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Budget Management and the Survival of Saccos in Uganda: A Case Study of ISSIA Sacco in Western Uganda.

The study examined the effect of budget management on the survival of SACCOs in Uganda with reference to ISSIA Sacco in Western Uganda. The study acknowledges that many SACCOs the world over are putting more emphasis on management and internal controls through budgeting. Despite this, however, most of the SACCOs have been riddled with financial scandals and management problems which have affected their financial performances and survival. Most SACCOs are heavily in debt such that they are not able to promptly and adequately disburse enough loans to their members. Using a cross-sectional descriptive survey design that employs qualitative and quantitative approaches, the study subjected 116 respondents; Sacco staff, Sacco members and board members, to interview guide and questionnaires. The study was based on three objectives; to examine the effect of budget planning on the survival of ISSIA Sacco, to examine the effect of budget monitoring on the survival of ISSIA Sacco and to examine the effect of budget accountability on the survival of ISSIA Sacco. In the findings, it was established that ISSIA Sacco prepares budgets which are in line with the objectives of the Sacco. However, budget preparation does not involve all stakeholders as most stakeholders do not attend annual budget planning meetings. ISSIA Sacco management ensures that resources are used for their planned purpose. However, management is not actively involved in implementing the budget. This study concludes that good budget management and regulatory framework are key for survival of SACCOs. The Sacco leaders are transparent and adhere to the rules, guidelines and bi-laws but some leaders are not trained and qualified for their jobs without enough experience to manage a financial institution.

The study recommends that ISSIA Sacco should establish formal training mechanisms which will encourage staff to maximise their contribution towards the organisation's objectives and all stakeholders should get involved in budget execution in enhancing the overall budget implementation.

Key Words: Budget Management, Saccos, ISSIA Sacco, Western Uganda