

## **The Influence of Financial Reporting on Service Provision within Bushenyi-Ishaka Municipality, Uganda**

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### **ABSTRACT**

This research delved into the impact of financial reporting on service provision within Uganda's Bushenyi-Ishaka Municipality. Despite governmental efforts and legislation aimed at enhancing service delivery, the actual status remains notably deficient in this specific region. Consequently, the study sought to uncover the influence of fiscal, operational, and integrated financial reporting on service provision, areas that have largely lacked exploration. The research framework was rooted in Agency Theory and executed through a targeted population of 100, with a scientifically determined sample size of 80. Respondents were selected via simple random sampling, and data collection employed a questionnaire with robust reliability (0.89) and validity (0.76) measures. Analysis was conducted utilizing SPSS software, employing multiple regression analysis after validating all regression assumptions within acceptable limits. The findings revealed a robust regression model ( $R = .986$ ) explaining 97.1% of the variability in service delivery ( $R^2 = .971$ ). Specifically, fiscal financial reporting ( $t = 8.479$ ,  $P = .000$ ,  $P < .05$ ) and operational financial reporting ( $t = 3.288$ ,  $P = .002$ ,  $P < .05$ ) significantly influenced service delivery, whereas integrated reporting exhibited insignificance ( $t = .075$ ,  $P = .940$ ,  $P > .05$ ). As a result, the study concluded that fiscal and operational financial reporting wielded considerable impact on service provision, while integrated financial reporting demonstrated minimal effect. In light of these conclusions, the study recommended the implementation of an automated reporting system. These findings hold relevance for government bodies, researchers, and the Bushenyi-Ishaka Municipality, offering valuable insights for improving service delivery.

**Keywords:** Fiscal financial reporting, operational financial reporting, Integrated financial reporting, Service delivery

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### **INTRODUCTION**

Service delivery has been a concern of governments, donors, civil society organisations and citizens [1, 2]. Today's globalisation has resulted in increasing pressures on nations and organisations to be more reactive in services delivery in terms of higher-level development, effectiveness and provision of concrete results. The local governments have an enormous duty to ensure proper implementation of service delivery [3, 4]. Financial reporting is the standard practice by which stakeholders receive the accurate description of an organisation's liquid resources that

include income, costs, profits, investment and cash flow to provide in-depth insights into financial operations [5, 6, 7]. [8], explains that financial reporting consists of fiscal reporting, operational reporting and integrated reporting. Fiscal reporting is about the demonstration of respect for legal concerns to raise and spend public liquid in the short term [9, 10]. [11], indicates that fiscal reporting is the annual report outlining all information and data related to an organisation's financial status. Operational financial reporting show whether operational objectives have been attained using the

finances at hand [12]. Therefore, it can refer to preliminary flow control and follow-up control [13]. Integrated financial reporting show concise the organisation's financial plan, management, performance and potentials leading to the creation of value [14]. [15], show that integrated financial reporting is the organization's strategy, governance and performance. Also integrated financial reporting is the institutional financial overview, financial governance, financial opportunities and risks, resource allocation and performance reporting [9]. [16], broadly indicates that services include education, basic health services, physical infrastructure (roads and bridges), water and safety. In the USA, since 1982, every five years, it tracks effectiveness of service delivery in Local Governments by focusing on areas such as education, safety, social amenities and utilities among others [17, 18, 19].

In Africa, service delivery is still problematic in majority of the countries [20]. In mid 1980s throughout the early 1990s, World Bank spear headed reforms aimed at devolution of public authority, resources, and management to local governments to increase access to services, therefore improve on efficiency of delivery and overall quality of services [21]. Generally, in Africa service delivery still remains poor. The sectors that are hit more include education, for instance, in Nigerian learners are seen studying in the open under trees and seating on logs. Also, Health Sector with health centres having dilapidated infrastructure, lacking personnel to provide services and basic drugs [22]. In Kenya, the Local Government face the challenge of services delivery due to gross mismanagement of resources in Local Authorities [23].

In Uganda, services delivery is managed by Ministry of Local Governments through decentralisation program.

#### **Statement of the Problem**

Services well delivered to people will improve standards of living among the people and can contribute immensely towards poverty alleviation. Delivery of services leads to development of

Decentralisation applies to all levels of Local Government [20]. This structure devolves services delivery functions to the Local Government units. The decentralised system demands that Local Councils at district level and other similar Local Government entities budget for the funds available depending on the priorities of the areas [24]. The services to be delivered include road access, water schemes, agricultural extensions and health. The reality on the ground shows that many Local Government administratively suffer from the challenges of poor roads, lack of access to clean water, poor education delivery and poor garbage collection and this has been blamed on low revenue level, corruption, impropriety and misuse of funds among others [25, 26].

The Government of Uganda has put more emphasis on service delivery through enactment of relevant laws focusing on financial reporting. The Local Governments Act 2007, section 86 stipulates that the units should ensure that there is proper accounting of financial management practices for accountability in services delivery [27]. Local Governments are mandated by Regulation 58(1) of the Local Governments Financial and Accounting Regulations of 2007 to ensure that the procedures for accounting are in agreement with the provisions of the Local Governments Financial and Accounting Regulations [28]. Despite the efforts made by the government service delivery still remain wanting. In Bushenyi-Ishaka Municipality, status of service delivery seems to be low despite Local Government regulations in existence. The scenario in the municipality, there is an issue with waste management, particularly on garbage collection and also roads have potholes [29]. Further service delivery in health sector is low [30, 31, 32].

communities especially in poor countries [33]. The services needed by people include basic education, safety, water supply and sanitation, transport, waste management, and health services among

others [34]. In recognition of the importance of service delivery, the government of Uganda has developed strategies to promote services delivery by all Local Governments such as financial reporting, an accountability issue in the delivery of services. Therefore, the government has developed laws such as Local Governments Finance and Accounting regulation of 2007 so that reporting on fiscal, operational and integrated are mandatory to ensure there is effective service delivery to citizens. Despite these efforts, there exists ineffective and low quality of service

delivery to people [29, 30]. The quality level is evident in roads with potholes, littering of uncollected garbage and low provision of health services. The effects of fiscal financial reporting, operational financial reporting and integrated financial reporting are inadequately known. If the situation is not addressed there could be sporadic outbreak of diseases, increased incidents of vehicles breakdowns and low standard of living of people. In the long run the Government National Development plan could not be achieved.

### Objectives of the Study

Specifically, the study sought to:

i) Establish effect of fiscal financial reporting on service delivery

ii) Examine effect of operational financial reporting on service delivery

iii) Evaluate effect of integrated financial reporting on service delivery

### Research hypotheses

The following were research hypotheses for the study:

**H<sub>0</sub>1:** There is no statistical significant effect of fiscal financial reporting on service delivery

**H<sub>0</sub>2:** There is no statistical significant effect of operational financial reporting on service delivery

**H<sub>0</sub>3:** There is no statistical significant effect of integrated financial reporting on service delivery

### Significance of the Study

The result of this will assist the policy makers in the relevant ministry especially in the Ministry of Local Government to formulate policies towards service delivery. The residents of Bushenyi-Ishaka Municipality will benefit from the study

through improved infrastructure, sanitation among others. Also, researchers and academicians who have insatiable desire to constantly search for new knowledge for their academic or research papers.

### Conceptual framework.

The conceptual framework for this study is shown in figure 1 below.

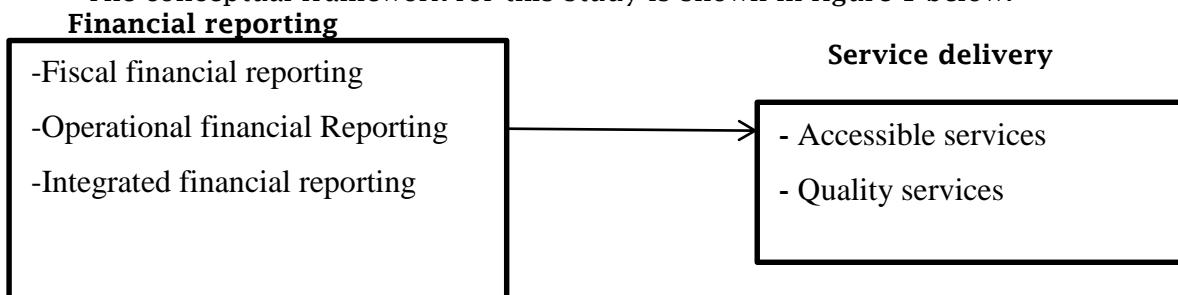


Figure 1. Relationship between independent variables and dependent variable

### LITERATURE REVIEW

#### Theoretical framework

The Agency Theory was developed by [35]. This theory was enhanced by other theorists [36, 37]. It explains that in an

organization there is a principal who is the owner and agent often hired to run the organisation because of his or her

expertise. Expectation from the owner is that the agent is to work according to his or her goals [38]. Therefore, the principal must design means to help him or her have control over the agent [39, 40]. The Local Government is depicted as

organization and its employees (Agent) while the Government of Uganda is the principal owner of the organization. Agency Theory was found relevance to this study.

### Empirical review

[41] studied the likely and exact contributions of effective financial management in enhancing service delivery in the health sector. The result revealed that fiscal reporting made health service delivery better. [42] measured the level of financial reporting by evaluating the credibility of budgets in relation to policy priorities, effectiveness of systems for managing finances, timely and accurate reporting in Cameroon, Chad and the Central African Republic. Their reports revealed that fiscal reporting had an effect on health services.

[43] investigated how financial reporting affected business performance of listed firms in Morocco. The results showed that financial reporting influenced investors' investment choices, which in turn influenced firm performance. [44] examined the results of Singapore's listed companies' financial reporting. The findings showed that there was no impact on a firm's value for money.

[45] investigated the effect of financial performance on the annual financial disclosures of listed Nigerian manufacturing companies and reported a strong correlation between financial disclosures and financial performance. [46] examined the effect of fiscal reporting on listed companies and result showed a strong link to performance of firms. [47] investigated the effect of cash flows reporting element of operational

planning on enterprise performance considering cash flow reports of companies listed for 10 years on the Borsa İstanbul Industrial Index in a period of nine years up 2017. The results indicated that cash flow reporting strongly related to firm performance.

[48] scrutinised the outcome of managerial practices on financial sector firm value. The result showed that there was a substantial effect of operational reporting on firm performance.

[49] studied the outcomes resulting integrated reporting on performance of firms in chemical industry. The results indicated that the outcomes of integrated reporting on firm performance was significant. [50] evaluated potential likely advantages associated with capital markets integrated reporting framework. The findings revealed that there was a positive effect of integrated financial reporting on market value and cash flows. [51] assessed the effects of integrated reporting on firm value, the findings showed that integrated reporting had an impact on the company's value or the provision of services. The relationship between integrated reporting and business value. [52] undertook research using various firms in South Africa. Their results revealed existence of positive outcomes on firm value from adoption of integrated reporting.

### METHODOLOGY

The study used quantitative research approach and descriptive research design [53, 54]. Target population was 100 and sample of 80 considered as respondents which was determined scientifically using [55] formula. The respondents for the study were selected using simple random sampling. Data was collected using

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + e$$

Extrapolating:

questionnaire and quality check was done through validity and reliability measures [56, 53]. The collected data was analyzed using multiple regression technique with help of Statistical Package for Social Science (SPSS) tool. The multiple regression equation developed for this study is indicated below:

Y = Service delivery

X1 = Fiscal financial reporting

X2 =Operational financial reporting

X3 = Integrated financial reporting

Bs= Coefficients(Independent variables)

e = Margin of error (.05)

All assumptions of a regression model were tested such as Linearity. Homoscedasticity, Multicollinearity and

Normality. They were found to be within acceptable limits and therefore the model was good for the analysis.

## RESULTS AND DISCUSSION

### Effects of fiscal financial reporting on service delivery in the Municipality

The result is shown in table 1 below.

Table 1. Fiscal financial reporting and services delivery

Statement	DS	D	NS	A	SA	Mean
Reveals general financial information of the Municipality	0 0	0 0.0	0 0.0	46 (63.9%)	26 (36.1%)	4.36
Gives a narrative on financial performance of the Municipality	1 (1.4%)	0 0.0	1 (1.4%)	35 (48.6%)	35 (48.6%)	4.43
At the end of each fiscal year a cash flow statement is released	2 (2.8%)	4 (5.6%)	3 (4.3%)	41 (56.9)	22 (30.6%)	4.07
The auditor's report is presented the end of each fiscal year	3 (4.3%)	3 (4.3%)	3 (4.3%)	43 (59.7%)	20 (27.8%)	4.03
There is producing of balance sheet at the end of each fiscal year	3 (4.3%)	3 (4.3%)	5 (6.9%)	40 (55.6%)	21 (29.3%)	4.01
Reports councils' analysis of the financial performance of the Municipality	4 (5.6%)	4 (5.6%)	1 (1.4%)	42 (58.3%)	21 (29.3%)	4.00
Discloses operating financial highlights	5 (6.9%)	2 (2.8%)	3 (4.3%)	45 (62.5%)	17 (23.6%)	3.93
An income statement is revealed at the end of each fiscal year	8 (11.1%)	6 (8.3%)	3 (4.3%)	40 (55.6%)	15 (20.8%)	3.67
The accounting policies of the municipality are reported	4 (5.6%)	26 (36.1%)	7 (9.7%)	16 (22.3%)	19 (26.4%)	3.28
The summary of financial data is produced at the end of each fiscal year	8 (11.1%)	26 (36.1%)	7 (9.7%)	19 (26.4%)	12 (16.7%)	3.01
<b>Grand Mean</b>						<b>3.88</b>

Source. Field data, 2023

**Key1-** Disagree Strongly (DS), 2 - Disagree (D), 3 -Not sure (NS), 4- Agree (A), 5- Strongly agree (SA).

The statement on revealing general information of municipality, 46(64%) agreed, 26(36%) strongly agreed and none opposed. For Narratives of financial performance, 35(48.6%) agreed, 35(48.6%) strongly agreed, 19(1.4%) disagreed and 1(1.4%) was not sure. On release of cash flow statement at end of each year, 22(30.6%) strongly agreed, 41(56.9%)

agreed, 39(4.3%) were not sure, 4(5.6%) disagreed and 2(2.8%) disagreed strongly. For report council analysing financial performance, 21(30.6%) strongly agreed, 42(58.3%) agreed, 1(1.4%) was not sure, 4(5.6%) disagreed and 49(5.6%) disagreed strongly. On disclosing of operating financial highlights, 17(23.6%) strongly agreed, 45(62.5%) agreed, not sure

3(4.3%),disagreed 2(2.8%) and those who disagreed strongly were 5(6.9%).As for revealing of income statement at end of each fiscal year,15(20.8%) strongly agreed,40(55.8%) agreed,39(4.3%) not sure,6(8.3%) disagreed and 8(11.1%) disagreed strongly. On reporting of accounting policies, 19(26.4%) strongly agreed, 16(22.3%) agreed, 7(9.7%) were not

sure, 26(36.1%) disagreed and 4(5.6%) disagreed strongly. On producing summary of financial data at end of each fiscal year, 12(16.7%) strongly agreed, 19(26.4%) agreed, 7(9.7%) not sure, 26(26.1%) disagreed and 8(11.1%) disagreed strongly. The overall mean was 3.88 which falls between those who agreed and those who were not sure.

### Results for Operational Financial Reporting on Service Delivery in the municipality

The result is shown in table 2 below.

Table 2: Operational Financial Reporting and Services Delivery

Statement	DS	D	NS	A	SA	Mean
Reports day to day expenditures	0 0.0	1 (1.4%)	0 0.0	69 (95.8%)	2 (2.8%)	4.00
Reports financial performance of the municipality	6 (8.3%)	1 (1.4%)	2 (2.8%)	42 (58.3%)	21 (29.2%)	3.99
Discloses appreciation of assets	1 (1.4%)	3 (4.2%)	1 (1.4%)	60 (83.3%)	7 (9.7%)	3.96
Discloses expenditure on salaries	2 (2.8%)	6 (8.3%)	1 (1.4%)	53 (73.6%)	10 (13.9%)	3.88
Discloses day to day earnings	4 (5.6%)	13 (18.1%)	0 0.0	39 (54.2%)	16 (22.2%)	3.69
Discloses expenditure on utilities	8 (11.1%)	6 8.3%	6 (8.3%)	47 (65.3%)	5 (6.9%)	3.49
Reports tax expenditures	13 (18.1%)	11 (15.3%)	0 0.0	42 (58.3%)	6 (8.3%)	3.24
Reports control to loss of revenue	15 (20.8%)	20 (27.8%)	0 0.0	32 (44.4%)	5 (6.9%)	2.89
<b>Grand Mean</b>						<b>3.64</b>

Source. Field data, 2023

Reporting daily expenditures, 2(2.8%) strongly agreed, 69(91.8%) agreed and 1(1.4%) disagreed. For production of reports, 21(29.2%) strongly agreed, 42(58.3%) agreed, 2(2.8%) not sure, 1(1.4%) disagreed and 6(8.3%) disagreed strongly. On disclosing of appreciation of assets, 7(9.7%) strongly agreed, 60(83.3%) agreed, 1(1.4%) were not sure, 3(4.2%) disagreed and 1(1.4%) disagreed strongly. On disclosing expenditure of salary, 10(13.9%) strongly agreed, 53(73.6%) agreed, 1(1.4%) not sure, 6(8.3%) disagreed and 2(2.8%) disagreed strongly. For disclosing daily earnings, 16(22.2%) strongly agreed, 39(54.2%) agreed,

13(18.1%) and 4(5.6%) disagreed strongly. For disclosing of expenditure on utilities, 5(6.9%) strongly agreed, 47(65.3%) agreed, 6(8.3%) not sure, 6(8.3%) disagreed and 8(11.1%) disagreed strongly. Concerning reports on expenditures, 6(8.3%) strongly agreed, 42(58.3%) agreed, 11(15.3%) disagreed and 13(18.1%) disagreed strongly. For reports control on loss of revenue, 5(6.9%) strongly agreed, 32(44.4%) agreed, 20(27.8%) disagreed and 15(20.8%) disagreed strongly. The overall mean was 3.64 implying that majority of respondents had positive responses



**Integrated Financial Reporting on services delivery in the Municipality**

The results are recorded in table 3 below

Table 3: Integrated financial reporting and services delivery.

Statement	SD	D	NS	A	SA	Mean
The vision of the municipality is reported	0 0.0	1 (1.4%)	1 (1.4%)	66 (91.7%)	4 (5.6%)	4.01
Intangible assets of the municipality are reported	6 (8.3%)	1 (1.4%)	1 (1.4%)	42 (58.3%)	22 (30.6%)	4.01
Non-current assets of the municipality are revealed	2 (2.8%)	7 (9.7%)	1 (1.4%)	50 (69.4%)	12 (16.7%)	3.88
Financial dealing with different stakeholders are reported	2 (2.8%)	7 (9.7%)	1 (1.4%)	54 (75.0%)	8 (11.1%)	3.82
The values espoused by the municipality are reported	4 (5.6%)	12 (16.7%)	0 0.0	40 (55.6%)	16 (22.2%)	3.72
The financial performance of the municipality is reported	6 (8.3%)	5 (6.9%)	2 (2.8%)	49 (68.1%)	10 (13.9%)	3.72
The audit reports are reported	5 (6.9%)	7 (9.7%)	0 0.0	54 (75.0%)	6 (8.3%)	3.68
The governing of stakeholder relationships is communicated	6 (8.3%)	5 (6.9%)	2 (2.8%)	56 (77.8%)	3 (4.2%)	3.63
The allocation of resources of the municipality is revealed	2 (2.8%)	21 (29.2%)	1 (1.4%)	41 (56.9%)	7 (9.7%)	3.42
The governance of the finances of the municipality is disclosed	8 (11.1%)	13 (18.1%)	2 (2.8%)	40 (55.6%)	9 (12.5%)	3.40
Compliance with laws, codes, rules and standards is reported	9 (12.5%)	15 (20.8%)	0 0.0	41 (56.9%)	7 (9.7%)	3.31
Risks threatening services delivery of the municipality are reported	10 (13.9%)	15 (20.8%)	0 0.0	41 (56.9%)	6 (8.3%)	3.25
Financial overview on finances of the municipality is done	3 (4.2%)	27 (37.5%)	0 0.0	38 (52.8%)	4 (5.6%)	3.18
<b>Grand Mean</b>						<b>3.62</b>

Source: field data, 2023

For reporting of vision of municipality, 4(5.6%) strongly agreed, 66(91.7%) agreed, 1(1.4%) not sure and 1(1.4%) disagreed. As regards to reporting on intangible assets of Municipality, 22(30.6%) strongly agreed, 42(58.3%) agreed, 1(1.4%) not sure, 1(1.4%) disagreed and 5(8.3%) disagreed strongly. For revealing of non-current assets, 12(16.7%) strongly agreed, 50(69.4%) agreed, 1(1.4%) not sure, 7(9.7%) disagreed and 2(2.8%) disagreed strongly. In regard to reporting financial dealing with different stakeholders, 8(11.1%) strongly agreed, 54(75%) agreed, 1(1.4%)

not sure, 7(9.7%) disagreed and 2(2.8%) disagreed strongly. As for the values reporting, 16(22.2%) strongly agreed, 40(55.6%) agreed, 12(16.7%) disagreed and 4(5.6%) disagreed strongly. Reporting financial performance of municipality, 10(13.9%) strongly agreed, 49(68.1%) agreed, 2(2.8%) not sure, 5(6.9%) disagreed and 6(8.3%) disagreed strongly. As regards reporting of audit reports, 6(8.3%) strongly agreed, 54(75%), 7(9.7%) disagreed and 5(6.9%) disagreed strongly. As regards communication of governing of stakeholder relationships, 3(4.2%) strongl

y agreed,56(77.8%) agreed,2(2.8%) not sure,5(6.9%) disagreed and 6(8.3%) disagreed strongly .For revealing of resources allocation in the municipality,7(9.7%) strongly agreed,41(56.9%) agreed,1(1.4%) not sure,21(29.2%) disagreed and 2(2.8%) disagreed strongly. For disclosing of governance of the finances, 9(12.5%) strongly agreed, 40(55.6%) agreed, 2(2.8%) were not sure, 13(18.1%) disagreed and 8(11.1%) disagreed strongly. For reporting of compliance to laws, codes, rules and standards,7(9.7%)stronglyagreed,41(56.9%) agreed,15(20.8%) disagreed and 9(12.5%)

disagreed strongly .On reporting of potential risks threatening service delivery in the municipality,6(8.3%)stronglyagreed,41(56.9%) agreed,15(20.8%) disagreed and 10(13.9%) disagreed strongly. For undertaking financial overview, 4(5.6%) strongly agreed, 38(52.8%) agreed, 27(37.5%) disagreed and 3(4.2%) disagreed strongly. The overall mean was 3.62 which implies that majority of respondents were in agreement with questions raised on integrated financial reporting.

### Regression analysis and results

The following are results of regression analysis technique and also hypotheses of the study as shown in table 4. a, b, c

Table 4a. Model summary

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. error of the estimate
1	.986a	.972	.971	.14983

a. Predictors :Constant),Fiscal financial reporting, operational financial reporting, integrated financial reporting

A value of .986 (R= .986) indicates a good level of prediction. The model explained 97.2% (R<sup>2</sup> =.972) of the variability on service delivery

Table 4b. ANOVA<sup>a</sup>

Model	SS	Df	MS	F	Sig.
1 Regression	53.737	2	26.869	1312.22	.000b
Residual	1.527	69	0.022		
Total	55.264	71			

a. Dependent Variable: Service Delivery.

b. Predictors: (Constant), Fiscal financial reporting (FFR), Operational Financial reporting (OFR),Integrated Financial Reporting( IFR)

From ANOVA, these variables (FFR,OFR,IFR) statistically significantly predicted the Service delivery of the municipality (F=0.05 (2,69)=1312 ,P<0.05)

Table 4c. Coefficients<sup>a</sup>

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error		
1 (Constant)	-.344	.089	-3.862	.000
FFR	.409	.063	.418	.000
OFR	.583	.177	.569	.002
IFR	.011	.145	.012	.940

a. Dependent Variable: Service delivery

The general model equation of regression is shown below;

$$Y = - .344 + .409X_1 + .583X_2 + .011X_3$$



**H<sub>0</sub>1: There is no statistical significant effect of fiscal financial reporting on service delivery in Bushenyi-Ishaka Municipality.**

The result indicated that there was statistically significant effect of fiscal financial reporting (FFR) on service delivery. ( $t = 6.473$ ,  $P = .000$ ,  $P < .05$ ). Therefore, null hypothesis was rejected in favour of alternative. The coefficient of unstandardized is equal to .409. This means that one additional unit of FRR can affect service delivery by .409 units.

**H<sub>0</sub>2: There is no statistical significant effect of operational financial reporting on service delivery in Bushenyi-Ishaka Municipality**

The result indicated that there was statistically significant effect of

operational financial reporting (OFR) on service delivery. ( $t = 3.288$ ,  $P = .002$ ,  $P < .05$ ). Therefore, null hypothesis was rejected in favour of alternative. The coefficient indicates that one additional unit of OFR can affect service delivery by .583.

**H<sub>0</sub>3: There is no statistical significant effect of integrated financial reporting on service delivery in Bushenyi-Ishaka Municipality**

The result indicated that there was insignificant effect of integrated financial reporting (IFR) on service delivery. ( $t = .075$ ,  $P = .940$ ,  $P > .05$ ) Therefore, null hypothesis was accepted. The unstandardized coefficient of .011 indicates that additional one unit of integrated financial reporting can decrease service delivery by .011 units.

## DISCUSSION

On fiscal financial reporting, the result showed that the majority of respondents agreed that fiscal financial reporting had an effect on service delivery and also statistically significant. The result supports [42], who reported that fiscal financial reporting had an effect on service delivery. Also, the findings were supported by [43, 57] who found similar results. As for operational financial reporting, the results revealed a general agreement of respondents with a mean of 3.64 that operational financial reporting affects service delivery and were statistically significant hence showing effect on service delivery. The finding is in agreement with the report of [48] who

reported that operational reporting had substantial effect on firms' performance. It was also supported by [58] who indicated that there was correlation between operational financial reporting and service delivery. Finally in integrated financial reporting on service delivery, result indicated a mean of 3.62, and statistically insignificant. This finding contradicts the report of [59], who reported that integrated reporting had positive impact, also differed with the report of [51] who reported that integrated reporting had an impact on firms's value. It further disagrees with [52] who reported that integrated reporting had a positive impact.

## CONCLUSION

The result had overall mean of 3.88 and was statistically significant ( $t = 6.473$ ,  $P = .000$ ,  $P < .05$ ) with coefficient of .409. This implies that an addition of one unit or a program of fiscal financial reporting can affect service delivery by 0.409 units. On operational financial reporting, the overall mean was 3.64 and was statistically significant ( $t = 3.288$ ,  $P = .002$ ,  $P < .05$ ) with coefficient of 0.583. Therefore the study concluded that both fiscal financial reporting and operational financial reporting can affect positively

service delivery in Bushenyi-Ishaka Municipality, Uganda. On integrated financial reporting, the mean was 3.62 and was statistically insignificant ( $t = 0.075$ ,  $P = .940$ ,  $P > .05$ ) with coefficient of .011 units. This means that additional unit of integrated financial or program can decrease service delivery by 0.011 units. The study concludes that integrated financial reporting does not affect service delivery in Bushenyi-Ishaka Municipality, Uganda.

## RECOMMENDATIONS

The study recommended the introduction of innovations in fiscal financial reporting so that service delivery can be improved. The government through the ministry of Local Government should enforce the existing laws and develop new ones which are innovative in nature. Accounting officers in government departments should enforce operational reporting. This should be done by reporting daily

expenditures, and financial performance of the municipality. On integrated financial reporting on service delivery is minimal or none existence. The government should not spend a lot of resources such as time and money on this aspect. Staff working here should be reduced or deployed into fiscal financial reporting and operational financial reporting sections.

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