs at each stage. These outputs are then used as inputs for the following stage, and so on, until a specific objective or end result is achieved.

The budget process is the method by which an organization constructs its budget. A successful budgeting process involves those who are responsible for sticking to the budget and carrying out the organization's goals in the budgeting process. The process includes both finance committee and senior staff participation, and a timeframe is developed to allow enough time for research, evaluation, feedback, modifications, and other activities before the budget is ready for presentation to the whole board.(Dropkin et al., 2011)

According to Neely, (2007), performance is defined as the completion of a work to predetermined, established requirements of accuracy, completeness, cost, and speed. In a contract, performance is defined as the execution of an obligation in such a way that the performer is released from all contractual obligations.

Budgeting is a basic and essential process that allows businesses to attain their goals. There are several goals that businesses seek to achieve when they create and implement a budget. These goals include control, evaluation, planning, communication, and motivation (Lucey, 2004). Kariuki (2010) suggests that budgeting is a process of planning the financial operations of a business.

Mott (2012) defines budget Performance as the comparison of planned budget and actual performance. It allows comparing the actual account transactions in a specific period with the budget figures of the same periods. In this study, budget performance refers to the extent of variance; the smaller the variance the better the budget performance and the bigger the variance the poorer the budget performance. In other words budget performance in this study is perceived to mean that the nearer the actual figures are to the budget figures the better the budget performance therefore good budget performance is where by actual figures are too close to the budgeted figures.

Budget performance was measured in terms of revenue collection and expenditure performance. This is in line with the assertions of Stutely (2013) where he noted that the yardstick of budget performance should be budget to actual comparison for both revenue and expenditure items.

Expenditure performance relates to how closely management monitors costs in order to optimize revenue profit. (France, 2013). A budget to actual spending comparison would be used to determine expenditure performance as a measure for budget performance. Comparing actual expenditure to budget estimates is one way to measure performance. This allows one to observe where the budget was surpassed, as well as the unfavorable deviations. (Reddy, P.N., Appannaiah, H.R. and Sathyaprasad 2010).

Revenue management (RM) is a business approach that tries to optimize revenue from every company transaction by using dynamic pricing and effective inventory allocation to meet anticipated demand. The use of RM systems has been shown to improve revenue. However, in order to estimate demand, determine room rates, develop plans, and track success, RM activities necessitate knowledge sharing. (Aubke et al., 2014)

Budget planning is the process of preparing detailed, short-term plans for all the functions, departments and activities of the organization. It is important that the short-term plans and objectives that make up the budget are related to the long-term plan and objectives of the organization. The budget may be drawn up by preparing an overall budget for the organization which is then broken down into more detailed budgets for the different parts of the organization (the top-down approach) or by devising budgets for the various parts of the organisation and then bringing them together to build up the overall budget (the bottom up approach). Carol Rylee, et all,(2011),they also stressed integrated planning, which is a process in which the institution's vision, mission, and academic priorities are effectively linked, coordinated, and driven by all planning and budgeting processes at all levels of the organization.

According to Simons (2013) Budget Control is the process of establishment of budgets relating to various activities and comparing the budgeted figures with the actual performance for arriving at deviations, if any. Accordingly, there cannot be budget control without budgets. Budget Control is a system which uses budgets as a means of planning and controlling. (Sahaf, 2009)

Budget Control is not effective unless there is continuous flow of budget reports. These reports should be prepared at regular intervals (say monthly) to show comparison of actual performance with that budgeted. Such reports may be presented to heads of budget centers, showing favorable or unfavorable variances from budget figures. These heads of budget centers should explain these variances to the top management so that necessary corrective action may be taken(Hope & Fraser, 2013).

The intake of resources and the output of services for each unit of an organization are reflected in budget performance. Government bodies frequently utilize this budget to highlight the relationship between public funds and the outcomes of services given by the federal, state, or municipal governments. Richardson (2009) defines budget performance as a subjective assessment of the budget's success based on asset utilization and income production from its principal mode of operation.

1.2.4Contextual background

Over time, the Roman Catholic Church has grown to become the world's largest non-government supplier of healthcare services. (Vickery 2015,p.202). The Catholic Church oversees 26% of the world's medical services offices, according to the Pontifical Council for the Pastoral Care of Health Care Workers. However, the Catholic Church's operations are not independent; the church works hand in hand with the central and local governments in the areas where the hospitals operate. (Arbuckle, G.A. 2000)

Masaka Diocesan Medical Services (MDMS) is a department that derives health services in the Diocese through three thematic areas namely; coordination of diocesan health facilities, medical supplies and Community Based Health Services. St. Joseph’s Hospital Kitovu is under Masaka Diocese and is directly supervised by Uganda Catholic Medical Bureau (UCMB) and MDMS.

Kitovu Hospital is a private Not for profit, is legally owned by Masaka Catholic Diocese and part of Uganda Catholic Medical Bureau Network. It’s a general hospital located within Masaka municipality at Ssenyange hill, which is 5 km from Masaka town. Catchment area of the hospital is greater Masaka districts. The late Arch Bishop Joseph Kiwanuka and the Religious Congregation of the Medical Missionaries of Mary (M.M.M) Sisters founded it in 1955. From 1955 to December 15, 2001, the M.M.M. Sisters operated the hospital, handing over authority to the indigenous Bannabiikira (Daughters of Mary -DM) Sisters of Bwanda Kalungu. (Strategic Plan Book 2019-2024)

The Hospitals offers a wide range of services; out Patients services, specialized services including medical, surgical, pediatrics and gynecological services, antenatal, immunization and nutrition unit, HIV counseling and testing, ultra sound scan, laboratory blood bank services, community health care, and laboratory training school. (Strategic Plan Book 2019-2024)

St. Joseph's Hospital Kitovu carries out budgeting every financial year, during the budgeting time, targets/goals are set by the board of governors and given to management to be achieved within the budget period usually a year. These annual targets are drawn from the strategic plan of the organisation. Budget targets/goals help to motive management and at the same time used as a yard stick to measure performance. This is in line with Locke and Latham the developer of the Goal setting theory who asserts that employees are motivated with clear goal and appropriate feedback. Selznick, (2008) in his support for the budgeting emphasizes a similar point of view where he asserts that budgets make goals clear, code learning, facilitate control and contract with external parties.

Kitovu Hospital's budgeting procedure includes a financial welfare policy. For example, it shows where money is projected to come from, how management distributes it to various projects and departments, and critical areas to concentrate on. This aids management in budgeting and forecasting, allowing the hospital to achieve its vision and goal by reducing expenditures and needless spending.

Kitovu Hospital is required by the Masaka Diocese and its donors to prepare realistic budgets every financial year with an acceptable variance of +-15% for both revenues and expenditure. This has always been respected by the hospital management at least for the last five years though with huge budget variances.

The financial statements for past four years indicate that, income had variances between34 - 365% under/over estimated revenue, and on the expenditure part, statements showed variances between 22% - 220% over/under estimated. (Hospital Master Budgets 2016 to 2020)

Overspending suffocates planned activities in other budget line items, while under spending leaves agreed-upon priority goals unfulfilled during budgeting. Overall under spending raises concerns about staff capacity to use funds and the potential of donor budget cuts, whereas overall overspending raises concerns about the budgeting process' accuracy and appropriateness, as well as whether the right objectives were selected.

1.3 Problem Statement

Budgeting has traditionally been seen as one of the most significant management tools for steering an organisation, evaluating its performance, and motivating its people (Berkun, 2008).Budgeting provides framework for making decisions by establishing goals, objectives and strategies, it is oriented towards the future and involves an awareness of how today's decisions will affect tomorrow's opportunities. In spite of the existence of elaborative budgeting process exercise carried out every financial year with the aim of attaining the acceptable budget variance (+/-15%), budget performance of Kitovu hospital has been poor. For example, the financial statements for last four years, ended 2020 showed that revenue collection as well as its expenditure does not match the budget figures, budget performance variances 46%-365% of over expenditure and 22%-195% of under expenditure consistently continue to exist. Incomes are not spared, same budget performance reports show variances of under estimation and over estimations shooting beyond 200%.

Such big variances have culminated into adverse effects in the smooth management of the hospital, for example the hospital often suffers from stock outs of medical supplies, poor rating by the regulatory bodies such as Uganda Catholic Medical Bureau and Masaka Diocesan Medical Services, warnings and sometimes budget cuts by donors as well as high labour turnover of specialized staff. It’s not clear though, whether this poor budget performance can be attributed to the budgeting process, what is certain is that such a situation can affect the overall long term performance of Kitovu Hospital, hence the need to examine what could be missing in the budgeting process that causes significant consistent budget performance variations during budget implementation yet the Hospitals invests time and money to go through the elaborative budgeting process every financial year.

1.4 General Objectives

To find out the relationship between budgeting process and budget performance in Catholic Hospitals in Masaka Diocese a case of St. Joseph’s Hospital Kitovu in Masaka Diocese.

1.5 Specific Objectives of the Study

i) To establish the relationship between budget planning on budget performance at St. Joseph’s Hospital Kitovu

ii) To establish the relationship between budget participation on budget performance at St. Joseph’s Hospital Kitovu.

iii) To establish the relationship between budget controls on budget performance at St. Joseph’s Hospital Kitovu.

1.6 Research Questions

i. How does budget planning relate to budget performance at St. Joseph’s hospital Kitovu?

ii. How does budget participation relate budget performance at St. Joseph’s hospital Kitovu?

iii. How does budget control relate budget performance at St. Joseph’s hospital Kitovu?

1.7 Scope of the Study

1.7.1 Content Scope

At St. Joseph's Hospital Kitovu, the researchers looked at the relationship between the budgeting process in terms of budget planning, participation, and controls, and budgeting performance in terms of revenue collection and expenditure performance.

1.7.2 Geographical Scope

The study was carried out at St. Joseph's hospital Kitovu, a faith based non-profit making Hospital in Masaka Diocese. This choice was based at the fact that Kitovu Hospital is the biggest Catholic hospital in the diocese with well-established management departments and prepares audited financial statements which is a major basis of this study.

1.7.3 Time scope

The study concentrated on a four year period from July 2016 to June 2020, this is because financial statements for the selected time period showed bigger variances between budget figures and the actual figures.

1.8 Significance of the Study

The study findings and recommendations may benefit senior leadership team of Masaka Catholic Diocese, Catholic Medical services, the Bannabikira (Daughters on Mary) Sisters and institution managers to know where to put much emphasis on the elements of the budgeting process and improve the quality of budgeting process that might better financial performance and guide management decisions. The study findings shall be made available for use by the policy makers to improve budget performance of the hospital

The study findings may be used by other stakeholders for example, donors and the government to enable the identification of budget control methods that are essential to financial management that enhance financial performance, improve the budget planning which may improve revenue collection, in identifying the grey areas of expenditure and strategic measures of controlling expenditure that may improve budget performance and to analyze the linkage and relationship between budgeting process and budget performance of nonprofit making organisations.

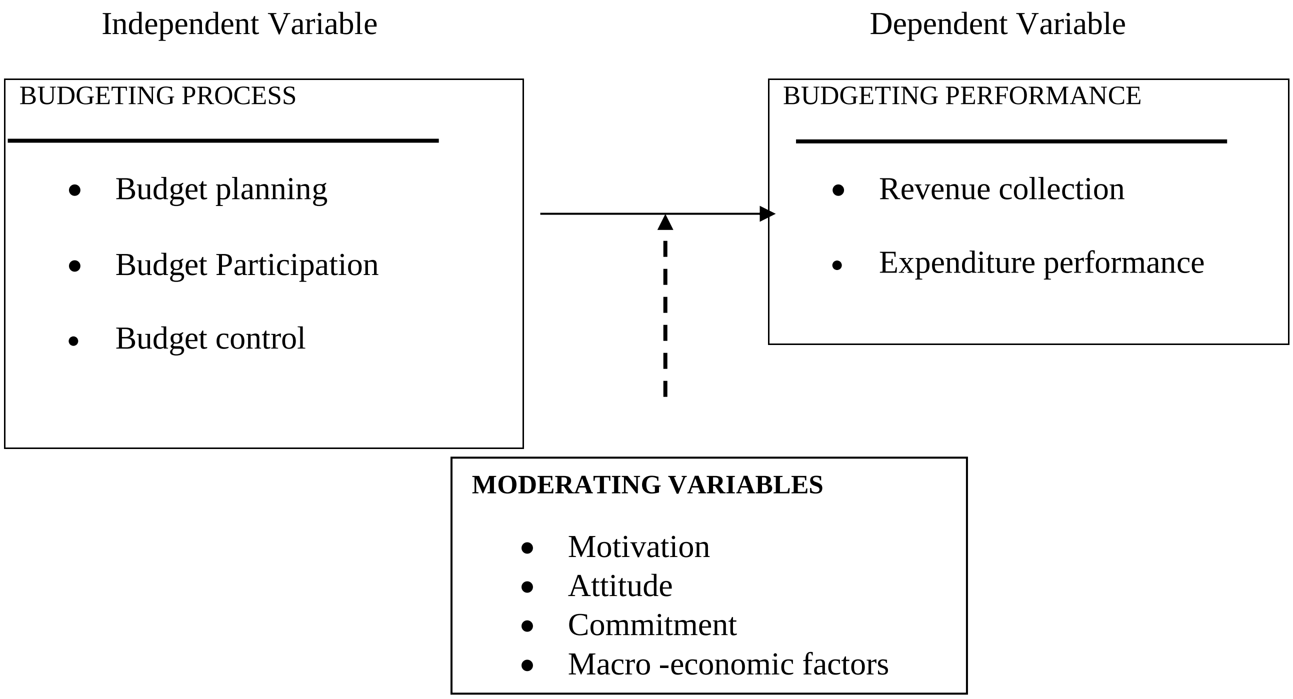
Researchers and scholars: The study is going to generate literature that can be used to form a basis for future research in budgeting process which is a primary concern for researchers. Scholars in institutions management may appreciate the findings of this study to evaluate budgeting process vis-a-vis other result based approaches in budget performance.

1.9 Justification of the Study

It is evident that a number of studies have been carried out on budgeting process and organisation performance. However many researchers have placed their emphasis on the financial performance of the organisation in terms budget outputs. This study on contrally emphasized budget performance in terms of revenue correction and expenditure efficiency and effectiveness, this together with the persistent big variances in budget performance reports of Kitovu hospital justified the study and prompted the researcher to attempt to fill the existing gaps.

1.10. Conceptual Framework

Fig 1 explains the relationship between the variables under the study, the budget process (Independent Variable) and budget performance (Dependent variable)



Source: Adapted with modifications from Brier and Hirst (2000).

The conceptual framework explains the relationship between Independent Variable (IV), budgeting process which consists of budget planning, budget participation and budget control, and the dependent Variable (DV); budget performance which will be measured by revenue collection and expenditure management. It assumes that once the dimensions under independent variable are in place, then the results will be budget performance. However, the results or outcomes might also be influenced by the moderating variables like Macro-economic factors, Motivation, employee commitment, and employee attitudes that guides the overall financial performance.

A well-established budgeting process should result into great budgeting performance. If the organisation has a good budget planning, involvement of all stakeholders and proper budget control measures, such an organisation should realize great performance in form of revenue collection and control of expenditure.

It is important to note that organizations ought to have a well elaborated budgeting process which should be well documented and popularized to the respective stakeholders. It is inappropriate to have a well elaborated budgeting process in place, or on paper; but when the implementers (management, and staff) have inadequate knowledge on how to maintain the budget planning, how to get involved in budget participation and the control measures to adopt.

1.11 **CONCLUSION.**

The major aim of conducting this research is to critically analyze the budgeting process and budget performance of catholic hospitals in masaka diocese. This is to be backed up by relevant literature review as stated in chapter two.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews theories and previous work on budgeting process and budget performance. There are four primary sections in this chapter. The study's theoretical framework is presented in the first section. The second section presents literature survey, the third section presents conceptual framework whereas the fourth section provides a review of literature in line with the three study objectives.

2.1. Theoretical Framework

The study was guided by the goal setting theory. Budgets aid in setting priorities in the organisation by comparing organisation mission, vision and the available resources. The mission and vision are further split into manageable annual tasks called goals. Achieving the budget outcomes is an achievement of the goal in its self and a strong motivator, ambiguity in goals is a manifestation of poor planning and ultimately poor performance, hence the choice of the theory.

2.1.1 Goal setting theory

Locke created the goal-setting theory in the late 1960s. Employees were motivated by clear goals and adequate feedback, according to his paper toward a theory of task motivation and rewards. He also emphasizes that working toward a goal gives a significant source of incentive to achieve it, which increases performance. There is a substantially lower possibility of misunderstandings when employees/stakeholders understand budget objectives. (Gregory, 2001).

He demonstrated in this study that there was a link between the difficulty and specificity of a goal and people's job performance. Specific and difficult goals, according to Locke, can lead to higher job performance than ambiguous ones. Goals should be challenging enough to keep individuals interested and motivated as they work toward them. Excessively tough or laborious goals demotivate people and cause them to be less satisfied with their accomplishments. (Gregory 2001).

Locke and Latham's seminal work theory of goal setting and job performance was released in 1990. They emphasized the need of defining precise and difficult goals in their book, as well as the qualities of successful goal planning, which include setting measurable, specified, and challenging goals. To inspire people, they must have clear, quantifiable, and unambiguous goals. When a goal is clear and detailed, with a set deadline for completion, there is less ambiguity about which behaviors will be rewarded. (Gregory 2001).

The level of difficulty, according to Locke, is the most important feature. Individuals are frequently motivated by success, and they will criticize a goal based on the implications of predicted success. If goals are to be effective, they must be set and agreed upon. Budget goals must be developed and agreed upon in order to be effective, and budgets require clear communication and the opportunity to explain expectations through feedback. Adjusting objectives reduces stress and enhances recognition in the budget planning process. Choosing the right type of budget goal necessitates an effective goal program that also includes feedback. (Gregory, 2001).

Goals should be very specific in terms of the desired outcome and how it will be measured. Clear goals, like the SMART (Systematic, Measurable, Achievable, Realistic, and Time-bound) goal-setting approach, should aid in comprehending the task at hand, measuring results, and attaining success. Job discontent is caused by the failure to achieve goals. As a result, Goal Setting Theory can help predict job satisfaction and, as a result, employee engagement.

St. Joseph's Hospital Kitovu carries out budgeting every financial year, during the budgeting time, targets/goals are set by the board of governors and given to management to be achieved within the budget period usually a year. These annual targets are drown from the strategic plan of the organisation. Budget targets/goals help to motive management and at the same time used as a yard stick to measure performance. This is in line with Locke and Latham the developer of the Goal setting theory who asserts that employees are motivated with clear goal and appropriate feedback. In support of the budgeting, Selznick (2008) emphasizes a similar point of view, claiming that budgets clarify goals, code learning, facilitate control, and contract with external parties.

2.2. Literature survey

Many studies have been carried out in the area of budgeting process and budgeting performance, whereby most of them focus on effective budgeting and budget control system and participatory budget setting and budget commitment as a factor that affects performance mainly in Public organisations and NGO's. However, none of them has conducted specifically on importance of budget planning, budget participation and budget control and performance in Catholic Hospitals in Uganda. The researcher is intending to fill in this gap

A survey made by Robert Kengara (2020) on effects of budget processes on organizational performance at the Marine State Agencies in Kenya indicated that there was a positive significant relationship between budget processes for intense budget planning, budget control and budget implementation, monitoring and evaluation on organization performance. Secondly, the study found out that, there was a positive correlation coefficient between budget processes and organization performance. The study utilized descriptive research design. The study recommended that organizations should embrace budget process in order to realize superior performance. However, the study was carried out in Marine State Agencies, Kenya whereas the intended research was carried out in catholic hospitals in Masaka Diocese and in particular St. Joseph's hospital Kitovu.

John KuriaKamau, Dr. Gladys Rotich&WicliffeAnyango (2017), conducted a survey on the effects of budgeting process on budget performance of state corporations majorly in Kenyatta national hospital in Kenya. The study used descriptive research design, as part of methodology where random sampling was used to obtain the sample of 72 respondents from structured questions used to gather quantitative primary data. The study established that budget participation has an effect on budget performance of State Corporations in Kenya. The study concluded that budget participation had the greatest effect on the budget performance of State Corporations of Kenya, followed by budget control, then budget feedback while budgeting sophistication had the least effect on the budget performance of State Corporations of Kenya.

The study recommended that staff proposals should be taken into consideration since budget participation is measured from the following factors; the ability for the subordinates to influence the design of the budget, extent the superior manager contacts the subordinates. The study further recommended that there should be clear communications channels in all corporations. Further still the study recommended that to add weight to this study, another study should be done to investigate the factors affecting performance in state corporations of Kenya.

However, the study basically looked at public corporations hence the need to also research about private not for profit hospitals. Secondly, the researcher studied budget process using variables such as budget participation, budgeting sophistication, Budget feedback and Budget Controls. The current researcher covered budget process in terms of budget planning, budget participation and budget control.

Fred Kifubangabo Gandi (2010) conducted a study on the contribution of budgeting and budget control to the financial performance of selected local non-governmental organizations (NGOs) in

Uganda. The researcher used the following methodology during research; Correlation research design, Random sampling, cluster, Primary & secondary through structured questionnaire, Interview as data collection methods. The study found that there is a significant positive relationships between budgeting and NGO financial performance and budget control and NGO financial performance. The study concluded that donor policy compromises the contribution of budgeting and budget control on NGOs' financial performance.

The study recommended that NGO should diversify their revenue sources to reduce their dependence on donor funding and also improve their budgeting plans and budget control systems.

The researcher intends to fill the following gaps; the study emphasized on budgeting, budget control systems, donor policy approaches, whereas the intended research on contrally was carried out in a PNFP and it looked at budgeting process in terms of budget planning, budget participation and control.

2.3.0 Actual Review of Related Literature

2.3.1 Budgeting Process and Budget Performance

A budget, according to Anon (2013c), is a "plan articulated in quantitative and usually monetary terms for a given period of time, usually a year."A budget, according to Shim et al. (2011), is a "formal expression of management plans and objectives that span all aspects of operation for a given time period." He defines a budget as a "plan of action." It is not static, but rather dynamic. It's just as good for a smart withdrawal as it is for a fast onslaught. As a result, those who have properly planned their methods will be successful. Budgets will be dynamic in the sense that new development policies will arise as a result of this. This is typically stated in terms of numbers.

A budget, according to Debarshi (2011), is a financial quantitative declaration of the policy to be pursued for a specified period of time in order to achieve a specific goal, established and authorized prior to that period. Examples include income, spending, and capital employment. To reflect the continuously changing conditions in the corporate environment, a budget must be evaluated and adjusted on a regular basis. As a result, a budget includes a precise statement of the expected receipts, anticipated expenditures, and disbursements under each heading. It allows the authorities to decide on specific revenue and expenditure items within the context of the overall plan. To function effectively, any government must adopt realistic policies for converting available resources to the state's development needs. (Pathi,2010). Budgeting is the process of putting the agreed-upon program into action as part of a long-term strategy. A budget system's goal is to meet management's demands in terms of judgments and decisions that must be made, as well as to offer a framework for management's planning and control activities.(Tsamenyi & Uddin, 2009)

Budget proponents say that budgets serve a variety of functions. Budgets, according to Anon (2004), help to distribute resources, organize operations, and provide a mechanism for performance. Measurement. Anon (2013b) agrees, claiming that the budget is a commonly employed tool for managerial control. The ability to limit how much money is spent on certain processes is a major advantage of utilizing a corporate budget. Budgets are typically a detailed examination of how a firm intends to spend money in the future. Many businesses prepare budgets on a yearly basis in order to properly detail the anticipated demands of each department. Dropkin et al., (2011) also agree that budgets are necessary for many nonprofit groups to obtain funding; he claims that, first and foremost, government funders and foundations will not accept a grant application without a properly drafted budget. He goes on to say that even if a funding source or donor is willing to provide funds in the absence of a budget, a well-managed nonprofit organization will still prepare a detailed budget for spending the funds, because the top economic priority of any nonprofit organisation should be staying solvent, and budgeting is the best way to achieve this goal.

A budget opponent, on the other hand, According to Clowes&Scriven (2010), budget preparation is not a guarantee of success. The performance of employees and management, as well as the general operating environment and economic conditions, will all play a role in the success of the project. They also claim that the budget process is likely to be costly in terms of both monetary costs and staff time, both at the start and throughout its operation.

According to Redburn et al. (2015), a budget is a management tool for articulating and enacting policy goals in tangible terms. As an integral part of planning, budget plays a significant role in the development process, as it is via budget that goals and targets for the effective mobilization of people and material resources for the fulfillment of specified organizational objectives are achieved.

As a result, a budget can be thought of as a detailed and numerical plan. It shows data on the acquisition and use of financial and other resources during a given time period, which might be long (two to ten years) or short (less than two years) (one- to two-year, or monthly, or daily-based). Budgets need management to outline expected sales, cash inflows and outflows, and costs in the case of a market business. (Hansen &Mowen, 2014).According to Stouffer (2012), "budgeting" is the act of generating a budget or the actions of forecasting and qualifying future requirements. Budgets also provide reasonable and practical data that aids and enables organizational decision-making. Because the scale and complexity of an organization's operations influence the budgeting method it should use, this study focused on the budgeting process of Catholic hospitals in terms of budget planning, involvement, and control. As a result, in this study, we define budgeting process as budget planning, budget participation, and budget control.

2.3.2. Budget Planning and Budget Performance

The process of generating accurate, short-term plans for all of the organization's roles, departments, and activities is known as budgeting planning. The short-term plans and objectives of the budget must be related to the organization's long-term goals and objectives. The budget can be created in one of two ways: by first creating an overall budget for the organization, which is then broken down into more detailed budgets for various parts of the organization (the top-down approach), or by first creating budgets for various parts of the organization, which are then combined to create the overall budget (the bottom-up approach) (the bottom up approach).Carol Rylee, et al,(2011),they also stressed integrated planning, which is a process in which the institution's vision, mission, and academic priorities are effectively linked, coordinated, and driven by all planning and budgeting processes at all levels of the organization.

Long-term planning, strategic planning, and short-term planning are all elements of the budgeting system. (Drury, 2013). Furthermore, short-term planning must take into account the current environment, as well as the physical, human, and financial resources available to the firm. Choosing goals and taking efforts to achieve them is what planning implies. It is connected to budgeting because it involves predicting and planning for the future. The organization can examine where it is meant to be in terms of objectives and goals by planning. This is based on the data system.(Drucker, 2012)

Clear objectives and goals are trademarks of good planning. It should be straightforward and thorough. As a result, good planning includes a discussion of priorities as well as the planning control cycle. Because there are so many things to do, it's critical that they're listed in order of choice. The strategy should be well-balanced and flexible in order to account for resource changes, and it should be time-bound. Plans that are properly covered specify what is to be done, when it will be done, and how it will be done (Berkun, 2008). Priorities and the planning control cycle are mentioned in good planning. Because there are so many things to do, it's critical that they are listed in order of choice.

Budget preparation is consequently essential for business success, and budgeting forces planning to occur. The organization will not function properly if this is not done correctly (Lucy, 1996).This technique encourages managers to foresee problems before they occur, as well as hasty decisions made on the spur of the moment, rather than based on sound judgment (Murphy and Peek, 1980). As a result, the budgeting process should be guided by an organization's goal and priorities.As a result of the prior research discussed above, there is a growing notion that budgets are less useful in today's increasingly demanding business environment. As a result, understanding budgeting methods can help determine whether budgets are still effective planning and control instruments. The researcher aims to see if Masaka Diocesan hospitals have budgeting and planning processes similar to this.

2.3.3Budget Participation and Budget Performance

Participative budgeting is promoted in management accounting literature because it gives managers a sense of belonging ("this is our Budget") and enhances the likelihood that they will work harder to meet the organization’s budget goals. Previous research into the link between budgeting involvement and performance has yielded varied results. According to Riahi-Belkaoui, (2002)participatory budgeting has a negative impact on performance. In contrast Barsky (2013) and Drischel (2003) found a positive relationship between budget participation and performance. However, more recent research appears to support a participatory method as being more effective, and people may be more motivated to try to meet budget targets if they were involved during the budgeting process. (Shah, 2007). According to Kluvers & Pillay (2009), high engagement allows managers to create budgeting slack, but low participation limits such opportunities. Budget slack is defined as the amount by which managers consciously understate productive capability or purposely build surplus resource requirements into the budget.(Almasi et al., 2015) and (*Budgetary Slack Creation: Empirical Evidence From*, 2015)

Budgeting has a significant impact on business performance as a plan and a control instrument. However, another important benefit of the budgeting process that should not be overlooked is the exchange of information among organizational members. (Lusthaus et al., 2002).

According to Khagram, et al., (2013), the budget serves as a roadmap for what will occur as well as a baseline against which actual performance will be measured. When putting together a budget, members of the organization are required to participate in the creation of detailed budget goals as well as future revisions to these goals with management (Shah, 2007). When budget deviations arise, engagement and discussion at all levels of management aid in pinpointing the likely reasons of the discrepancies as well as the necessary corrective steps. As a result, budget participation (BP) refers to managers' participation in the budget process as well as their influence over budget goal formulation.(Shim et al., 2011a).

Budget involvement has piqued the curiosity of academics for a long time. It can be thought of as a channel for communication, particularly between superiors and subordinates. (Lancaster & Massingham, 2010). According to a number of academics, information exchange can be performed through budget participation. Budget participation, for example, provides a venue for managers to share information and ideas in order to improve budget planning and control, according to (Redburn, Shea, & Buss, 2015).

It is also worth noting that in budget participation, information communication between superiors and subordinates involves both upward and downward communication from subordinate to superior. The accounting literature consistently uses a principal agency structure with two fundamental actors, the principle and the agent, to explain the motivation for upward communication.The agent is hired by the principal to complete a task on his or her behalf. In an organizational setting, the principle is typically shown as an executive who has delegated responsibility for particular tasks to a subordinate who acts as an agent. According to agency research, agents have "private" information about their areas of responsibility that the principal (or superiors) cannot get, and they often know more about their operational areas than their superiors. (Rasmußen, 2012). The disparity in information levels between agent and principle, according to the agency perspective, is a significant reason for the presence of participation.

According to Christensen &Feltham, (2001), the greater the disparity in information levels between subordinates and superiors, the more likely subordinates are to engage in the budgeting process. The information (on rival actions, shifts in customer preferences, technology shifts, and so forth) should then be conveyed from the subordinate to the superior. Finally, the potential benefits for both parties are realized, such as improved information, resource allocation, job satisfaction, and so on.As a result, budget participation can imply that subordinates share information with their superiors, resulting in better budgeting and decision-making. (Bräutigam, 2004).

Downward communication, on the other hand, is investigated.(Hill, 2013) suggests that, through budgeting process, subordinates gain additional information from superiors and others including their duties, responsibilities, and expected performance, which increases a subordinate's effectiveness. As Yuen (2006) argues, discussions with superiors during budgeting process help clarify the goals and methods of the subordinate. Hence the need to establish the level of monitoring and control in realizing sound budget performance of St Joseph's hospital Kitovu in Masaka Dioceses.

2.3.4 Budget Control and Budget Performance

Budgeted figures are only useful if there is frequent monitoring against actual figures and action taken to remedy any adverse variances (Collis, 2015)

Budget control is a deterrent process against misappropriation of funds in terms of procedures and rules that establish the boundaries of financial behavior. According to Drury (2005), budget monitoring and control process is a systematic and continuous one which, is characterized by the following stages:

Establishing targeted performance or level of activity for each department of the organisation by way of setting targets to be achieved enhances the monitoring of the organizations performance. Communicating details of the budget policy to all the stakeholders for easy appreciation of the set targets and objectives enhances ownership of the results achieved at end of the day. Monitoring actual revenue or cost data is done by way of continuous comparison of actual performance with the budgeted performance and regular reporting of variances to the responsible officers. This helps in asserting the reasons for the differences between actual and budgeted performance and taking the suitable corrective action. The “bottom-top” approach of budgeting allows participation of all levels of management in the decision-making process. Negotiations then begin between the corporate office and department heads to finalize budget figures. The budget process then shifts to a "tops-down" approach, where the corporate office has ultimate control to set the final budget. Through this process of monitoring, analysis and control, the problem of "ratcheting" is generally avoided (Lucey & Lucey, 2003).

The above process demands comprehensive planning and approval framework, consistent with processes for constructing budgets, both Capital and Revenue. Sound methodologies for assessing the financial impact of proposed expenditures, compatibility with other management and performance data and a system of control that set clear responsibilities and gives accurate and timely monitoring information on performance against budgets is important. This frame points to managers to track the flow of resources accurately and consistently. This calls for continuous control process throughout the year, and not just at the end of a budget period. The objectives of control are to plan the policy of an organization, to coordinate the activities of the organization so as to achieve the targets set. According to Pupke (2008), financial control and monitoring ensures efficient and cost-effective program implementation within a system of accountability. He however, notes that the existing financial control arrangements must be complemented by further improvements in the overall program monitoring for better budget implementation in accordance with approved work programmes.

The aforesaid procedure necessitates a comprehensive planning and approval structure that is consistent with capital and revenue budgeting processes. It is critical to have sound methodologies for assessing the financial impact of proposed expenditures, compatibility with other management and performance data, and a control system that establishes clear responsibilities and provides accurate and timely monitoring information on budget performance.

Budget control, according to Simons (2013), is the process of creating budgets for specific activities and comparing budgeted statistics to actual performance to identify any variances. As a result, budget control is impossible without budgets. Budget control is a method of planning and regulating that makes use of budgets. (Sahaf, 2009). The concept of budget variation must be clarified while discussing the budget control procedure. When there is a difference between the actual amount spent or realized and the budgeted (forecasted) sum, it is called budget variance. (Hofstede, 2012).

Budget variances are classified into two categories: favorable and unfavorable variances. For revenue items, a favorable variance occurs when actual revenues exceed budgeted revenues; however, an unfavorable variance occurs when actual revenues are less than the budgeted figure. For cost items, an unfavorable variance occurs when operating income is reduced relative to the budgeted amount; however, a favorable variance increases operating income relative to the budgeted amount. Positive budget variances, according to Dauber et al. (2013), are "usually indicative of efficient, effective cost management and improvements in net income."Unfavorable budget variations, on the other hand, are the outcome of inefficient, ineffective cost management and lower net income. The causation of variance is summarized by Grüne et al. (2013), who divide it into four reasons. For starters, inaccuracy in data might cause volatility. Second, an adverse variance can be caused by an increase in expenses (price standard) or manufacturing conditions (quantity standard). Thirdly, variance can be caused by chance events (something that is unlikely to occur on an ongoing basis.) Finally, variance might be caused by very effective or ineffective activities. In a nutshell, control is the process of ensuring that a company's actions follow its plan and that its goals are met (Drury 2008). This process is frequently referred to as "budget control."

According to Vanderbeck and Mitchell (2015), managers perform better when their superiors accept a reasonable justification for a negative budget deviation. When managers are compelled to present arguments, according to Fields (2011), the adverse variations may not be perceived as harmful to the organisation. Unfavorable variance, on the other hand, must be evaluated carefully, according to Tracy (2013). If the management's budgeted goals and targets are acceptable and fair, the manager should examine what went wrong and what needs to be changed. Managers should make accommodations for unforeseen development that occurs after the budget goals and targets are established if they believe the budgeted goals and targets are arbitrary and unrealistically imposed by superiors.

2.4 Budget Performance.

Ramagopal (2009) asserts that, Performance is about keeping public and nonprofit making organisations up-to-date, vibrant, and relevant to society. Performance is about ensuring that organisations produce effective results. It is about ensuring that agency programs and policies connect with the important challenges that people, communities, and the nation face. He emphasizes that for those working in public and nonprofit making programs, the need to ensure performance can provide an important source of motivation and professional satisfaction.

According to zamfir & Hotăran(2012), performance measures quantitatively tell us something important about our products, services, and the processes that produce them. They are tools to help us understand, manage and improve what our organizations do. Performance measures; how well we are doing, if we are meeting our goals, if our customers are satisfied, if our processes are in statistical control, if and where improvements are necessary. They provide us with the information necessary to make intelligent decisions about what we do. A performance measure is composed of a number and a unit of measure. The number gives us a magnitude (how much) and the unit gives the number a meaning (what).

According to Stutely (2013) the yardstick of budget performance should be budget to actual comparison for both revenue and expenditure items. Further, budget performance can be tracked from the quality and standard of budgeted Outcomes. Budgets play a significant role in performance evaluation in the traditional environment. The achievement of business standards is a prerequisite for success. The budget is weighted with non-financial elements in a balanced Scorecard context. A more balanced analysis of objectives determines a performance evaluation, which is typically linked directly to bonus money. Rather than focusing on short-term financial targets, the goal is to achieve long-term strategic goals. Market expectations are more directly linked to performance. (Clarkson et al., 2010)

When budget outcomes don't match original objectives, the entire budgeting process loses relevance, which often has negative effects for the poor and programs supposed to help them. Debarshi (2011) goes on to say that divergence between budgeted and actual expenditure is more difficult to track, especially over longer periods of time, because of significant delays in reporting budget outcomes, which are frequently due to capacity constraints, variable dare quality, and changes in data presentation formats over time.

2.5 Conclusion

Budget planning and participation, according to the scholars, serves as a function by encouraging subordinates to accept and commit to their budget goals. It is also suggested that budget planning and participation serve as an information function, whereby subordinates can gather, exchange, and disseminate job-relevant information to facilitate their decision-making process and communicate their private information to organizational decision-makers for coordination. The empirical evidence on the budget control plays a positive role in the budget performance in an organization. According to the relevant literature, there is a conceptual link between budgeting process and budget performance. However, few research have been conducted on the precise features of Catholic Hospital budget planning, budget participation, and budget management, leaving a need for this study to fill.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section focuses on the research methods and the instruments to be used by the researcher to carry out the study. It provides a description of the research design, area of study, study population, sample description, data collection and analysis methods.

3.2 Research Design

Oso&Onen, 2005,as cited in Bawa, (2014,) considers a research design to be a plan for conducting research, he refers to a design as the structure by which the variable are positioned or arranged in the experiment. In order to have an in-depth study of a single entity St. Joseph's hospital Kitovu was chosen as a case study so as to gain insight into the larger cases of Private not for profit making organizations. It is upon that basis that the study took a descriptive case study research design to establish the relationship between the independent variable (Budgeting process) and the dependent variable (Budget performance)

3.3 Area of Study

The study was carried out in St. Joseph's Hospital Kitovu. Kitovu hospital is in Masaka District, Masaka municipality, is a Private Not For Profit (PNFP) regional referral hospital in greater Masaka area that comprises of; Masaka District, Kalungu District, Ssembabule District, Bukomansimbi District, Kalalangala District ,Lyantonde District, Kyotera District, Lwengo District and Rakai District.

St. Joseph's hospital Kitovu was chosen first for the purposes of efficiency (time and money) since it is close to the researcher and secondly because of its wide coverage both in terms of activities and in terms of the geographical coverage.

3.4Study Population

A study population is defined by Dooley, 1995, as cited in Nicholas, (2009), as the collection of all the individual units or respondents to whom the results of a survey are to be generalized. Amin, 2005, as cited in Nicholas, (2009) defines population as a complete collection or the universe of all the members or units of a group that is of interest in a particular study.

The study population for this study was 105 staff who comprised staff from the different departments and staff at the Administration/accounts office that actively participates in the budgeting process of St. Joseph's Hospital Kitovu. This is based on the accessibility to such a population and the research design to be used in the study.

3.5 Sample Size and Sampling Design

A sample is part of the target population that has been procedurally selected to represent it (Nicholas, O. 2009). This subgroup is carefully selected so as to be representative of the whole population with the relevant characteristics.

The sample size and sampling technique are both considered in the sampling procedure.

3.5.1 Sample size

The sample size was established by utilizing Krejcie and Morgan's table (1970) for determining sample size, which yielded 80 employees from a total population of 105. To ensure a good representation, simple random and purposive sampling procedures were utilized to obtain a sample of 80 employees.

Sample sizes in each category was further obtained using the same percentage of the general sample in the population. 80 employees represent 76.19% of the population, to have a proportional representation of each stratum in the sample.

Table 3.1: *Sample Size per category.*

No.	Category	Population	Sample size	Sampling method
1	Top Management team	17	13	Purposive
2	Heads of departments	23	18	Purposive
3	Operational staff	65	49	Simple Random
Total		**105**	**80**	

Source: *Human resource data base(2020) and modified using Krejcie& Morgan (1970) table.*

3.6 Sampling Technique

In this study, as indicated in table 1, Purposive sampling was the technique used.It is a non – probability sampling method and it occurs when elements selected for the sample are chosen by the judgment of the researcher. (Onen2007). Purposive or judgmental sampling is a strategy in which particular settings, persons or events are selected deliberately in order to provide important information that cannot be obtained from other choices. Purposive sampling was used to select members from Top management team and Heads of departments who have sufficient knowledge about the impact of budgeting process on budget performance in St. Joseph's hospital Kitovu.

Simple random sampling is yet another technique used. With simple random sampling, everyone in the entire population has an equal chance of being selected, Kothari (2004). This technique was employed by selecting any 2nd number from the staff register who handled budgeting process, make the follow-up and evaluate the hospital performance. Simple Random Sampling was used to select respondents (Operational employees) from the medical departments, Finance department, store managers, Maintenance staff among others.

3.7 Data Sources

3.7.1 Primary Sources

The primary data was collected from the Staff that were involved in the budgeting process.

3.7.2 Secondary sources

This included review of official policy documents, journals, financial reports, approved budgets and seminar papers to get the relevant data. The researcher analyzed these documents in order to study past events and issues from the sole source and consequently compare the primary data and secondary data.

3.8 Data Collection Instruments

3.8.1 Questionnaire

A questionnaire is a device used for gathering facts, opinions, perceptions, attitudes and beliefs among others. It's a form consisting of a list of questions or statements calling for information about the respondent's behavior or characteristics that the researcher wishes to measure (Mugenda and Mugenda1999)

The researcher collected primary data using questionnaires since respondents are scattered in various places so as to collect and complete responses within a short time possible, secondly, questionnaires are chosen because all the respondents are literate and can answer it at the time and place of convenience, following their busy schedules.

3.9. Data Processing and Analysis

Qualitative and quantitative data was compiled, edited, coded and classified according to attributes and then tabulated. Statistical Package for Social Scientists (SPSS) Version21.0 was used to analyze the data. Tables, Chi-square test and Spearman correlation was used to examine the relationship between budgeting process and budget performance.

3.10 Validity and reliability

3.10.1 Validity

Validity, according to Cooper and Schindler (2006), as referenced in Leedy and Ormrod (2010), refers to validity as a research instrument's ability to measure what it is designed to measure. They proposed three widely accepted classifications of validity that consist of three major forms, namely content validity index, criterion-related validity, and construct validity. Under this study, Content

Validity index test was used to accurately assess the construction correlation for this research. The validity of the instrument was obtained through the development of the scales using Content Validity Index (CVI) to determine the degree to which elements of the questionnaire to be used are relevant and representative of the targeted variables. According to Sekaran (2003), a valid instrument has a content validity index of 0.7 or higher. The formula below yields the Content Validity Index (CVI).

CVI = No of questions declared valid

Total No. of items in the questionnaire

Table3.2: *Validity statistics*

Variables	No. of items	CVI
Budget planning	11	0.861
Budget participation	13	0.923
Budget control	21	0.879
Budget performance	14	0.737
Average	**14**	**0.85**

Source: *Primary data (2022)*

According to Amin (2005) an instrument which scores an index of 0.7 or above is accepted as being valid. Therefore with a CVI of 0.85, the instrument is concluded to have been valid.

3.10.2 Reliability

This means the level of dependability of data collection instrument. Reliability of the questionnaire was obtained through pre-testing of pilot samples of some questionnaires; this helped to rephrase some questions which could sound or appear ambiguous in meanings. This was obtained using Cronbach alpha coefficient value which was computed to show how reliable the data is using

Statistical Package for Social Scientists (SPSS Version 21). Cooper and Schindler (2008) indicated that the acceptable reliability coefficient is 0.7 and therefore 0.7 was used in this study as the cutoff point.

Table 3.3: *Reliability statistics*

Variables	No. of items	Cronbach's Alpha
Budget planning	11	0.917
Budget participation	13	0.965
Budget control	21	0.955
Budget performance	14	0.948
Average	**14**	**0.946**

Source: *Primary data (2022)*

The cronbanch's Alpha test was run on the different variables of the questionnaire. The critical point for Cronbanch's Alpha is 0.7 (Mugenda&Mugenda 2008). Therefore with an average coefficient of 0.946, the findings and the tools are concluded to be reliable.

3.11 Data Management and Processing

After collecting data, the researcher first screened the returned questionnaires, then coded them.

The data collected was analyzed using SPSS (21.0 version) because it is the most recommended program for evaluating data from social sciences research (Sekaran, 2003).Measures of central tendencies (percentages and frequencies) and relational statistics to measure the direction, form and degree of the relationship & effect (correlation and regression) between internal control system and performance, were all generated using SPSS and used.

3.11.1 Data Analysis

The responses to questionnaires were sorted and grouped according to themes basing on the views of respondents. The views were then coded in preparation for entry into the computer analyzing package. The coded responses of the data were entered into the SPSS for automatic generation of numerical values in frequencies and percentages. Interpretation was made out of the numerical values and percentages revealed by the data. Frequency distribution tables were presented. Questions were analyzed using Chi square, Pearson's Correlation Coefficient Index and regression respectively. While the correlation measured the relationship of the two variables, the IV and DV based on cause, which enabled the researcher to make conclusions. The relationship between budgeting process and budget performance of Catholic hospitals in Masaka Diocese, a case of St. Joseph's hospital Kitovu was established using regression.

3.12Research Ethical Considerations

In order to have access as well as ensure compliance with ethical values of research, an introductory letter was obtained from the School of graduate studies, University of Uganda Martyrs. This enabled the researcher to have access to data from St. Joseph's hospital Kitovu - finance and administration department, as well as medical departments and hospital management committee.

As etiquette demands, the researcher informed the respondents of the purpose of the study as well as their role in providing valuable data. The respondents were further given assurance of confidentiality of the data and were also informed of the voluntary nature of the data collection process.

The researcher further explained to the respondents that the study was purely for academic purposes and that the information provided would be treated with utmost confidentiality.

The above procedures were considered to ensure adherence to ethical standards for this study

3.13 Limitations

The researcher encountered the busy schedule of some employees to get involved in the study since it was carried out especially during working hours, although the researcher tried to make appointment in advance and make right schedules.

Delayed response to filling of the questionnaires by respondents who claimed to be busy since the researcher is interested in acquiring information by using purposive sampling. The researcher made a close follow up of the respondents so as they filled the questionnaires.

3.14 Conclusion

The research methodology employed in the study was tailored to make sure the study objectives are fulfilled. The chapter has described the methodology that was employed such as the research design, population and sampling, data quality control and analysis to come up with the study findings presented and discussed in the next chapter.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF RESULTS

4.0 Introduction

In this chapter, the results of the study are presented, discussed, analyzed and then interpreted. The chapter highlights the demographic characteristics of the respondents, discusses the descriptive statistics, presents the relationships between the study variables with the help of correlation analysis and finally presents the effect of the independent variables on the dependent variables with the help of regression analysis

4.1 Response rate

The researcher had a total population of 105 and from that; a sample size of 80 was selected with the help of Krejcie and Morgan table. Of those sampled respondents, all of them returned the filled questionnaires giving a total response rate of 100%. Scholars like Mugenda&Mugenda (2005) suggest that a response rate of 50% and above is adequate when quantitative data is collected. Therefore 100% response rate was an excellent response for the study and also suggests that the survey results were fully representative of the study population.

4.2 Demographic characteristics of respondents

4.2.1 Age of respondents

Table 4.2. *Age of respondents*

Age	Frequency	Percent
25-34	49	61.3
35-44	19	23.8

45-54	7	8.8
55 and above	5	6.3
Total	**80**	**100**

Source: *Primary Data (2022)*

Findings revealed that majority of the respondents were aged 25- 34 years (61.3%), followed by 35-44 years (23.8%), 45-54 years (8.8%), and lastly 55 years and above. This implies that St. Joseph's Hospital Kitovu is good at attracting and retaining talent.

4.2.2 Gender of respondents

This section examines the gender of respondents which was categorized as male and female. A question about gender of respondents was indicated in Table 4.3 it shows the results of the survey, which were evaluated using descriptive statistics.

Table 4.3 ***Gender of respondents***

Gender	**Frequency**	**Percent**
Male	23	28.8
Female	57	71.3
Total	**80**	**100**

Source: *Primary Data (2022)*

According to the findings in table 4.3, the majority of the respondents were female(71.3%) followed by the male at 28.8%. This may imply that, female are more attracted to the health sector as compared to the male. The findings also suggest gender sensitivity in the St. Joseph's Hospital Kitovu.

4.2.3 Designation of respondents

Table 4.4 *Designation of respondents*

Designation	**Frequency**	**Percent**
Doctors	5	6.3
Heads of departments	26	32.5

Accountant	11	13.8
Hospital Admin	4	5
Others	34	42.5
Total	**80**	**100**

Source:*Primary Data (2022)*

The findings revealed that, majority of the respondents were from other designations (42.5%) who included operational staffs, as compared to nurses (32.5%), accountants (13.8%), doctors (6.3%) and lastly hospital administrators (5.0%). This implies that almost all designations participate in the budgeting process hence reliability of findings.

4.2.4 Experience at current station

Table 4.5: *Experience at current station*

Experience	Frequency	Percent
Less than a year	5	6.3
1-5 years	40	50
5-10 years	21	26.3
Above10 years	14	17.5
Total	**80**	**100**

Source:*Primary Data (2022)*

Findings revealed that majority of the respondents had spent 1-5years (50.0%), followed by above 5-10 years (26.3%), above 10 years (17.5%), and lastly less than a year (6.3%). This implies that St. Joseph’s hospital Kitovu has tried to retain talent as exhibited by the low turnover rate.

4.2.5 Highest education Level

Table4.6: *Highest education Level*

Education level	Frequency	Percent
Postgraduate	4	5
Graduate	23	28.8

Diploma	27	33.8
Certificate	24	30
Others	2	2.5
Total	**80**	**100**

Source:*Primary Data (2022)*

Diploma holders accounted for the bulk of respondents (33.8 percent), followed by certificate holders (30.0 percent), bachelor's degree holders (28.8%), master's degree holders (5.0 percent), and others (2.5 percent) in the survey.The findings also imply that most of the respondents were educated enough to understand the question under investigation and interpret the study tool hence reliability of findings.

4.2.6 Religion of respondents

Table 4.7: *Religion of respondents*

Religion	Frequency	Percent
Catholic	70	87.5
Protestant	8	10
Muslim	1	1.3
Pentecostal	1	1.3
Total	**80**	**100**

Source: *Primary Data (2022)*

Findings revealed that, majority of the respondents were Catholics (87.5%), followed by Protestants (10.0%), Muslims and Pentecostals each at (1.3%). This implies that the catholic community is very accommodative to have other religions. This also implies that the catholic community is not limited by religion while attracting talent.

4.2.7 Salary scale

Table 4.8: *Salary scale*

Salary scale	Frequency	Percent
Less than a million	64	80

1-2millions	10	12.5
2-3millions	4	5
Above 3millions	2	2.5
Total	**80**	**100**

Source: *Primary Data (2022)*

Findings revealed that majority of the respondents earn less than a million, followed by 1-2 millions, 2-3millions, and lastly above three millions. This may imply that majority are not well paid. However the findings also relate to the highest levels of education which may be the main determinant of the salary scale.

4.2.8 Sponsor of accommodation

Table 4.9: *Sponsor of accommodation*

Accommodation	Frequency	Percent
Facility	39	48.8
Self	37	46.2
Cost sharing	2	2.5
Others	2	2.5
Total	**80**	**100**

Source:*Primary Data (2022)*

Findings revealed that, majority of the respondents' accommodation are provided by the health facilities (48.8%), followed by self (46.2%), cost sharing and others each at 2.5%. this implies that the catholic community is committed to supporting its employees.

4.3 Descriptive statistics on Budget Planning

Table 4.10: *Descriptive Statistics on the relationship between Budget Planning on budget performance*

	N	Minimum	Maximum	Mean	Std. Dev.
My units solicit for my input on the annual budget needs	80	1	5	3.52	1.292
I am always availed with clear budget goals for the year	80	1	5	3.55	1.083
I am consulted during the budgeting planning process	80	1	5	4.2	1.004
There is a department responsible for budget formulation	80	1	5	3.97	0.993
The annual budget is dependent on projected revenues	80	1	5	3.82	1.041
Budget preparation is guided by an approved framework	80	1	5	3.55	1.146
The budget unit has qualified and experienced staff	80	1	5	3.9	1.109
The budget process is given adequate time	80	1	5	3.77	1.113
Budget holders are trained and conversant with budgeting	80	1	5	3.71	1.15
The budget is a key tool of decision making	80	1	5	4.14	1.095
Income sources are identified at the stage of budget planning	80	1	5	3.82	1.028
Aggregate Mean and Standard deviation				**3.814**	**1.096**

N=80

Source:*Primary Data (2022)*

Findings in table 4.10 above, the study findings showed that budget planning is moderately positive towards budget performance at St. Joseph's hospital Kitovu with (an aggregate mean 3.814 and a high standard deviation 1.096). Statement one required about whether the unit solicits for employees input on the annual budget needsrevealed that majority of the respondents were in agreement with mean 3.52 although with high variation in responses as indicated by the high standard deviation of 1.292 that, the facility solicit for their input on the annual budget needs. The high variation in responses may imply that although the unit or facility may seek for information, the opportunity may be given to a few members.

The findings whether respondents were availed with clear budget goals for the year showed that, responses were in agreement with mean 3.55 that they are always availed with clear budget goals for the year this is in agreement with Berkun, (2008) when he asserts that good planning is characterized by clear objectives and goals. The high variation in responses as indicated by the high standard deviation of 1.083 may imply that budgets may not be availed to all the members.

About whether respondents were always consulted during budgeting planning process, responses were in agreement with mean 4.20 although with high variation in responses as indicated by the high standard deviation of 1.004 that, they are consulted during the budgeting planning process. This implies that they are consulted and their views may be part of the final budget.

About whether there is a department responsible for budget formulation, respondents responses were in agreement with mean 3.97 although with high variation in responses as indicated by the high standard deviation of 0.993 that, there is a department responsible for budget formulation. This implies that the department may be in existence but some members may not be aware.

About whether annual budget are dependent on projected revenues, responses were in agreement with mean 3.82 although with high variation in responses as indicated by the high standard deviation of 1.041 that, the annual budget is dependent on projected revenues. This implies that projected revenues are key in the formation of the budget although some respondents may not be fully aware as indicated by the high variations.

On issues whether budget preparation is guided by an approved framework, responses were in agreement with mean 3.55 that they are guided with approved framework entailed in strategic plan, and this is in agreement with Drury 2013 who asserted that planning as part of the budgeting system involves a long range planning, strategic planning and short term planning. The high variation in responses as indicated by the high standard deviation of 1.141 responses may suggest that some of the respondents are not aware of the existing framework and probably how it operates.

About whether the budgeting has specific time frame, responses were in agreement with mean 3.77 although with high variation in responses as indicated by the high standard deviation of 1.113 that, the budget process is given adequate time. This implies that budgeting has a specific time frame. One of the respondents added that departments are usually asked to submit their departmental budgets in time.

On the question whether budget holders are trained and conversant with budgeting, the results were in agreement with mean 3.71 although with high variation in responses as indicated by the high standard deviation of 1.150 that, budget holders are trained and conversant with budgeting. This implies that those who are involved in budgeting are also trained on how to deal with the budgeting process.

About whether the budget is a key tool of decision making, responses were in agreement with mean 4.14 although with high variation in responses as indicated by the high standard deviation of 1.095 that,the budget is a key tool of decision making. This implies that budgets are key tools of decision making in the catholic businesses.

On the issue whether income sources are identified at the stage of budget planning indicated that, responses were in agreement with mean 3.82 although with high variation in responses as indicated by the high standard deviation of 1.028 that, income sources are identified at the stage of budget planning. This implies that all the possible sources of funding are included in the budget.

4.3.2 Descriptive Statistics on Budget Participation

Table 4.11: *Descriptive Statistics on the relationship between Budget Participation on budget performance.*

	N	Minimum	Maximum	Mean	Std. Dev.
I am actively involved in budget meetings	80	1	5	3.92	1.056
The budget always reflect my input during budget meetings	80	1	5	3.15	1.264
Our ideas about the budget are always incorporated	80	1	5	3.2	1.277
I am informed about the budget allocation to my unit	80	1	5	4.22	1.083
The budgeting process is transparent	80	1	5	3.31	1.046
There are pre-budget training sessions	80	1	5	4.36	1.008
Units are involved in approving spending on their votes	80	1	5	1.82	1.02
A bottom up approach to budgeting is used	80	1	5	2.99	1.068
Budget revisions are always explained to me	80	1	5	4.18	1.012
I regularly discuss the budget with my superiors	80	1	5	3.8	1.063
Staff freely exchanges information on budget progress	80	1	5	3.65	1.233
Budget goals are arrived at through member participation	80	1	5	3.93	1.261
I feel ownership of the prepared budgets	80	1	5	2.89	1.069
Aggregate Mean and Standard deviation				**3.494**	**1.112**

N=80

Source: *Primary Data (2022)*

Findings in table 4.11 above show that budget participation is moderately positive toward budget performance in St. Joseph's hospital Kitovu with aggregate mean 3.494 and the high deviation 1.112 may imply non participation of some members in budget process.

In the table above respondents were exposed to different questions; about whether they are actively involved in budget meetings results revealed that, respondents were in agreement with mean 3.92 and a high variation in responses as indicated by the standard deviation 1.059. This implies not all the employees are given the opportunity to present their views on the budget, as stressed by Lusthaus et al. 2002 that another important benefit of the budgeting process that should not be overlooked is the exchange of information among organizational members.

About whether a budget always reflect respondents input during budget meetings, results show a neutral mean 3.15 and a high variation in responses as indicated by the standard deviation 1.264 on the view that, the budget always reflects respondents input during budget meetings. This implies that although some members may be given the opportunity to participate, not all their views are incorporated in the approved budget.

On the question whether respondents' ideas about the budget are always incorporated, results revealed a neutral mean 3.20 and a high variation in responses as indicated by the standard deviation 1.277. This implies that not all the ideas are incorporated in the final budget. Redburn, Shea, and Buss (2015) support incorporating employees' ideas into the budget by arguing that budget participation creates a context in which managers may exchange information and ideas to improve budget planning and management.

Responses were in agreement with mean 4.22 and a high variation in responses as indicated by the standard deviation 1.083 on the view that, they are informed about the budget allocation to their unit. This is in support by Anon 2004 that argues that budget participation helps is allocation of resources appropriately, and further encouraged by Pathi 2010, on well utilization of available resources. This implies that the budget is always fully communicated to the members.

Responses were neutral with mean 3.31 and a high variation in responses as indicated by the standard deviation 1.046 on the view that, the budgeting process is transparent. This implies that the budgeting process may not be very transparent. The findings may also reflect the rejection of some proposals.

About whether there are pre-budget training sessions, responses were in agreement with mean 4.36 and a high variation in responses as indicated by the standard deviation 1.008. This implies that although there is high variation in responses, members are trained on the budget process. Which provides managers with a sense of belonging ("this is our Budget")as stressed by Riahi-Belkaoui (2002)

The responses were in disagreement with mean 1.82 and a high variation in responses as indicated by the standard deviation 1.020 on the view that, units are involved in approving spending on their votes. This implies that although units are given chance to propose, they have less to contribute on their approval

Responses were neutral with mean 2.99 and a high variation in responses as indicated by the standard deviation 1.063 on the view that, a bottom up approach to budgeting is used. This implied that to a certain extent the approach is used

About whether budget revisions are always explained to respondents, the responses were in agreement with mean 4.18 and a high variation in responses as indicated by the standard deviation 1.012. This implies that the budget committee always gives feedback about the approved budget.

The responses were in agreement with the question about whether they regularly discuss the budget with their superiors. This is indicated with a mean 3.80 and a high variation in responses as indicated by the standard deviation 1.063. This implies effective communication by superiors. It can be thought of as a channel for communication, particularly between superiors and subordinates. expressed by Lancaster &Massingham (2010). It is further encouraged by Yuen (2006) when he urges that discussions with superiors during budgeting process help clarify the goals and methods of the subordinate. And more encouragement from Hill, (2013) by suggesting that, through budgeting process, subordinates gain additional information from superiors and others including their duties, responsibilities, and expected performance, which increases a subordinate's effectiveness.

Responses were in agreement on the view that staff freely exchanges information on budget progress with mean 3.65 and a high variation in responses as indicated by the standard deviation 1.233. This implies that, there is sharing of budget information.

On the view that budget goals are arrived at through member participation, the responses were in agreement with mean 3.93 and a high variation in responses as indicated by the standard deviation 1.261. This implies that members have an input in the budget.When it comes to budgeting, Shah (2007) emphasizes that members of the organization should participate in defining explicit budget goals and be involved in subsequent revisions to these goals with management. Participation and discussion among different levels of management facilitate and enable accurately identifying the possible reasons for such variances, as well as the corrective actions to be taken.

Responses were neutral on the view that, they feel ownership of the prepared budgets with mean 2.89 and a high variation in responses as indicated by the standard deviation 1.069. This implies that some members may be disappointed with budget approvals hence limiting their ownership.

4.3.3 Descriptive Statistics on Budget control

Table 12*:* *Descriptive Statistics on the relationship between Budget Controls on budget performance*

	N	Minimum	Maximum	Mean	Std. Dev.
There is a system that tracks expenditures	80	1	5	3.98	1.079
There are weekly/monthly budget reviews	80	1	5	2.38	1.129
Expenditures are guided by the approved votes	80	1	5	3.74	1.052
Budgets are reviewed and approved before put to use	80	1	5	4.04	0.934
There is a budget committee in the institution	80	1	5	3.86	1.145
There is a clear approval procedure for all payments	80	1	5	4.12	0.96
Monthly reports on budget performance are prepared	80	1	5	3.75	1.175
All invoices cleared are stamped paid	80	1	5	4.04	1.079
Spending outside the budget needs approval from the Board	80	1	5	3.85	1.137
Annual audits are regularly conducted	80	1	5	4.24	0.931
Management is actively involved in budget control	80	1	5	4.06	0.891
Management is actively involved in budget evaluation	80	1	5	3.8	0.985
Timely feedback is provided on budget reviews	80	1	5	3.34	1.102
There have been less audit queries over the last five years	80	1	5	3.49	1.031
Budgets are prepared with clear and measurable goals	80	1	5	3.71	1.058
The institution uses an accounting software e.g. Quick books	80	1	5	3.9	1.132
The budget allows some percentage of flexibility in spending	80	1	5	3.66	0.871
Variances in setting targets are regularly monitored & reported	80	1	5	3.5	1.091
There is a clear monitoring framework in place	80	1	5	3.65	1.075
Aggregate Mean and Standard deviation				**3.743**	**1.045**

N=80

Source: *Primary Data (2022)*

Findings in table 4.12 above showed that budget control is moderately positive to budget performance (aggregate mean = 3.743 and standard deviation=1.045), implying that budget control is a determinant factor to budget performance.

When asked whether there is a system that tracks expenditures, result revealed that majority of the respondents were in agreement with mean 3.98 although with high variation in responses as indicated by the high standard deviation of 1.079. This implies that the system may be in existence but probably many members may not be aware of how it operates. Having the tracking system is in support of Pupke (2008) who demands for a comprehensive planning and approval framework, consistent with processes for constructing budgets, both Capital and Revenue and assessing the financial impact of proposed expenditures, compatibility with other management and performance data and a system of control that set clear responsibilities and gives accurate and timely monitoring information on performance against budgets is important.

The responses were in disagreement with mean 2.38 and a high variation in responses as indicated by the standard deviation 1.129 on the view that, there are weekly/monthly budget reviews. This may imply that budget reviews are not common or they are conducted at different intervals either quarterly or semi-quarterly other than those stated in the study.

The responses on whether expenditures are guided by the approved votes, respondents were in agreement to the statement as indicated by a mean 3.74 and a high variation in responses as indicated by the standard deviation 1.129. This implies that expenditures are guided by approved votes although there may be some variations.

On the question whether budgets are reviewed and approved before they are put to use, responses were in agreement with mean 4.04 and a high variation in responses as indicated by the standard deviation 0.934. This implies no expenditure is done before budget approval.

Responses were in agreement with mean 3.86 and a high variation in responses as indicated by the standard deviation 1.145 on the view that, there is a budget committee in the institution. This implies that a budget commit exists however many are not likely not to be part of it nor aware of the way it operates.

Responses were in agreement with mean 4.12 and a high variation in responses as indicated by the standard deviation 0.960 on the view that, there is a clear approval procedure for all payments. This implies that payments go through formal processes.

Responses were in agreement with mean 3.75 and a high variation in responses as indicated by the standard deviation 1.175 on the view that, monthly reports on budget performance are prepared. This implies that monthly reports do exist although they may not be accessible by everyone.

Responses were in agreement with mean 4.04 and a high variation in responses as indicated by the standard deviation 1.079 on the view that, all invoices cleared are stamped paid. This implies that there is a clear record of invoices paid and due.

Responses were in agreement with mean 3.82 and a high variation in responses as indicated by the standard deviation 1.145 on the view that, spending outside the budget needs approval from the Board. This implies that there is strict adherence to the budget while spending.

Responses were in agreement with mean 3.75 and a high variation in responses as indicated by the standard deviation 1.175 on the view that,monthly reports on budget performance are prepared. This implies that the reports are prepared in a given time intervals.

Responses were in agreement with mean 4.24 and a high variation in responses as indicated by the standard deviation 0.931 on the view that, annual audits are regularly conducted. This implies that all those in charge of spending are also required to give accountability.

Responses were in agreement with mean 4.06 and a high variation in responses as indicated by the standard deviation 0.891 on the view that, management is actively involved in budget control. This implies that management has full control of the budget and its activities, as it is encouraged by

Lucey&Lucey 2003) to have a "tops-down" approach in budgeting, where the corporate office has ultimate control to set the final budget.

Responses were in agreement with mean 3.80 and a high variation in responses as indicated by the standard deviation 0.985 on the view that, management is actively involved in budget evaluation. This implies that management holds the responsibility of assessing budget performance so as to avoid inflaming. Management involvement was actively supported by Lucey&Lucey (2003) when they stressed that, through this process of monitoring, analysis and control, the problem of "ratcheting" is generally avoided.

Responses were neutral with mean 3.34 and a high variation in responses as indicated by the standard deviation 1.102 on the view that, timely feedback is provided on budget reviews. This implies that feedback either takes long or it is not well communicated.

Responses were in agreement with mean 3.49 and a high variation in responses as indicated by the standard deviation 1.058 on the view that, there have been less audit queries over the last five years. This implies that, although queries may exist, they have been maintained at minimum or acceptance level.

About whether budgets are prepared with clear and measurable goals the responses were in agreement with mean 3.71 and a high variation in responses as indicated by the standard deviation 1.058. This implies that the budget are prepared with clear and measurable goals. This is in line with Drury (2008), who believes that organizations should ensure that their activities are in line with their plans and that their goals are met.

Responses were in agreement with mean 3.90 and a high variation in responses as indicated by the standard deviation 1.132 on the view that, the institution uses an accounting software e.g. Quick books this implies that an accounting software do exist.

Responses were in agreement with mean 3.66 and a high variation in responses as indicated by the standard deviation 0.871 on the view that, the budget allows some percentage of flexibility in spending. This implies that some changes are acceptable.

About whether variances in setting targets are regularly monitored and reported a mean 3.50 and a high variation in responses as indicated by the standard deviation 1.091. This implies that management monitors variances. This could be for learning purposes. This is in line with the principle of Collis (2015) when he expressed that, budgeted figures are only useful if there is frequent monitoring against actual figures and action taken to remedy any adverse variances.

Responses were in agreement with mean 3.65 and a high variation in responses as indicated by the standard deviation 1.075 on the view that,there is a clear monitoring framework in place. This implies that monitoring frame work is in practice. It is also encouraged by Agrawal (2010), who argues that in order to achieve the expected output results, monitoring and evaluation is necessary

4.3.4 Descriptive Statistics on Budget performance

Table 4.13: *Descriptive Statistics Budget performance*

	N	**Minimum**	**Maximum**	**Mean**	**Std. Dev.**
The budget is aligned to the institution strategic goals	80	1	5	3.75	0.987
Our budgets normally meet the expected annual targets	80	1	5	3.51	1.067
The entity is able to meet its short term finance obligations	80	1	5	3.75	0.935
The projected income is normally realized	80	1	5	3.54	1.018
The budget prioritizes development projects	80	1	5	3.64	1.07

There are sufficient cash balances to meet operational costs	80	1	5	3.38	1.095
Heads of units are aware of their spending limits	80	1	5	3.91	1.187
The budget is flexible to emergent needs	80	1	5	3.54	1.102
Periodical budget performance reports are provided to units	80	1	5	4.37	1.173
The budget is keen to transparency and accountability	80	1	5	3.73	1.169
I feel ownership of the budget	80	1	5	3.06	1.215
The budget votes reflect the expectations of the various units	80	1	5	3.45	1.19
The management fully supports the approved budget	80	1	5	3.96	0.961
The difference between the expected & actual performance is small	80	1	5	3.5	0.801
Valid N (listwise)	80				

Source: *Primary Data (2022)*

Findings about whether budget is aligned to the institution strategic goals revealed that majority of the respondents were in agreement with mean 3.75 although with high variation in responses as indicated by the high standard deviation of 0.987. This implies that the institutional goals are key in the budgeting process

Responses were in agreement with mean 3.51 although with high variation in responses as indicated by the high standard deviation of 1.067 that, their budgets normally meet the expected annual targets. This implies that there is good budget execution.

Responses were in agreement with mean 3.75 although with high variation in responses as indicated by the high standard deviation of 0.935 that, the entity is able to meet its short term finance obligations. This implies that there is effective budget control

About whether the projected income is normally realized, responses were in agreement with mean 3.54 although with high variation in responses as indicated by the high standard deviation of 1.018. This implies that there exists effective income generating systems.

Responses were in agreement with mean 3.64 although with high variation in responses as indicated by the high standard deviation of 1.070 that, the budget prioritizes development projects. This implies that the budgets mainly focus on investments

Responses were neutral with mean 3.38 although with high variation in responses as indicated by the high standard deviation of 1.095 on the view that, there are sufficient cash balances to meet operational costs. This also implies that there may be proper cash management to a certain extent.

Responses were in agreement with mean 3.91 although with high variation in responses as indicated by the high standard deviation of 1.187 on the view that, heads of units are aware of their spending limits. This implies that budget information is shared with in the institution.

Responses were in agreement with mean 3.54 although with high variation in responses as indicated by the high standard deviation of 1.102 on the view that, the budget is flexible to emergent needs. This implies expenditure outside the budget can be allowed especially under emergency.

Responses were in agreement with mean 4.37 although with high variation in responses as indicated by the high standard deviation of 1.173 on the view that, periodical budget performance reports are provided to units. This implies that there is reporting on budget performance.

Responses were neutral with mean 3.06 although with high variation in responses as indicated by the high standard deviation of 1.215 on the view that, they feel ownership of the budget. This may imply that some members are not fully involved or heard when it comes to budget processes

Responses were neutral with mean 3.45 although with high variation in responses as indicated by the high standard deviation of 1.190 on the view that, the budget votes reflect the expectations of the various units. This implies that their votes may not be authorized as per the proposals presented by the units

Responses were in agreement with mean 3.96 although with high variation in responses as indicated by the high standard deviation of 0.961 on the view that, the management fully supports the approved budget.

Responses were neutral with mean 3.50 although with high variation in responses as indicated by the high standard deviation of 0.801 on the view that,the difference between the expected & actual performance is small. This implies that there is some good degree of accuracy during the budgeting process**.**

4.4 Correlation Analysis

In a common practice of research and analysis, linear correlation coefficient is mostly used to explore the degree of association or relationship, level of multi-collinearity and reflecting status between two variables. These can be categorically explained for a simple understanding purpose (Glen, 2015).Findings on correlations were interpreted using the scale below;

Table 4.14: *Correlation scale*

Correlation coefficient interval	Interpretation
0.000 – 0.199	Very weak
0.200 – 0.399	Weak
0.400 – 0.599	Moderate
0.600 – 0.799	Strong
0.800 – 1.000	Very strong

Source: *Zakaria Zaadi (2009)*

4.4.1 Relationship between budget planning and budget performance

Table 4.15: *Correlation analysis between budget planning and budget performance*

		Budget Planning	Budget Performance
Budget Planning	Pearson Correlation	1	.707**
	Sig. (2-tailed)		0
	N	80	80
Budget Performance	Pearson Correlation	.707**	1
	Sig. (2-tailed)	0	
	N	80	80

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

Source: *Primary Data (2022)*

From Table 4.15 above, the correlation coefficient is 0.707**, significant at $p < 0.01$ with N = 80 number of respondents.

The findings demonstrated that budget planning and budget performance have a strong positive relationship, with any positive change in budget planning leading to a large positive improvement in budget performance, and vice versa.

4.4.2 Relationship between budget participation and budget performance

Table 4.16: *Correlation analysis between budget participation and budget performance*

		Budget Participation	Budget performance
Budget Participation	Pearson Correlation	1	.736**
	Sig. (2-tailed)		0
	N	80	80
Budget performance	Pearson Correlation	.736**	1
	Sig. (2-tailed)	0	
	N	80	80

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

Source:*Primary Data (2022)*

From Table 4.16 above, the correlation coefficient is 0.736^{**}, significant at $p< 0.01$ with N = 80 number of respondents.

The results revealed that there is a strong positive relationship between budget participation and budget performance that any increase in budget participation, in turn, leads to an increase in budget performance, and vice versa.

4.4.2 Relationship between budget control and budget performance

Table 4.17: *Correlation analysis between budget control and budget performance*

		Budget Control	**Budget performance**
Budget Control	Pearson Correlation	1	.867**
	Sig. (2-tailed)		0
	N	80	80
Budget performance	Pearson Correlation	.867**	1
	Sig. (2-tailed)	0	
	N	80	80

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

Source: *Primary Data (2022)*

From Table 4.17 above, the correlation coefficient is 0.867^{**}, significant at $p< 0.01$ with N = 80 number of respondents.

The results revealed that there is a very strong positive relationship between budget control and financial performance that any positive change in budget control leads to a very strong positive change in financial performance and vice versa.

4.5 Regression Analysis

Regression analysis is a way of mathematically sorting out which of those practices does indeed have an impact. It answers the questions: Which practice matter most? Which can we ignore? How do those practices interact with each other? And, perhaps most importantly, how certain are we about all these practices? (Amy G, 2015). As a result, regression analysis was used to investigate the relationship between budgeting processes on budget performance.

4.5.1 Model summary

Table 4.18: *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891[a]	.794	.785	.46741156

a. Predictors: (Constant), Budget Control, Budget Participation, Budget Planning

Source:*Primary Data (2022)*

From the model summary above, the findings shows that the correlation R= 0.891, while the adjusted R Square is 0.785. The findings imply that budgeting process with all its dimensions (budget planning, control and participation) predict budget performance by 78.5% and the remaining percentage of 21.5% is accounted for by other factors like organizational policy.

4.5.2 Multiple regressions

Table 4.19: *Multiple regression Coefficients[a]*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.003	.053		.054	.957
	Budget planning	.086	.097	.086	.885	.073
	Budget participation	.322	.086	.318	3.763	.000
	Budget control	.721	.084	.717	8.566	.000

a. Dependent Variable: Budget performance

Source:*Primary Data (2022)*

From the multiple regression table above, table 4.19, it reveals that budget control was the most predictor of budget performance with beta 0.717 (71.7%), followed by budget participation with beta 0.318 (31.8%) and the least predictor was budget planning with beta value of 0.086 (8.6%). This implies that all the variables considered under budgeting process positively and significantly have an effect on budget performance. However, budget control as the major predictor requires more management attention for a better budget performance. Similarly, budget planning which is the least predictor needs not to be ignored since it equally has a strong positive correlation coefficient meaning that a change in budget planning affects budget performance in the same direction though not at the same magnitude as budget control. This may also imply that even if many workers are not involved in budget planning but they are involve in executing it and they are controlled, there will be good budget performance.

CHAPTER FIVE

DISCUSSION AND SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The primary objective of this research was to find out the relationship between budgeting process and budget performance in Catholic Hospitals in Masaka Diocese a case of St. Joseph's Hospital Kitovu in Masaka Diocese.This chapter provides a discussion and summary of findings, conclusion, recommendations as well as the suggested areas for further research.

The specific objectives that guided the study where, (i) toestablish the relationship between budget planning on budget performance at St. Joseph's Hospital Kitovu; (ii) to establish the relationship between budget participation on budget performance at St. Joseph's Hospital Kitovu; (iii) to establish the relationship between budget control on budget performance at St. Joseph's Hospital Kitovu.

5.1 Discussion of findings

5.1.1 Budget Planning and Budget Performance

The first objective of the study was to establish the relationship between budget planning on budget performance at St. Joseph's Hospital Kitovu.The results showed that budget planning is the least predictor though with correlation results that showed that the relationship between budget planning and budget performance was a highly correlated (r=709) (70.9%) and the effect was shown by a beta value of 0.086. This implies that a unit change in budget planning results into 8.6% increase in budget performance.

Budget planning, which is the least predictor, should not be overlooked because it has a strong positive correlation coefficient, implying that a change in budget planning affects budget performance in the same direction as budget control, though not to the same extent. This could also mean that even if many employees are not involved in budget preparation, they are involved in budget execution and are monitored, the budget will perform well.

I agree with the findings because adequate budget planning aids in proper resource allocation, ensuring the firm or organization's continuity and so enhancing budget performance. Budget planning aids in the achievement of stated goals while also encouraging financial discipline and good budget management, as emphasized in Locke's goal setting theory of the late 1960s.

The findings of the study agree with those of Drury (2013), who encourages organizations and businesses to engage in a wide range of planning activities, including short-term budgets that must take into account the current environment, as well as physical, human, and financial resources currently available to the organization, and strategic planning that must take the organization forward for the next five years.

The high standard deviation on some elements of the variables under descriptive statistical table 10, are indicatives of differences in responses. For example on whether budget preparation is guided by an approved framework, the standard deviation (1.146) may be interpreted as lack of knowledge of their existence or even their application or how they operate.

Similarly on whether budget holders are trained and conversant with the budget, the highstandard deviation (1.113) can be interpreted that training is selective or inadequate. This is in contrast to Mohamed et al., (2015), who emphasize the necessity of budget staff training for improved performance.

The findings of Kifubangabo's study on the impact of budgeting on financial performance pointed out that organizations should diversify and allocate their revenue streams to lessen their reliance on donor financing while also improving their budget plans. As a result, budget planning is critical to corporate performance, and budgeting necessitates planning. The organization will not function as expected if it is not done correctly.

5.1.2 Budget Participation and Budget Performance

The second objective was to establish the relationship between budget participation on budget performance at St. Joseph’s Hospital Kitovu.

The study revealed that budget participation was found to have a high positive and significant relationship with budget performance at r =0.736 (73.6%) implying that an improvement in budget participation positively results into an improvement in budget performance. The effect of budget participation was shown by a beta value of 0.320 (32%). This implies that a unit improvement in budget participation results into a 32% improvement in budget performance.

I agree with this finding because budget participation allows for the sharing and ownership of information within the organization, from departmental levels to top executives, where subordinates can freely contribute and present their views on what the budget goals should be, which must be in line with the strategic plan. Employees play a critical role in adhering to organizational budget objectives and goals because they are the budget implementers. Their involvement will help them align their goals with those of the organization, motivating them to work harder to achieve the goals that they helped set, resulting in improved budget performance.

Some academics, on the other hand, advocate for downward communication. According to Hill (2013), subordinates acquire more information from superiors and others, such as their roles, responsibilities, and expected performance, through budgeting participation, which raises a subordinate's effectiveness and improves performance. Discussions with superiors during the budgeting process, according to Yuen (2006), assist explain the subordinate's aims and procedures. As a result, it is necessary to encourage and establish staff participation in achieving sound budget performance at St Joseph's hospital Kitovu in Masaka Diocese.

On the findings under descriptive analysis, on the view whether respondents are informed about the budget allocation to their budget centre. The responses were in agreement with (mean = 4.22) and this is supported by Anon (2004), who claims that budget involvement aids in the optimal allocation of resources, and Pathi (2010), who encourages efficient use of available resources. This means that the members are always fully informed about the budget.

However, on some elements of the variable in the descriptive analysis need some attention. For instance, the results showed about whether members feel the ownership of the budget was neutral with (Mean = 2.89) indicating that some stages of budgeting may be imposed to subordinates by their superiors. Swedlund, (2013), on the other hand, proposes consultations during the budgeting process with employee participation for better budget performance.

On the issue whether units are involved in approving spending on their votes,the findings were in disagreement with (mean =1.82) and a high variation in responses as indicated by the (standard deviation = 1.020).This means that, while units are given the opportunity to propose, they have a smaller role in their approval. This is in contrast to Shea (2015), who claims that preparing aggregate expenditure estimates can aid in assessing the sustainability of an organization's expenditure policy and so improve the budgeting process.

5.1.3 Budget Control and Budget Performance

The third objective was to establish the relationship between budget control on budget performance at St. Joseph’s Hospital Kitovu. The findings about budget control also showed that there was a high positive and significant relationship with budget performance r =0.866 (86.6%). This implies that an improvement in budget control positively results into an improvement in budget performance by 86.6%. Additionally, the relationship of budget control on budget performance was shown by a beta value of 0.717 (71.7%). The findings imply that any unit improvement in budget control results into a 71.7% improvement in budget performance or budget control predicts budget performance by 71.7%. This variable was found to be the best predictor of budget performance.

In my opinion, I agree with this result since budget control techniques in an organization or any business enable management to discover variances between budgeted and actual amounts for various hospital departments. Budget control aids in variance analysis by allowing hospital managers to set cost centers and understand how expenditures are distributed and incurred in different cost centers. Measures done to maintain actual costs within acceptable bounds help boost efficiency and decrease waste, resulting in improved service delivery.

In spite of this high positive significant relationship, some components of budget control were lacking, the case in point is on the question whether there are weekly or monthly budget reviews, the responses as indicated by a mean of 2.38 informs a disagreement which can be interpreted that review are nonexistent or irregular contrally to the views of Chester (2003) who underlines the importance of regular budget assessments for improved follow-up and avoiding any potential shortfall.

5.2 Summary of findings

The overall summary was showed by the findings in the model summary which revealed that all the three variables under independent variable (budget planning, budget participation and budget control) had a significant effect on budget performance which was the dependent variable in this study. The overall correlation was r=0.892, and the adjusted R=0.787, this implied that budget process predicted budget performance by 78.7%, also implying that a unit improvement in budget process results into 78.7% improvement in budget performance.

5.3 Conclusion

The study was bout budgeting process and budget performance and guided by three specific objectives, that is budget planning, budget participation and budget control and how they affect budget performance in Catholic owned hospitals in Masaka diocese, a case of St. Joseph's hospital Kitovu and the following conclusions were made.

5.3.1 Budget Planning and Budget Performance

The study concluded that there is a significant weak relationship between budget planning and budget performance in St. Joseph's hospital Kitovu indicating that even if many workers are not involved in budget planning but they are involve in executing it and they are controlled, there will be good budget performance.

5.3.2 Budget Participation and Budget Performance

Budget participation was found to have a high positive and significant relationship with budget performance of 0.736 correlation and a positive beta value of 0.318 and the effect was as well found, the researcher concludes that budget participation positively and significantly affects budget performance.

5.3.3 Budget Control and Budget Performance

Basing on the research findings about budget control which showed a high positive and significant relationship with budget performance correlation of 0.867 and the positive and significant beta value of 0.717, therefore, budget control has a favorable and considerable impact on budget performance, according to the study. Budget control was found to be the strongest predictor of budget success or performance among all three factors studied, therefore the researcher concluded that it is an important part of the budgeting process that has a significant impact on budget performance.

5.4 Recommendations

Basing on the research findings and conclusions made, the following recommendations can be advanced:

5.4.1 Budget Planning and Budget Performance

The findings revealed that budget planning was found to be the least reliable predictor of budget performance. As a result, the researcher suggests that workers be partially involved in budget planning to save money. Because the results suggest that even if many workers are not involved in budget preparation, they are involved in budget execution and are monitored, the budget will function well.

Budget planning had a strong positive correlation coefficient of 0.717 between budget planning and budget performance, according to the study findings, and it should not be overlooked. The researcher recommends that budget planning be considered at the start of the budgeting process for better budget performance. All stakeholders engaged in the budgeting process should be contacted, and all relevant procedures and information should be gathered. The hospitals will be able to plan their budgets more effectively and achieve greater results as a result of this.

5.4.2 Budget Participation and Budget Performance

The study revealed that budget participation was found to have a high positive and significant relationship on budget performance, with a positive correlation of 0.736 and a beta value of 0.318. The researcher suggests that budget participation be well handled and managed by the concerned parties' management, and that all stakeholders in the budgeting process be involved to ensure effective participation in the budgeting process.

According to the study, the researcher recommends that effective participation of various stakeholders in the budgeting process will enable organizations to develop better budgets, which, if followed properly, will result in improved budget performance.

5.4.3 Budget Control and Budget Performance

Budget control, according to the findings, has proven to be the most influential and best predictor of budget performance, with a beta of 0.717 and a significant correlation of 0.867. The management of the hospitals in Masaka diocese, and in particular St. Joseph's hospital Kitovu, which was considered in this study, should take budget control as a vital aspect of the entire budget process.

Budget control is a crucial part of the budgeting process since it dictates how resources are used, which is then followed by monitoring. Control is a critical management function that must be prioritized by every organization if it is to be successful. Budget control can be done by putting in place mechanisms to ensure that the budget is followed exactly as written from the planning stage to the final stage of implementation.

5.5. Areas for further research

The researcher suggests the following areas for further researches:

(i) Budgeting and financial performance

(ii) Budget management and financial performance

(iii) Budget control and budget implementation.

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APPENDICES

Appendix i.QUESTIONNAIRE

Dear Respondent,

My name is Alinaitwe Albert a student of the University of Uganda Martyrs pursuing a Bachelors degree in Business Administration and Management, conducting a study on "the effects of the budgeting process on budgeting performance in Catholic hospital in Masaka diocese"with St. Joseph's Hospital Kitovu as Case study. You have been selected to participate in this study. All information provided will be kept confidential and used for academic purposes only. I kindly request that you acknowledge your acceptance to participate in this study by filling out this questionnaire.

ALINAITWE ALBERT,

Researcher

Respondents' Questionnaire

Section A: Background characteristics (Tick the most appropriate response)

A1. Type of health facility 1) Hospital 2) Health Centre IV 3) Health Centre III 4) Others, specify

A2. Age bracket of respondent 1) 25-34 years 2) 35-44 years 3) 45 -54 years 4) More than 55 years

A3. Sex of respondent 1) Male 2) Female

A4. Position of respondent 1) Doctor 2) Head of department 3) Accountant 4) Hospital Administrator 5) Others, specify ……………………………………………………….

A5. Department……………………………………………….

A6. Years at the current station 1) Less than a year 2) 1- 5 Years 3) 5-10 years 4) More than 10 years

A7. Location of the facility: District ………………………… Sub-county………………..

A8. Highest education level of respondents 1) Postgraduate 2) Graduate 3) Diploma

4) Certificate 5) Others, specify……………………………

A9.Religious Affiliation of respondent 1) Catholic 2) Protestant 3) Muslim 4) Pentecostal 5)Others, specify ……………………………………….

A10. Salary of the respondent 1) Less than a million 2) Between 1- 2M 3) Between 2M -3M 4) More than 3M

A11. Who pays for your accommodation 1) the institution 2) Self 3) Cost sharing 4) Others, specify ………………………………………..

Section B

For the questions below, tick the number that best indicate your opinion on the question using the following scale. The questions are seeking your opinion on budget planning in the institution

Scale	0	1	2	3	4	5
	Not Applicable	Strongly disagree	Disagree	Neutral	agree	Strongly Agree

Budget planning

No.	**Item**	**SD**	**D**	**N**	**A**	**SA**
B1	My units solicits for my input on the annual budget needs					
B2	I am always availed with clear budget goals for the year					
B3	I am consulted during the budgeting planning process					
B4	There is a department responsible for budget formulation					

B5	The annual budget is dependent on projected revenues					
B6	Budget preparation is guided by an approved framework					
B7	The budget unit has qualified and experienced staff					
B8	The budget process is given adequate time					
B9	Budget holders are trained and conversant with budgeting					
B10	The budget is a key tool of decision making					
B11	Income sources are identified at the stage of budget planning					

Section C

For the questions below, tick the number that best indicate your opinion on the question using the following scale. The questions are seeking your opinion on budget participation in the institution

Scale	0	1	2	3	4	5
	Not Applicable	Strongly disagree	Disagree	Neutral	agree	Strongly Agree

Budget participation

No.	**Item**	**SD**	**D**	**N**	**A**	**SA**
C1	I am actively involved in budget meetings					
C2	The budget always reflect my input during budget meetings					
C3	Our ideas about the budget are always incorporated					
C4	I am informed about the budget allocation to my unit					
C5	The budgeting process is transparent					
C6	There are pre-budget training sessions					
C7	Units are involved in approving spending on their votes					

C8	A bottom up approach to budgeting is used					
C9	Budget revisions are always explained to me					
C10	I regularly discuss the budget with my superiors					
C11	Staff freely exchanges information on budget progress					
C12	Budget goals are arrived at through member participation					
C13	I feel ownership of the prepared budgets					

Section D

For the questions below, tick the number that best indicate your opinion on the question using the following scale. The questions are seeking your opinion on budget control in the institution

Scale	0	1	2	3	4	5
	Not Applicable	Strongly disagree	Disagree	Neutral	agree	Strongly Agree

Budget control

No.	**Item**	**SD**	**D**	**N**	**A**	**SA**
E1	There is a system that tracks expenditures					
E2	There are weekly/monthly budget reviews					
E3	Expenditures are guided by the approved votes					
E4	Budgets are reviewed and approved before put to use					
E5	There is a budget committee in the institution					
E6	There is a clear approval procedure for all payments					
E7	Monthly reports on budget performance are prepared					
E8	All invoices cleared are stamped paid					
E9	Spending outside the budget needs approval from the Board					

E10	Annual audits are regularly conducted					
E11	Management is actively involved in budget control					
E12	Management is actively involved in budget evaluation					
E13	Timely feedback is provided on budget reviews					
E14	There have been less audit queries over the last five years					
E15	Budgets are prepared with clear and measurable goals					
E16	The institution uses an accounting software e.g. Quick books					
E17	The budget allows some percentage of flexibility in spending					
E18	Variances in set targets are regularly monitored & reported					
E19	There is a clear monitoring framework in place					
E20	The entity possess a risk register					
E21	There are clear access controls (who can access the accounts)					

Section E

For the questions below, tick the number that best indicate your opinion on the question using the following scale. The questions are seeking your opinion on budget performance in the institution

Scale	0	1	2	3	4	5
	Not Applicable	Strongly disagree	Disagree	Neutral	agree	Strongly Agree

Budget performance

No	**Item**	**SD**	**D**	**N**	**A**	**SA**
F1	The budget is aligned to the institution strategic goals					
F2	Our budgets normally meet the expected annual targets					

F3	The entity is able to meet its short term finance obligations					
F4	The projected income is normally realized					
F5	The budget prioritizes development projects					
F6	There are sufficient cash balances to meet operational costs					
F7	Heads of units are aware of their spending limits					
F8	The budget is flexible to emergent needs					
F9	Periodical budget performance reports are provided to units					
F10	The budget is keen to transparency and accountability					
F11	I feel ownership of the budget					
F12	The budget votes reflect the expectations of the various units					
F13	The management fully supports the approved budget					
F14	The difference between the expected & actual performance is small					

Briefly describe the new services that have been introduced at this health facility since March 2020

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

Briefly describe the contribution of the Catholic Church to health care in your area

………………………………………………………………………………………………………

……………………………………………………………………………………………..

Briefly explain the budgeting process in your institution

………………………………………………………………………………………………………

APPENDIX II

KREJCIE MORGAN (170) TABLE OF DETERMINING SAMPLE SIZE FOR A GIVEN POPULATION

Table for determining sample size for finite population

To simplify the process of determining the sample size for a finite population, Krejcie& Morgan (1970), came up with a table using sample size formula for finite population.

Table 3.1

Table for Determining Sample Size of a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

Appendix III: Statistical Analysis

Reliability Statistics on budget planning

Cronbach's Alpha	N of Items
.917	11

Reliability Statistics on budget participation

Cronbach's Alpha	N of Items
.965	13

Reliability Statistics on budget control

Cronbach's Alpha	N of Items
.955	21

Reliability Statistics on budget performance

Cronbach's Alpha	N of Items
.948	14

Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-34	49	61.3	61.3	61.3
	35-44	19	23.8	23.8	85.0
	45-54	7	8.8	8.8	93.8
	55 and above	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	23	28.8	28.8	28.8
	Female	57	71.3	71.3	100.0
	Total	80	100.0	100.0	

Designation of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Doctors	5	6.3	6.3	6.3
	Nurse	26	32.5	32.5	38.8
	Accountant	11	13.8	13.8	52.5
	hospital Admin	4	5.0	5.0	57.5
	Others	34	42.5	42.5	100.0
	Total	80	100.0	100.0	

Experience at current station

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than a year	5	6.3	6.3	6.3
	1-5 years	40	50.0	50.0	56.3
	5-10 years	21	26.3	26.3	82.5
	Above10 years	14	17.5	17.5	100.0
	Total	80	100.0	100.0	

Highest education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Postgraduate	4	5.0	5.0	5.0
	Graduate	23	28.8	28.8	33.8
	Diploma	27	33.8	33.8	67.5
	Certificate	24	30.0	30.0	97.5
	Others	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

Religion of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Catholic	70	87.5	87.5	87.5
	Protestant	8	10.0	10.0	97.5
	Muslim	1	1.3	1.3	98.8
	Pentecostal	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Salary scale

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than a million	64	80.0	80.0	80.0
	1-2millions	10	12.5	12.5	92.5
	2-3millions	4	5.0	5.0	97.5
	Above 3millions	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

Sponsor of accommodation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Facility	39	48.8	48.8	46.2
	Self	37	46.2	46.2	95.0
	Cost sharing	2	2.5	2.5	97.5
	Others	2	2.5	2.5	100.0
	Total	80	100.0	100.0	