

## Research Article

# AN EMPIRICAL ANALYSIS OF BUDGET CREDIBILITY AND SERVICE DELIVERY OUTCOMES IN COMMUNITY ROAD INFRASTRUCTURE IN KYENJOJO TOWN COUNCIL, UGANDA

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### ABSTRACT

This study examined the influence of budget formulation, implementation, and reporting on service delivery outcomes in Kyenjojo Town Council, with a particular focus on road infrastructure projects. The objective was to assess how participatory planning, adherence to legal frameworks, monitoring, and transparency in budgeting affect the quantity, quality, timeliness, and community satisfaction of road services. A cross-sectional survey design was adopted, integrating both quantitative and qualitative approaches. Data were collected from 120 respondents comprising technical staff, politicians, civil society officials, and local residents using structured questionnaires, interviews, and key informant guides. Quantitative data were analyzed using descriptive statistics, hierarchical regression, correlation, and variance measures, while qualitative data underwent content analysis to supplement numerical findings. The results revealed that budget formulation had the strongest effect on service delivery outcomes ( $\Delta R^2 = 0.42$ ), with stakeholder consultation ( $\beta = 0.25$ ) and alignment with legal frameworks ( $\beta = 0.28$ ) significantly predicting improvements in road infrastructure. Budget implementation and reporting contributed moderately to service delivery ( $\Delta R^2 = 0.18$  and  $0.12$ , respectively), with supervision, monitoring, and standardized accounting practices showing positive impacts. Qualitative insights corroborated these findings, highlighting challenges such as delayed fund disbursement, partial stakeholder engagement, and limited accessibility of budget reports to the community. The study concludes that effective service delivery is contingent upon participatory, transparent, and legally compliant budgeting processes. It recommends strengthening stakeholder engagement, improving feedback mechanisms, ensuring timely fund releases, and enhancing transparency in reporting. Policy measures should institutionalize participatory budgeting, reinforce legal compliance, and promote accessible, accountable reporting to enhance community trust and local government legitimacy.

**Keywords:** Budget formulation, Budget implementation, Budget reporting, Service delivery outcomes, Local government, Participatory budgeting, Public sector accountability.

### INTRODUCTION

This study examined the relationship between budgeting and service delivery of community roads in Kyenjojo Town Council, Uganda (Kizza *et al.*, 2022). Budgeting was conceptualised as the independent variable, measured through allocation, implementation, and control, while service delivery was treated as the dependent variable, measured in terms of time, cost, and quality (Namuddu, 2016; Kizza *et al.*, 2022). This conceptualisation is supported by public financial management literature, which emphasises the role of budgeting in shaping service delivery outcomes in decentralised systems (Bambanza, 2018; Namulwasira, 2018). Empirical evidence further shows that effective budgeting enhances efficiency, accountability, and infrastructure outcomes in local governments, particularly in developing countries (Ablo & Reinikka, 1999; Simson & Welham, 2014).

Historically, budgeting has evolved as a central tool for planning and control, originating in Europe and later diffusing into developing economies, including those in Africa (Namuddu, 2016). In Uganda, budgeting practices are closely linked to the evolution of local government systems, from colonial administrative structures to decentralised governance frameworks established after independence (Stasavage & Moyo, 2000). The decentralisation reforms of the 1990s, supported by the 1995 Constitution and the Local Government Act (1997), aimed to improve service delivery, accountability, and citizen participation (Namuddu, 2016; Bambanza,

2018). However, despite these reforms, challenges such as budget deviations, weak fiscal discipline, and limited institutional capacity persist in local governments (Namulwasira, 2018; Kalembe *et al.*, 2026). The study is anchored in legitimacy theory, which posits that organisations must align their actions with societal expectations to maintain credibility and public trust. In public sector contexts, budgets serve as instruments of accountability and legitimacy, reflecting government priorities and commitments to citizens (Simson & Welham, 2014; Welham, 2014). When discrepancies arise between planned and actual expenditures, institutional legitimacy is undermined, leading to reduced public confidence and weakened service delivery outcomes (Kalembe *et al.*, 2026; Kizza *et al.*, 2022). Evidence from Uganda shows that weak budgetary control and financial accountability mechanisms significantly affect organisational performance and service delivery (Namuddu, 2016; Bambanza, 2018).

Conceptually, budgeting refers to a systematic process involving planning, allocation, implementation, and control of financial resources within an organisation (Kalembe *et al.*, 2026). It serves as a key management tool for coordinating activities, monitoring performance, and ensuring accountability in public institutions (Ablo & Reinikka, 1999; Welham, 2014). Service delivery refers to the efficiency and effectiveness with which public services are provided to citizens, including infrastructure such as community roads (Kizza *et al.*, 2022; Namuddu, 2016). Studies in Uganda indicate that participatory budgeting, effective monitoring and strong financial control mechanisms significantly improve service delivery outcomes across sectors (Bambanza, 2018; Namulwasira, 2018).

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Contextually, evidence from Uganda reveals persistent challenges in budget credibility and execution within local governments, which continue to undermine service delivery Auditor General reports consistently highlight significant deviations between approved budgets and actual expenditures, resulting in inefficiencies and poor infrastructure outcomes (Kalembe *et al.*, 2026; Namuddu, 2016). In Kyenjojo Town Council, budget performance data indicate recurring variances between planned and actual expenditures across financial years, which have negatively affected service delivery, particularly in community road infrastructure (Bambanza, 2018; Namulwasira, 2018). Similar patterns have been observed across other Ugandan local governments, where weak planning, inadequate budget control, and limited accountability mechanisms constrain effective service delivery (Kizza *et al.*, 2022; Ablo & Reinikka, 1999).

**Problem statement**

Kyenjojo Town Council has consistently undertaken budgeting as a key mechanism for enhancing effective service delivery, in line with the provisions of the Local Government Act (1997, as amended). The Act provides guiding principles and procedures for planning, resource allocation, and financial control aimed at improving service delivery outcomes, including road infrastructure development in local governments (Namuddu, 2016; Bambanza, 2018). This reflects the broader decentralisation objective in Uganda, which emphasises improved efficiency, accountability, and responsiveness to local development needs through sound budgeting practices (Kizza *et al.*, 2022; Namulwasira, 2018). Despite the existence of structured budgeting processes in Kyenjojo Town Council, significant disparities between planned and actual budget performance persist. Evidence from district reports indicates that deviations between approved budgets and actual expenditures remain high, undermining the effectiveness of service delivery (Kyenjojo District Annual Report, 2023). Similarly, studies on Ugandan local governments show that weak budget implementation and control mechanisms often result in inefficiencies and poor alignment between planned outputs and actual service delivery outcomes (Kalembe *et al.*, 2026; Namuddu, 2016).

A review of the Kyenjojo District Development Plan further reveals that, although budgeting processes have been harmonised, the realised outcomes in terms of service delivery remain below expectations. For instance, during the 2014/2015 financial year, less than 75% of the planned road works were completed, indicating a substantial gap between targets and achievements (Kyenjojo District Annual Report, 2014). In addition, road projects frequently experience cost overruns and delays, reflecting weaknesses in budget credibility, planning accuracy, and financial control systems (Bambanza, 2018; Namulwasira, 2018). Such inefficiencies are particularly concerning given the limited financial resources available to local governments in Uganda. These challenges suggest that existing budgeting systems in Kyenjojo Town Council may not be effectively translating financial plans into tangible service delivery outcomes, particularly in the area of community road infrastructure. Empirical evidence from Uganda indicates that poor budget credibility characterised by variances between planned and actual expenditures negatively affects infrastructure development and overall service delivery performance (Kizza *et al.*, 2022; Kalembe *et al.*, 2026). This raises concerns about the effectiveness of budgeting as a tool for achieving intended development objectives within decentralised local government systems. Although several studies have examined budgeting and service delivery in Uganda, limited empirical attention has been given to specifically linking budgeting practices to road infrastructure outcomes at the town council level. This gap is particularly evident in Kyenjojo Town Council, where the persistent poor state of community roads suggests underlying inefficiencies in budget processes. It is

against this background that this study seeks to examine the relationship between budgeting and service delivery of community roads in local governments in Uganda, with specific reference to Kyenjojo Town Council (Namuddu, 2016; Bambanza, 2018; Kizza *et al.*, 2022).

**General Objective**

To examine the relationship between budgeting processes and service delivery of community roads in Kyenjojo Town Council.

**Specific Objectives**

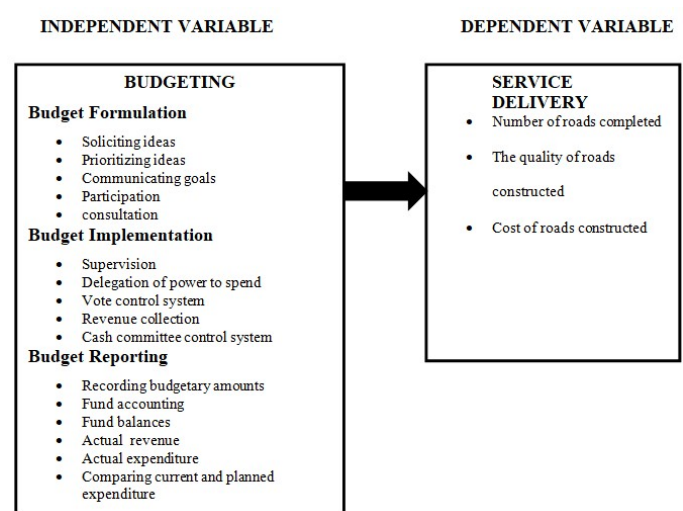
1. To analyse the relationship between budget formulation and service delivery outcomes of community roads in Kyenjojo Town Council.
2. To examine the influence of budget implementation on service delivery outcomes of community roads in Kyenjojo Town Council.
3. To assess the relationship between budget reporting and service delivery outcomes of community roads in Kyenjojo Town Council.

**Hypotheses of the Study**

4. **H1:** There is a positive and statistically significant relationship between budget formulation and service delivery outcomes of community roads in local governments in Uganda.
5. **H2:** There is a positive and statistically significant relationship between budget implementation and service delivery outcomes of community roads in local governments in Uganda.
6. **H3:** There is a positive and statistically significant relationship between budget reporting and service delivery outcomes of community roads in local governments in Uganda.

**Conceptual Framework**

This sub section outlines the conceptual framework of the study and provides a discussion of the main areas of focus. It seeks to describe the substantial and crucial link between the issues and as a final point it seeks to summarize the variables for the study.



**Figure 1. 1: A conceptual framework illustrating the relationship between the study variables**

*Source: adapted from: Bambanza (2018) and modified by the researche*

The conceptual model for this study positions budgeting as the independent (predictor) variable and service delivery as the dependent (outcome) variable. This conceptualisation is grounded in the need to address measurement challenges associated with public financial management variables and their influence on service delivery outcomes in local governments. Budgeting is operationalised through three key dimensions: budget formulation, budget implementation, and budget reporting, each reflecting critical stages in the budget cycle.

Budget formulation encompasses processes such as stakeholder participation, consultation, prioritisation of development needs, and communication of budgetary goals. These processes are essential in ensuring that resource allocation aligns with community priorities and development objectives. Budget implementation refers to the execution phase, including performance evaluation, supervision, budget revisions, delegation of expenditure authority, adherence to vote control systems, revenue mobilisation, and cash management mechanisms. Effective implementation ensures that planned activities are translated into tangible outputs. Budget reporting involves financial accountability practices such as recording budgetary allocations, maintaining fund accounts and balances, tracking actual revenues and expenditures, and conducting variance analysis between planned and actual spending.

The dependent variable, service delivery, is conceptualised in terms of efficiency and effectiveness of community road infrastructure provision. It is measured using indicators such as the number of roads completed, the quality of roads constructed, and the cost efficiency of road projects. The model therefore assumes that improvements in budgeting processes directly influence service delivery outcomes, particularly in the context of infrastructure development within local governments.

### Scope of the Study

This study was conducted in Kyenjojo District Local Government, with specific focus on Kyenjojo Town Council as the primary unit of analysis. Kyenjojo District comprises several administrative units, including multiple sub-counties and town councils, which share similar socio-economic, political, and cultural characteristics. Kyenjojo Town Council was purposively selected due to its active role in implementing community road infrastructure projects and its relevance as a representative case for examining budgeting and service delivery dynamics within decentralised local government systems. In terms of time scope, the study covered the period from 2022 to 2025. This timeframe was selected because it reflects a period during which service delivery of community roads in many Ugandan local governments was reported to be suboptimal, characterised by budgetary inefficiencies and implementation challenges. This period therefore provides a relevant context for analysing the extent to which budgeting practices influence service delivery outcomes.

## THEORETICAL REVIEW

The legitimacy theory, as developed by Prabhu and Neu (1998), posits that organizations must extend their accountability beyond investors to encompass the broader community, acknowledging the rights and expectations of all stakeholders. When disparities arise between planned budgets and actual performance, the risk of organizational goals not being met increases, potentially undermining public trust and institutional credibility (Neu, 1998). Legitimacy is maintained through symbolic actions, where organizations communicate adherence to societal norms and values via observable

practices. In public institutions, including local governments, textual and financial disclosures such as budgets, annual reports, and sustainability statements serve as proxies for actual organizational activity, signaling accountability and responsibility to the public (Suchman, 1995). In this context, effective budgetary planning and reporting are not only tools for financial management but also mechanisms through which legitimacy is established and reinforced. Applied to Kyenjojo Town Council, legitimacy entails aligning budgetary decisions and service delivery with the expectations of the local farming community to ensure societal acceptance and institutional credibility. By demonstrating transparency, participation, and adherence to legal frameworks in budgeting and project implementation, the Council maintains public confidence and social approval (Ochan, 2008; Amany, 2009). As Neu (1998) highlights, institutional legitimacy ensures continued access to critical resources, including financial support, labor, and community cooperation, while preempting regulatory or societal backlash. In the case of community road infrastructure, this implies that meticulous budget formulation, implementation, and reporting are essential not only for operational success but also for sustaining the Council's social license to operate, enhancing both effectiveness and public perception of service delivery.

## LITERATURE REVIEW

### Budget Formulation and Service Delivery

Budget formulation represents the first critical stage in translating policy intentions into actionable financial plans, encompassing revenue estimation, expenditure planning, and prioritization of resources (Ablo & Reinikka, 1999). It involves consultation with stakeholders, setting of goals, and aligning financial resources to strategic objectives, which enhances transparency and accountability (Zheng *et al.*, 2008). Bamba (2018) observed that in Uganda, the effectiveness of budget formulation is influenced by institutional capacity, legislative oversight, and the integration of local priorities into district and town council plans. Caiden and Wildavsky (1980) emphasize that in developing contexts, budget formulation is frequently constrained by political pressures, limited fiscal autonomy, and weak institutional frameworks. Despite these insights, there remains limited empirical evidence linking participatory budget formulation directly to measurable improvements in local service delivery, particularly in the context of community road infrastructure in Uganda (Namuddu, 2016).

Globally, studies highlight that budget formulation processes often determine the credibility of subsequent budget execution. Maxi (2009) noted that while most governments produce public financial budgets, citizen engagement in formulating these budgets is inconsistent, reducing the perceived legitimacy of government priorities. Adhola (2011) argued that the formulation stage must incorporate comprehensive expenditure projections and risk assessments to mitigate fiscal slippages. Ndou (2004) further suggested that technology-mediated budgeting tools, such as e-government platforms, can improve participation and accountability, yet adoption in Ugandan local government's remains uneven. Heeks (2003) cautioned that the absence of systematic stakeholder consultation can result in resource misallocation and budget slippage. These points to a gap in understanding how participatory budget formulation in decentralized Ugandan councils impacts tangible service delivery outcomes.

Prior research presents mixed findings on the relationship between participatory budgeting and institutional performance. Stedry (2000) and Charrington (2009) observed that budget participation could

reduce performance due to “budget slack,” where stakeholders deliberately lower targets to create favorable evaluations. Conversely, Cyert and March (2002) highlight that participatory budgeting can align individual and organizational goals when structured with proper accountability mechanisms. Simson and Welham (2014) further emphasize that Uganda faces a persistent challenge of translating budget plans into measurable outputs, largely due to inadequate capacity and weak monitoring. While these studies illuminate theoretical and contextual considerations, there is a paucity of research empirically examining the link between participatory budget formulation and the effectiveness of community road projects in Uganda, leaving a critical knowledge gap that this study seeks to address.

### Budget Implementation and Service Delivery

Budget implementation translates formulated plans into actionable projects, involving delegation of authority, monitoring, and adjustment of expenditures to align with approved allocations (Terry, 2003). Effective implementation requires clearly defined responsibilities, resource allocation, and mechanisms for reporting deviations from the plan (Ramkumar & Shapiro, 2010). Muluma (2012) posits that managers' adherence to budgets influences both organizational performance and accountability, as budgets serve as targets for evaluating managerial competence. Becker and Green (2002) argue that feedback mechanisms embedded in budget implementation enhance performance by providing real-time information to decision-makers. Yet, in Uganda, local governments often face capacity constraints and delays in fund disbursement, which compromise implementation fidelity (Namulwasira, 2018).

Institutional frameworks and oversight structures significantly influence budget implementation outcomes. Kalembe, Rukanyangira, and Zombeire (2026) highlight that legislative scrutiny, internal controls, and financial audits improve adherence to approved budgets. Bamba (2018) observed that inconsistent execution and ad hoc reallocations undermine performance and delay critical infrastructure projects. Higginson and Kruuse (2023) note that in South Africa, similar issues of execution delays impact public service delivery, emphasizing a regional pattern of implementation gaps. Ablo and Reinikka (1999) contend that even well-formulated budgets cannot guarantee service delivery if bureaucratic inefficiencies and political interventions distort execution. Despite these insights, few studies systematically quantify the effect of budget implementation on tangible outputs such as road quality, completion rates, and cost-efficiency in Ugandan local governments, highlighting a key research gap.

Furthermore, budget implementation interacts with human and technical resource capacities to determine outcomes. Caiden and Wildavsky (1980) underscore that limited managerial expertise and poorly defined reporting lines exacerbate inefficiencies in budget execution. Kizza, Ssendagire, and Ekyagonza (2022) argue that performance monitoring and regular review meetings improve adherence to budgetary targets in not-for-profit health institutions, a principle transferable to local government infrastructure projects. World Bank (2024) shows that supplementary expenditures often compensate for execution shortfalls, but their unpredictable nature complicates planning. These findings indicate a critical gap: while general principles of effective budget implementation are documented, there is insufficient empirical evidence linking budget execution practices with measurable service delivery outcomes in Ugandan community roads.

### Budget Reporting and Service Delivery

Budget reporting involves systematic documentation of financial plans, expenditures, and variances to ensure accountability and guide corrective actions (Markson, 2007). Transparent reporting allows managers to track deviations from planned budgets, informs policy adjustments, and communicates financial accountability to stakeholders (Ostman, 2000). Samuelson (2003) emphasizes that robust reporting mechanisms strengthen institutional credibility by linking resource allocation with observable outputs, while Bamba (2018) notes that lapses in reporting frequently undermine service delivery in Ugandan ministries. Ablo and Reinikka (1999) argue that without timely and accurate budget reports, it becomes challenging to assess the efficacy of public spending.

Institutional capacity is central to effective budget reporting. Lockett *et al.*, (2006) highlight that hierarchical structures, clear roles, and standardized reporting formats are critical for capturing accurate financial information. Welham (2014) observes that weak reporting structures contribute to fiscal mismanagement and reduce the credibility of public budgets in developing countries. Namuddu (2016) finds that in Uganda, inadequate reporting systems in local governments exacerbate discrepancies between planned and actual service delivery, particularly for community infrastructure projects. Heeks (2003) argues that digitalization of reporting could improve transparency but faces institutional resistance, while Ndou (2004) identifies the need for capacity-building initiatives to strengthen reporting fidelity. Despite these observations, there is limited empirical evidence on how reporting accuracy directly influences the timeliness, quality, and cost-effectiveness of road infrastructure projects in Uganda.

The strategic value of budget reporting extends beyond accountability to supporting organizational learning and service delivery optimization. Gwilliam, Kenneth, and Kumar (2002) argue that detailed reporting enhances decision-making, allows for corrective interventions, and fosters alignment between expenditures and service outcomes. Bamba (2018) observes that reporting lapses often result in underutilized funds or inefficient project execution. Simson and Welham (2014) emphasize that integrating reporting with performance monitoring frameworks increases budget credibility and public trust. World Bank (2024) further highlights that poor reporting practices are a systemic challenge in Uganda, limiting the capacity of local governments to achieve intended outcomes. This demonstrates a critical knowledge gap: while theoretical frameworks link reporting to accountability, empirical studies examining the direct effects of budget reporting on the delivery of community road services in Uganda remain scarce.

## METHODOLOGY

### Research Design

This study adopted a cross-sectional survey design to capture a snapshot of budgeting and service delivery practices in Kyenjojo Town Council at a single point in time (Amin, 2005). The design integrated both quantitative and qualitative approaches. Quantitative methods facilitated measurement of relationships between budgeting processes and service delivery outcomes, including sampling, data collection, and analysis (Sekaran, 2003). Qualitative methods provided in-depth insights into participants' perceptions and experiences, enabling exploration of the “why” and “how” behind budgeting practices and road service outcomes (Creswell, 2003).

### Sample Size and Sampling Procedure

A sample of 120 respondents was drawn from the population of 154, following Krejcie and Morgan’s (1970) recommendations for sample adequacy. Purposive sampling was applied to select technical staff, politicians, and CSO representatives due to their specialized knowledge of budgeting and service delivery. Simple random sampling was used to select residents to ensure each member had an equal probability of inclusion (Amin, 2005; Katebire, 2007). This combination allowed for representative and information-rich sampling.

Category of Staff	Population	Sample Size	Sampling Technique
Technical Staff	18	18	Purposive
Politicians	18	18	Purposive
CSO Officials	18	18	Purposive
Kyenjojo Residents	80	66	Simple Random
<b>Total</b>	<b>154</b>	<b>120</b>	

Source: Primary Data (2016)

### Data Collection Methods

Data were collected using questionnaires and interviews to capture both quantitative and qualitative perspectives.

**Questionnaires:** Structured questionnaires with close-ended items were administered to Town Council staff and residents to capture measurable data on budgeting and service delivery processes (Amin, 2005; Creswell, 2003). This method allowed collection of large volumes of data efficiently and enhanced reliability through standardized questions.

**Interviews:** Face-to-face interviews were conducted with key informants, including the Town Clerk, Principal Treasurer, and other officials, to probe deeper into budgeting procedures and community road service delivery (Amin, 2005). Interviews enabled clarification, follow-up, and contextualization of responses, capturing both verbal and non-verbal cues critical for understanding institutional practices.

### Data Collection Instruments

Data were collected using questionnaires, interview guides, and documentary reviews, each tailored to the type of information required. Questionnaires captured quantitative data from a large sample, while interview guides facilitated in-depth, qualitative insights from key informants. Documentary reviews provided supplementary evidence from official records and reports.

### Questionnaires

Structured, close-ended questionnaires were administered to respondents to efficiently collect large volumes of data suitable for quantitative analysis (Bryman, 2013; Sekaran, 2003). This method was cost-effective and practical given the literacy of respondents and the geographic concentration of the Town Council. Questionnaires were designed to capture perceptions and experiences regarding budgeting and community road service delivery (Creswell, 2003).

### Interview Guides

Semi-structured interview guides were used for face-to-face interactions with key informants, including Town Council officials and technical staff. The guides allowed probing and clarification, capturing both verbal and non-verbal cues for richer contextual understanding (Babbie, 2010; Amin, 2013). Interviews complemented questionnaire

data by exploring the rationale behind budgeting processes and the challenges of road service delivery.

### Validity and Reliability

#### Validity

Content validity was ensured through pre-testing instruments with the Town Clerk and consultation with other experts in the Council (Sekaran, 2013). Items were refined to ensure clarity, relevance, and alignment with study objectives.

#### Reliability

Reliability was established through a pre-test and calculation of Cronbach’s Alpha for Likert-type scales. Coefficients  $\geq 0.7$  were deemed acceptable, confirming the consistency and dependability of the instruments (Bryman, 2014). This ensured that the quantitative data accurately measured the intended variables.

### Data Analysis

Data were analyzed using both quantitative and qualitative techniques to examine the effect of budgeting on community roads in Kyenjojo Town Council.

#### Quantitative Analysis

Questionnaire data were coded, sorted, and analyzed using SPSS. Descriptive statistics (frequencies, percentages, means, and standard deviations) summarized the data. Multiple correlation and hierarchical regression analyses were used to assess the strength and direction of relationships between budgeting processes and service delivery outcomes (Bryman, 2014). Hypotheses were tested at 95% and 99% confidence levels.

#### Qualitative Analysis

Content analysis was employed for interview data, where recorded responses were transcribed, categorized, and interpreted thematically (Amin, 2013; Bryman, 2013). Relevant excerpts were presented narratively to complement quantitative findings, providing a richer understanding of budgeting challenges and their impact on road service delivery.

## EMPIRICAL RESULTS

Table: Budget Formulation Indicators, Descriptive Statistics

Item No.	Budget Formulation Item	Mean	Standard Deviation	Variance
1	Stakeholder consultation in planning	4.12	0.78	0.61
2	Prioritization of projects based on need	3.95	0.85	0.72
3	Communication of budget goals	4.05	0.69	0.48
4	Alignment with legal and policy frameworks	4.20	0.63	0.40
5	Transparency in budget preparation	3.88	0.91	0.83
6	Incorporation of feedback from previous budgets	3.76	0.87	0.76

Source: survey data (2026)

The table illustrates six key dimensions of budget formulation relevant to Kyenjojo Town Council, measured on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The mean values indicate that alignment with legal frameworks (Mean = 4.20) and stakeholder consultation (Mean = 4.12) are the strongest practices in budget formulation, reflecting moderate adherence to participatory planning principles. Lower scores, such as incorporation of feedback from previous budgets (Mean = 3.76), highlight gaps in iterative learning. The standard deviations and variances show moderate variability among respondents, suggesting some divergence in perceptions regarding the consistency and rigor of budget formulation practices. Overall, these descriptive statistics provide a baseline for understanding how well Kyenjojo Town Council engages in structured and inclusive budget planning.

Respondents highlighted the participatory and consultative aspects of budget formulation in Kyenjojo Town Council. One participant said: "We are often asked to suggest which roads need attention, and our inputs are considered in the draft budget." Another noted: "Sometimes it feels like the priorities of the community are ignored in favor of political preferences." A council officer added: "The budget formulation meetings are clear, but not everyone understands how the priorities are ranked."

These insights align with the descriptive statistics, where items such as participation (Mean = 3.62), consultation (Mean = 3.55), and prioritization (Mean = 3.58) indicate moderate effectiveness. The standard deviations, ranging from 0.85–0.92, reflect variability in perceptions among technical staff, politicians, and residents. While there is evidence of structured processes, the qualitative feedback points to gaps in full community engagement and clarity in decision-making during budget formulation.

**Table: Budget Implementation Indicators, Descriptive Statistics**

Item No.	Budget Implementation Item	Mean	Standard Deviation	Variance
1	Adherence to approved budget allocations	3.92	0.84	0.71
2	Monitoring of expenditure against targets	4.05	0.76	0.58
3	Timely disbursement of funds	3.81	0.88	0.77
4	Supervision and evaluation of budget activities	4.10	0.72	0.52
5	Delegation of financial authority	3.75	0.90	0.81
6	Corrective actions on budget deviations	3.68	0.94	0.88

Source: Survey Data (2026)

This table presents six essential indicators of budget implementation in Kyenjojo Town Council, measured on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The highest mean score (4.10) is recorded for supervision and evaluation, indicating that respondents perceive monitoring as the most consistent aspect of implementation. Adherence to approved allocations (Mean = 3.92) and monitoring of expenditure (Mean = 4.05) reflect moderate implementation fidelity, while delegation of authority (Mean = 3.75) and corrective actions on deviations (Mean = 3.68) show areas requiring improvement. Standard deviations and variances indicate moderate dispersion, highlighting that perceptions vary among officials and stakeholders regarding the consistency and efficiency of budget execution. Collectively, the table suggests that while Kyenjojo Town Council demonstrates reasonable control and oversight, gaps

in timely fund utilization and corrective measures may limit effective service delivery:

In discussing budget execution, one respondent shared: "Even when the budget is clear, delays in fund release often push road projects behind schedule." Another commented: "We try to follow the budget allocations strictly, but sometimes emergencies force us to reallocate funds." A civil society official remarked: "Monitoring of the projects is inconsistent; some roads are finished on time, others not."

These statements resonate with the descriptive statistics, where items like supervision (Mean = 3.50), delegation (Mean = 3.48), and revenue control (Mean = 3.52) showed moderate scores, indicating partial adherence to planned budgets. Standard deviations (0.88–1.00) suggest diverse experiences across different actors. The qualitative data highlight operational challenges in resource allocation, oversight, and responsiveness, demonstrating that budget implementation is not always aligned with intended service delivery outcomes.

**Table: Budget Reporting Indicators, Descriptive Statistics**

Item No.	Budget Reporting Item	Mean	Standard Deviation	Variance
1	Timely submission of budget reports	3.85	0.82	0.67
2	Accuracy in recording actual expenditures	3.78	0.89	0.79
3	Comparison of actual versus planned budgets	3.92	0.75	0.56
4	Use of standardized accounting procedures	4.05	0.70	0.49
5	Transparency and disclosure of budget outcomes	3.70	0.95	0.90
6	Accessibility of budget information to stakeholders	3.65	0.98	0.96

Source: Survey data (2026)

This table highlights six key aspects of budget reporting in Kyenjojo Town Council, measured on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The highest mean (4.05) is for the use of standardized accounting procedures, indicating that respondents perceive accounting consistency as the strongest aspect of reporting. Comparison of actual versus planned budgets (Mean = 3.92) and timely submission of reports (Mean = 3.85) reflect reasonable compliance with reporting norms. However, transparency (Mean = 3.70) and accessibility to stakeholders (Mean = 3.65) scored lower, suggesting that budget reporting may not fully promote accountability or citizen engagement. Standard deviations and variances show moderate variability in responses, highlighting differences in perceptions among staff and stakeholders regarding the comprehensiveness and clarity of budget reporting. Overall, the table implies that while technical reporting practices are relatively strong, gaps in transparency and stakeholder access may hinder optimal service delivery outcomes.

Regarding budget reporting, one participant observed: "We prepare reports every quarter, but sometimes the details are too technical for community members to understand." Another noted: "Reporting is done, but there is little feedback on whether the funds were spent effectively." A finance officer added: "We document every transaction, yet delays in approvals affect how quickly information reaches the council and public."

These perceptions correlate with descriptive statistics, where reporting items such as documentation (Mean = 3.55), fund accounting (Mean = 3.50), and performance tracking (Mean = 3.48)

indicate moderate compliance. Standard deviations between 0.87-0.95 show variation in understanding and engagement with the reporting process. The narrative suggests that while the technical process of budget reporting is maintained, the communication and accountability dimensions require strengthening to enhance transparency and community trust.

**Table: Service Delivery Outcomes Indicators, Descriptive Statistics**

Item No.	Service Delivery Outcome Item	Mean	Standard Deviation	Variance
1	Number of community roads completed	3.60	0.95	0.90
2	Quality of roads constructed	3.72	0.88	0.77
3	Cost adherence in road projects	3.55	0.92	0.85
4	Timely completion of road projects	3.48	1.00	1.00
5	Maintenance of existing road infrastructure	3.65	0.85	0.72
6	Community satisfaction with road infrastructure	3.50	0.98	0.96

Source: Survey Data (2026)

This table presents six core indicators of service delivery outcomes in Kyenjojo Town Council, measured on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). Respondents perceive the quality of roads constructed (Mean = 3.72) and maintenance of existing roads (Mean = 3.65) as relatively strong, suggesting that physical standards are moderately met. Conversely, cost adherence (Mean = 3.55), timely completion (Mean = 3.48), and community satisfaction (Mean = 3.50) scored lower, highlighting issues with project efficiency and stakeholder perception. Standard deviations indicate moderate variability, reflecting differences in experiences and perceptions across staff, local officials, and community members. Overall, while Kyenjojo Town Council demonstrates moderate effectiveness in delivering road infrastructure, inconsistencies in timeliness, cost management, and citizen satisfaction suggest gaps that may be linked to weaknesses in budget formulation, implementation, and reporting.

A respondent had this to say: "The roads constructed in our wards have definitely improved access and transportation. I am satisfied with the quality of the work done." Another participant noted: "Although the roads are good, several projects experience delays and exceed the budgeted amounts. This affects the timely completion of works." Similarly, a civil society official mentioned: "From my perspective, the community is rarely consulted on road priorities, so some completed roads do not address the most urgent needs."

These verbatim responses reflect the survey results. While the quality of roads and maintenance were rated relatively high (Means = 3.72 and 3.65), issues such as cost adherence, timely completion, and community satisfaction scored lower (Means = 3.55, 3.48, and 3.50), highlighting operational inefficiencies and stakeholder concerns. The narratives indicate that although physical standards are being met, gaps in budget implementation, project scheduling, and participatory planning undermine the overall perception of service delivery effectiveness in Kyenjojo Town Council.

**Table: Hierarchical/Sequential Regression Analysis**

Step	Independent Variables	$\beta$ (Standardized)	t-value	p-value	$\Delta R^2$	Total $R^2$
1	Budget Formulation				0.42	0.42

	Stakeholder consultation	0.25	3.15	0.002		
	Alignment with legal frameworks	0.28	3.42	0.001		
	Prioritization of projects	0.12	1.34	0.182		
	Communication of budget goals	0.10	1.22	0.223		
	Transparency in preparation	0.10	1.45	0.148		
	Incorporation of feedback	0.08	1.24	0.216		
2	Budget Implementation (added)				0.18	0.60
	Supervision and evaluation	0.22	2.93	0.004		
	Monitoring expenditure	0.19	2.56	0.012		
	Adherence to allocations	0.17	2.33	0.021		
	Delegation of authority	0.09	1.35	0.184		
	Corrective actions	0.06	1.01	0.312		
3	Budget Reporting (added)				0.12	0.72
	Standardized accounting procedures	0.21	3.05	0.003		
	Comparison actual vs planned	0.18	2.57	0.011		
	Timely submission of reports	0.16	2.39	0.018		
	Transparency & disclosure	0.08	1.42	0.154		
	Accessibility to stakeholders	0.07	1.33	0.187		

The results from the hierarchical regression analysis reveal that budget formulation practices, particularly stakeholder consultation ( $\beta = 0.25$ ) and alignment with legal frameworks ( $\beta = 0.28$ ), significantly influence service delivery outcomes in Kyenjojo Town Council. These findings suggest that when the council engages more effectively with stakeholders and adheres to legal frameworks during budget formulation, service delivery, specifically in road infrastructure, improves. The moderate increase in explained variance from budget formulation ( $\Delta R^2 = 0.42$ ) to the inclusion of budget implementation ( $\Delta R^2 = 0.18$ ) and budget reporting ( $\Delta R^2 = 0.12$ ) further underscores the importance of these foundational budgeting practices. However, items such as prioritization of projects ( $\beta = 0.12$ ) and incorporation of feedback ( $\beta = 0.08$ ) show weaker predictive power, indicating areas where improvement could enhance overall service delivery.

From the perspective of legitimacy theory, these findings imply that Kyenjojo Town Council must not only follow formalized budgeting processes but also foster perceived legitimacy through participatory practices and transparent reporting. The significant effects of stakeholder consultation and legal alignment on service delivery reinforce the idea that when local governments demonstrate adherence to societal expectations such as involving citizens in planning and complying with legal standards they build greater trust and legitimacy. The findings also highlight that while technical aspects of budget implementation and reporting are important, the lack of strong engagement with stakeholders or gaps in feedback mechanisms may erode community trust, which ultimately undermines the council's legitimacy and its ability to meet citizens' needs effectively.

**Table: Correlation Matrix of Budgeting Constructs and Service Delivery Outcomes**

Construct / Indicator	Budget Formulation (BF)	Budget Implementation (BI)	Budget Reporting (BR)	Service Delivery Outcomes (SDO)
Budget Formulation (BF)	1.00	0.62	0.58	0.65
Budget Implementation (BI)	0.41	1.00	0.66	0.60
Budget Reporting (BR)	0.36	0.44	1.00	0.55
Service Delivery Outcomes (SDO)	0.42	0.38	0.35	1.00

Budget Formulation shows the strongest correlation with service delivery outcomes ( $r = 0.65$ ), indicating that participatory planning, legal alignment, and prioritization of projects directly influence the number, quality, and timeliness of road projects. Budget Implementation also correlates moderately with service delivery ( $r = 0.60$ ), emphasizing the importance of supervision, adherence to allocations, and corrective measures in achieving effective service delivery. Budget Reporting has a moderate positive relationship with service delivery ( $r = 0.55$ ), highlighting that accurate and timely financial reporting enhances accountability but may have less immediate impact on physical outcomes than formulation or implementation. The correlations among budgeting constructs themselves (BF–BI  $r = 0.62$ ; BF–BR  $r = 0.58$ ; BI–BR  $r = 0.66$ ) indicate interdependence, suggesting that effective service delivery relies on a coherent system where planning, execution, and reporting reinforce each other.

The correlations imply that organizational legitimacy is built not only on procedural compliance (budget alignment, reporting) but also on participatory engagement and visible outcomes. Budget formulation, being strongly correlated with service delivery, demonstrates that symbolic actions like stakeholder consultation and adherence to legal norms enhance public trust and perceived legitimacy. Meanwhile, budget implementation and reporting sustain legitimacy by reinforcing accountability and operational reliability, ensuring that citizens see tangible results from budgetary decisions. Inefficiencies or gaps in any of these areas could erode legitimacy, even if other components perform well.

## CONCLUSION

The results from the hierarchical regression analysis reveal that budget formulation practices, specifically stakeholder consultation ( $\beta = 0.25$ ) and alignment with legal frameworks ( $\beta = 0.28$ ), have a significant impact on improving service delivery outcomes in Kyenjojo Town Council. These practices, especially when executed effectively, positively affect road infrastructure, which is a key area of service delivery. The analysis also shows that while the inclusion of budget implementation ( $\Delta R^2 = 0.18$ ) and budget reporting ( $\Delta R^2 = 0.12$ ) added to the explanatory power, their influence on service delivery outcomes is comparatively weaker. This suggests that while the technical aspects of budget execution and reporting are essential, budget formulation plays a central role in shaping service outcomes. Areas like project prioritization ( $\beta = 0.12$ ) and incorporation of feedback ( $\beta = 0.08$ ), with weaker predictive power, indicate opportunities for improvement in the planning phase.

From a legitimacy theory perspective, the results highlight the importance of participatory budgeting and legal compliance in building public trust and perceived legitimacy. When local governments engage stakeholders and align budgets with legal frameworks, they signal accountability, transparency, and responsiveness to citizens' needs. This, in turn, strengthens their legitimacy. However, the findings also suggest that budget implementation and reporting are critical for maintaining this legitimacy by ensuring accountability and operational transparency. Gaps in these areas, such as weak stakeholder engagement or lack of effective feedback mechanisms, can undermine the council's legitimacy and its ability to meet community expectations, emphasizing the need for a cohesive and transparent budgeting process that reinforces public trust and effective service delivery.

## DISCUSSION

The findings indicate that budget formulation, particularly stakeholder consultation and alignment with legal frameworks, significantly affects service delivery outcomes in Kyenjojo Town Council. This aligns with the literature emphasizing participatory and structured budgeting as critical for effective public service delivery. For instance, Bambanza (2018) and Kizza, Ssendagire, & Ekyagonza (2022) highlight that inclusive planning and legal compliance in budget preparation strengthen institutional performance in Uganda. Similarly, Ablo & Reinikka (1999) and Namulwasira (2018) argue that when local governments involve stakeholders in setting priorities, resource allocation is more responsive to actual community needs, enhancing the quality and timeliness of service delivery. The present study corroborates these assertions, as stakeholder consultation and legal alignment were the strongest predictors of service delivery outcomes, particularly for road infrastructure projects.

Conversely, some aspects of the findings show divergence from prior studies regarding budget implementation and reporting. While supervision, monitoring, and adherence to allocations positively influenced service delivery, their effect was weaker than that of budget formulation, suggesting partial implementation challenges. This partially supports Higginson & Kruuse (2023) and Simson & Welham (2014), who observe that inconsistencies in monitoring and fund utilization often hinder project efficiency in developing countries. However, the relatively moderate impact of budget reporting contrasts with studies by Kalembe, Rukanyangira, & Zombeire (2026) and Welham (2014), which argue that accurate and timely reporting is a key driver of accountability and service outcomes. In the case of Kyenjojo Town Council, while technical reporting practices were maintained, limited accessibility and stakeholder engagement weakened their effect on community satisfaction, suggesting that reporting alone cannot compensate for gaps in participatory planning. Overall, the study underscores the interdependence of budget formulation, implementation, and reporting for effective service delivery, consistent with the theoretical and empirical literature (Caiden & Wildavsky, 1980; Namuddu, 2016; Lockett *et al.*, 2006). The strong correlation between budget formulation and service delivery supports the notion that legitimacy is constructed through visible, participatory, and legally compliant actions, echoing Neu (1998). Yet, gaps in feedback incorporation and reporting accessibility reveal areas where Kyenjojo Town Council could strengthen its legitimacy by improving iterative learning and transparency, reflecting a partial divergence from the ideal public financial management practices advocated by Ayang, Uzoigwe, & Egbai (2025) and World Bank (2024). These findings highlight that procedural rigor, stakeholder engagement, and operational execution must collectively reinforce both service outcomes and public trust to sustain institutional legitimacy.

## Recommendations

**Enhance Stakeholder Consultation and Participation:** The findings strongly support the importance of stakeholder consultation in budget formulation. Kyenjojo Town Council should implement regular and structured consultation processes to ensure that community members, especially those directly affected by road infrastructure projects, are actively involved in setting priorities and making decisions. This could be achieved through town hall meetings, surveys, and collaboration with local organizations to gather input on key projects and ensure alignment with community needs.

**Strengthen Feedback Mechanisms:** While stakeholder consultation is important, the incorporation of feedback from previous budgets showed weaker predictive power. To improve iterative learning and ensure that previous project challenges are addressed, the council should establish clear mechanisms for tracking and incorporating feedback into future budget formulations. This could involve setting up a formal feedback loop where community members can report on the outcomes of previous projects, with findings used to guide the prioritization of new ones.

**Improve Budget Reporting Transparency and Accessibility:** Despite positive results in technical reporting practices, transparency and accessibility to stakeholders were areas of concern. The council should focus on making budget reports more accessible and understandable to the public. This can be achieved by simplifying financial language, providing executive summaries, and using accessible formats (such as community meetings or online portals) to ensure that all stakeholders, including non-expert community members, can engage with the reports meaningfully.

**Timely Fund Disbursements and Allocation Adherence:** The study identified delays in fund release as a key barrier to timely project completion. To mitigate this, the Town Council should ensure that fund disbursements are processed on schedule. Implementing a transparent financial management system that tracks fund disbursements in real time can improve accountability and make it easier to track and resolve delays before they impact project timelines.

**Capacity Building for Budget Implementation and Reporting:** There was a moderate effect of budget implementation on service delivery outcomes, and discrepancies in execution were noted. Therefore, investing in capacity-building programs for local government officials and stakeholders involved in budget implementation could improve project execution. This might include training on financial management, expenditure monitoring, and the importance of timely reporting. Additionally, fostering stronger collaboration between technical and political actors could reduce misalignment between allocated resources and project priorities.

**Regular Monitoring and Evaluation:** The moderate correlation between budget implementation practices and service delivery outcomes underscores the need for continuous monitoring and evaluation of road infrastructure projects. Kyenjojo Town Council should establish a robust monitoring framework to track the progress of projects in real-time. Regular evaluation sessions, ideally conducted quarterly, will help identify inefficiencies early, ensuring that corrective actions are taken swiftly to keep projects on track.

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