

BALUNGI PATRICK (2014-M102-30008)

**Output Oriented Budgeting and Health Service Delivery in Local Governments of Uganda:
A Case Study of Masaka Local Government.**

The study examined the effects of output oriented budgeting on health service delivery in local governments in Uganda. The study had three objectives which included; establishing the relationship between allocation of funds and health service delivery in local governments in Uganda, to find out the relationship between funds utilisation and health service delivery of local governments in Uganda, and to examine the relationship between reporting and health service delivery in local governments of Uganda.

The study adopted a case study research design where both qualitative and quantitative data was collected and analysed. Questionnaires were administered to a sample of 86 respondents who comprised of local council members and administrative staff of Masaka District. Quantitative data was analysed using the Statistical Package for the Social Sciences (SPSS) Version 16 for univariate, bivariate and multivariate data. The study established that; allocation of funds has positive relationships on health service delivery in local governments which included targets being set prior to implementation, the health service delivery indicators in the budget are specific and the budget making process considers output/results. Funds utilisation has positive relationships on health service delivery which included timely progress reports being made, variance in performance attracted corrective measures, and there is a management system to check that implementation is linked to the budget. Lastly, it was found that reporting negatively relates with health service delivery in local governments of Uganda resulting from the variability of results obtained in ascertaining whether reporting assists in measuring whether goals and objectives are achieved by funds utilisation, whether budget report evaluation is used to carry out health policy reviews and whether budget reports help to understand trends and determine if the goals are met. This implies that an increase in reporting would lead to a reduction in the quality of health service delivery in local government of Uganda. The study recommended that local government leaders should continuously review the functioning of output oriented budgeting to upgrade and introduce a mechanism that renders health service providers responsible for the delivery of health services greater spending autonomy, where success is measured in terms of quantity and quality of the actual delivered health services, to the people, rather than the actual inputs provided without prior determination of the minimum health care package sent from the central government.

Key Words: Output Oriented Budgeting, Health Service Delivery, Local Governments, Masaka Local Government