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Financial Management and the Performance of Public Hospitals: A Case Study of Mulago Hospital.

The research was carried out on financial management and the performance of public hospitals with the aim of assessing the impact of financial planning on the performance of Mulago hospital, to find out the effect of management of working capital on performance of Mulago hospital and to investigate the effect of internal controls on the performance of Mulago Hospital. The study adopted the quantitative method of the study; it was a case study design focused on investigating financial management and performance of government hospitals in Uganda. Questionnaires were the main data collection tool used while the data was analysed using tables and the Statistical Package for the Social Sciences (SPSS), regression analysis was used to find the relationship between the two variables. The researcher found out that financial planning has a strong and positive significant relationship with performance of public hospitals; that is, an increase in financial planning would mean an increase in the performance of Mulago hospital. This precisely points out that financial planning is one of the key elements used to measure performance of public hospitals. There was also a strong positive significant relationship between working capital management and the performance of Mulago hospital. Efficient working capital management has led to improved operating performance of the business concern of the hospital in delivering health care services to patients and it has helped to meet the short term liquidity. Hence, study of working capital management is not only an important part of financial management but also impacts on performance of public hospitals. From the findings, it is true that internal controls greatly affect the performance of the hospital. This is because the internal controls are measures that comprise of the plan to coordinate methods adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and failure to observe the above directly affects performance of the hospital in a negative way and vice versa.

Key Words: Financial Management, Public Hospitals, Mulago Hospital