

CHALLENGES OF BUDGET IMPLEMENTATION AT BANK OF UGANDA

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Abstract

The study evaluated the challenges of budgeting in public institutions with specific reference to Bank of Uganda. The study specifically examined the budget implementation practices at Bank of Uganda, identified challenges that are faced in the process of budget implementation at Bank of Uganda and established strategies that can be used to manage budget implementation at Bank of Uganda. The study used cross sectional survey design with quantitative approaches. The study population involved top management, middle management and officers. Data was analyzed to obtain means and standards deviations, frequencies and percentages. In the study it was revealed that the bank has different budget implementation practices including authorization from respective authority, the budget is implemented according to allocation of appropriations, preventing arrears accumulation lack of incentives for good budget implementation failure to follow performance indicators leads to increased costs due to inflation, unexpected difficulties limited periodical budget implementation reviews payments are also done accordance with budget set manages budget alterations that come along in the budget implementation process. It was also revealed that there are different challenges that face the budget implementation process as; preventing arrears accumulation lack of incentives for good budget implementation, failure to follow performance indicators leads to increased costs due to inflation, unexpected difficulties, limited periodical budget implementation reviews, and unexpected difficulties like inflation in the budget implementation process. It was therefore, concluded that there are a number of budget implementation practices however they are not effectively functional, different challenges affect the implementation of the budget in the bank. It was therefore recommended that there is need to manage the different challenges that affect budget implementation, different strategies can also be identified to ensure that the budgets are effectively implemented in the bank.