

Budgetary Control, Managerial Competencies and Performance of Higher Local Governments in Eastern Uganda

¹Gershom Atukunda*, ¹Johnson Atwiine, ¹Benjamin Musiita, ¹Aquilionus Atwine, ²Emmanuel Koruragire
¹Bishop Stuart University, Faculty of Business, Economics and Governance, Department of Economics, Uganda
²Lyantode District Local Government, Ministry of Local government, Uganda
gatukunda@beg.bsu.ac.ug, jatwiine@beg.bsu.ac.ug, bmusiita@beg.bsu.ac.ug, aaquilionus@bsu.ac.ug,
koruragire@gmail.com

Abstract: The study aimed to explore the correlation between budgetary control, managerial competencies, and the performance of higher local governments in Uganda's Eastern region. Through a cross-sectional research design, 30 higher local governments out of a population of 32 were analyzed against predictor variables. Validity and reliability tests were conducted on research instruments to ensure data quality. Findings revealed a positive and significant relationship between budgetary control and performance, as well as between managerial competencies and performance. Moreover, there was a statistically significant relationship between both budgetary control and managerial competencies on performance. Regression analysis showed that 55.9% of performance variation was explained by these factors, leaving 44.1% to other factors not considered. Recommendations include strengthening financial management processes and investing in training programs to enhance managerial skills, ultimately improving local government performance.

Keywords: *Budgetary control, Managerial competencies, Performance of higher local governments, eastern Uganda*

1. Background to the Study

How higher local governments perform is very important. For instance, it directly relates to providing individuals with necessary public services, which raises their level of living and overall quality of life (Masuku & Jili, 2019). Second, more successful local governments draw investments and stimulate economic growth, which promotes the creation of jobs and general prosperity (Tang et al., 2021). Notable higher local governments around the world are constantly centered on excellence. Specifically, Rwanda's Kigali performs out in Africa thanks to its effective resource allocation and strong financial control systems (Bandauko & Nutifafa Arku, 2023). Conversely, underperforming local governments such as those in Owerri, Nigeria, and Detroit, Michigan, in the United States highlight the negative effects of insufficient administrative skills and financial control (O'Loughlin & Wilson, 2021; Onibokun, 2019; Ekemam & Njoku, 2021). The performance of higher local governments is enhanced by the interrelated and crucial functions of managerial competencies and budgetary control. Higher local governments can optimize resource utilization, prioritize service delivery, and invest in development initiatives thanks to strong budgetary control measures like setting realistic budgets, comparing budgeted estimates against actuals, monitoring expenditures, and evaluating financial performance (Mujannah et al., 2019). Public trust and confidence are fostered by effective budgetary control, which promotes responsibility, transparency, and responsible financial management (Muguti, 2020). Adding managerial skills to budgetary control gives authorities the ability to lead teams, carry out policies, and make educated decisions (Bukh & Svanholt, 2020). Skilled managers create a culture of responsibility and creativity, strategically align goals, and maximize resource usage (Pasaribu et al., 2021; Hayati, 2021).

There is a reciprocal relationship between managerial competencies and financial control. By delivering precise financial data and recommendations, budgetary control offers the foundation for managerial capabilities (Pratolo et al., 2020). According to Vargas Merino and Zavaleta Chávez (2020), managerial abilities provide the efficient application of budgetary control systems, including conformity to protocols and precise record-keeping. Because of this interdependence, higher local governments function better overall since resource allocation, decision-making, and service delivery are all optimized. According to Mujannah et al. (2019) and Muguti (2020), addressing community needs and promoting performance require a combination of strong administrative competencies and strict budgetary control.

In Uganda, there are large regional differences in the performance of higher local administrations. While some higher local governments have performed admirably, others have a difficult time living up to the expectations of their residents. For instance, the higher local governments of Isingiro, Ibanda, and Kiruhura in western Uganda have been acknowledged for their consistent and strong performance (local government assessment reports 2020, 2021, and 2022). Higher local administrations in Uganda, however, also have formidable obstacles to achieving acceptable performance. Higher local governments in the eastern area were among the lowest-performing ten local governments, following the Local Government Assessment Report (2022). For instance, the report listed the lower local governments of Obongi, Kween, Serere, Bugweri, Kumi, Kwania, Amuria, Namisindwa, Kaperabyong, and Kalaki as some of the least effective. For the past three years, these higher local governments have continuously performed poorly (Local Government Assessment Reports 2020, 2021, and 2022). The reason for persistently low performance is unclear, but research on higher local government performance suggests that inadequate managerial competence and poor budgetary control are related (Ahrens, Ferry & Khalifa, 2018; Asukile, & Mbogo, 2022; Obisanya, & Hassan, 2022). However, little research has been done on this topic among higher local governments in Uganda's Eastern region, necessitating the completion of this study.

2. Literature review

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) hypothesis is a well-known theory that sheds light on managerial competency. The Resource-Based View (RBV) idea was first presented by Jay Barney in 1991 and posits that an organization's performance is contingent upon its distinct resources and capabilities. The RBV hypothesis highlights the role that managers' unique skills, knowledge, and talents have in influencing organizational success when it comes to managerial competencies. The RBV theory indicates that the competency of local government managers has a direct bearing on their capacity to apply and make use of budgetary control mechanisms, as demonstrated by the study on the performance of higher local governments in eastern Uganda. Numerous empirical research has shown that managerial abilities have a favorable impact on organizational performance, hence supporting the RBV theory. For instance, research by Jones and Butler (1992) looked at the connection between firm success and managerial abilities. According to their findings, financial success and manager competency were significantly positively correlated. Similarly, competent managers were more successful in boosting organizational performance, according to Collins and Clark's 2003 investigation on the importance of managerial competencies in strategic decision-making and implementation. Additionally, Ngunjiri et al. (2006) looked into how managerial competencies affected worker performance and discovered that competent leadership had a beneficial impact on worker performance, emphasizing the significance of managing talents in accomplishing organizational goals.

Budgetary control and performance of higher local governments

Control over spending is a critical factor in determining how well higher local governments work. To guarantee the effective distribution and use of financial resources refers to the process of creating and observing budgets (Abdul, Chairil, & Tenripada, 2023). The beneficial effect of financial management on improved local government performance has been the subject of numerous research. For example, research by Smith and Gibson (1995) looked at the connection between higher local government performance and fiscal management. They discovered that better financial results, such as higher income collection, lower expenditure, and improved financial stability, were linked to efficient budgetary control systems. Also, Gamayuni, Dharma, and Cinintya (2023) looked into the relationship between organizational performance in higher local governments and budgetary control. What they found was that performance outcomes, like service delivery effectiveness and efficiency, were positively influenced by budgetary control measures like budgetary feedback, budgetary clarity, and budgetary participation. This suggests that budgetary control mechanisms help higher local governments accomplish their goals and objectives.

Budgetary control affects not only organizational and financial performance but also accountability and transparency in higher local governments. Deng and Zhang (2018) investigated the connection between accountability and financial control in Chinese municipal governments. According to their research, strong budgetary control systems increased accountability by guaranteeing adherence to financial rules and enhancing the dependability and correctness of financial reporting. In a similar vein, Asongu and Nwachukwu

(2016) investigated the connection between corruption in African local governments and budgetary control. They discovered that robust budgetary control systems were linked to decreased levels of corruption, suggesting that budgetary control improves transparency and lowers the likelihood of financial misappropriation.

Additionally, budgetary control affects how higher local governments make decisions and distribute resources. The effect of fiscal control on strategic decision-making in Chinese local governments was studied by Yin et al. (2013). Their research showed that by giving decision-makers pertinent financial data, assisting in resource allocation decisions, and coordinating organizational goals with available resources, budgetary control systems had a favorable impact on decision-making processes. In a similar vein, Hoque and Alam (2014) investigated the connection between resource allocation effectiveness and budgetary management in Bangladeshi municipal governments. They discovered that efficient budgetary control systems enhanced resource distribution, resulting in increased financial efficiency and better service delivery results. Additionally, it has been discovered that budgetary control improves performance assessment and measurement in higher local administrations. A study on the connection between performance evaluation and budgetary control in Chinese local governments was carried out by Guo and Feng (2019). According to their findings, budgetary control systems had a major impact on the fairness and accuracy of performance evaluations, which helped higher local governments pinpoint areas for development and match output with intended results. According to this, budgetary control is an essential tool for assessing the effectiveness of higher local governments and promoting ongoing development.

In higher local administrations, budgetary control improves interdepartmental cooperation and collaboration. Good budgetary management systems make it easier for departments to coordinate and communicate with one another, allowing them to align their aims and collaborate to achieve shared objectives. Li et al. (2016), for instance, looked into how budgetary control affected interdepartmental coordination in municipal governments in China. Their research revealed that budgetary control methods had a favorable impact on coordination efforts, which in turn boosted departmental collaboration, information sharing, and resource pooling, ultimately improving overall performance. Control over spending encourages efficacy and efficiency in the provision of services. Higher Local governments are in charge of providing their communities with a range of services, including infrastructure development, healthcare, and education. Incorporating budgetary control methods facilitates the efficient allocation of resources, expenditure monitoring, and service delivery for higher local governments. For example, a study on the relationship between budgetary control and service delivery performance in Ghanaian local governments was carried out by Amankwah-Amoah et al. (2019). According to their research, financial control has a favorable impact on customer happiness, punctuality, and quality of service delivery outcomes.

Higher local governments' long-term financial viability is supported by budgetary discipline. Higher local governments can improve budget management, cut down on waste and inefficiencies, and guarantee long-term financial stability by taking ownership of their financial resources. The relationship between financial sustainability and budgetary management in Chinese local governments was examined by Jiang et al. (2019). According to their research, efficient budgetary control systems are linked to better financial health and lower financial risk, which enables local governments to continue operating and meeting their societal responsibilities. Higher local governments can more easily implement performance-based budgeting and accountability systems because of budgetary control. Performance-based budgeting ties the distribution of funds in the budget to the accomplishment of particular goals and results. Robust budgetary management mechanisms furnish the required instruments and procedures for overseeing operations, tracking advancements, and assessing the efficiency of budget allocation. Duraku et al. (2020), for instance, investigated how budgetary control affected Kosovo's local governments' performance-based budgeting. According to their findings, budgetary control had a favorable impact on the uptake and application of performance-based budgeting, which enhanced performance outcomes and accountability.

Higher local governments can handle financial risks and adjust to changing conditions thanks to budgetary control. Higher local governments have to react to unanticipated occurrences, changes in the economy, and new issues in a more dynamic environment. Budgetary control gives higher local governments the ability to successfully handle risks and uncertainties by offering a framework for tracking and modifying financial plans.

For instance, a study on the connection between risk management and financial control in higher local governments was carried out by Hartmann and Langfield-Smith (2020). Their results demonstrated how budgetary control systems improved the resilience and adaptability of higher local governments by having a beneficial impact on risk identification, assessment, and mitigation methods.

Managerial competencies and performance of higher local governments

This study of the literature investigates the connection between higher local government performance and managerial competencies. This review attempts to expand our understanding of how managerial talents affect different areas of greater local government performance by looking at pertinent studies.

Higher local government performance is positively impacted by managerial competencies. The knowledge, skills, and abilities required to successfully carry out their duties and obligations are possessed by competent managers (Taneo et al., 2022). This idea is supported by numerous investigations. For instance, a substantial positive association between managerial abilities and private-sector financial success was discovered by Jones and Butler (1992). Similarly, Ngunjiri et al. (2006) showed that in public sector enterprises, competent leadership has a beneficial impact on staff performance. The importance of managerial competencies in promoting performance enhancements in higher local governments was emphasized by Pollitt and Bouckaert (2017). Superior local government performance is improved by effective leadership. To improve coordination, collaboration, and strategic management, managers need to possess a strong set of leadership abilities, such as vision, decision-making, and communication (Marsuni, Rasulong & Adzim, 2022). In the public sector, Kim and Choi (2011) discovered a favorable correlation between organizational performance and leadership abilities. Strong leadership traits, like vision and teamwork, are critical for inter-organizational cooperation to be successful in higher local government situations, according to O'Toole Jr. et al. (2008). The impact of leadership qualities on the success of local public organizations was illustrated by Hartmann and Mastrangelo (2019).

Effective strategic planning and implementation in higher local governments are facilitated by managerial competencies. The knowledge and abilities required to create and carry out strategic plans in higher local government contexts are possessed by competent managers. Brewer and Walker (2011) discovered a favorable correlation between the caliber of strategic plans in local governments and managerial competencies. Successful public management reforms rely on managerial competencies, as noted by Verhoest et al. (2015). The design and implementation of performance assessment systems were positively influenced by managerial competencies, as shown by Walker and Brewer (2009). Effective resource management is made possible in higher local governments by managerial competencies. The ability to effectively distribute and manage resources—such as money, people, and infrastructure—is a critical talent for managers at all levels of local government. Meijer and Curtin (2019) provided evidence that financial management methods in European municipalities were positively impacted by managerial competencies. Effective human resource management techniques were found to be fostered by competent managers, according to Kim and Lee (2015). The importance of skilled managers in strategic infrastructure planning and sustainable development was highlighted by Van Dooren et al. (2019).

Higher local governments operate better and have more competent managers thanks to ongoing professional development. Continual professional development initiatives including networking, mentoring, and training help to advance managerial competencies. The beneficial effects of professional development programs on managerial competencies were emphasized by Grimmelikhuijsen et al. (2019). The importance of mentoring programs in enhancing managerial skills and organizational performance was highlighted by (Luna-Arocas, & Lara, 2020). The significance of networking and collaboration in augmenting managerial competencies in higher local governments was underscored by Hammerschmid et al. (2016). Effective stakeholder engagement and community participation in higher local governments are fostered by managerial competence. Effective managers can interact with a wide range of stakeholders, such as residents, neighborhood associations, and other governmental bodies, which promotes more involvement and cooperation in local decision-making processes. Zhang et al. (2018) discovered that in higher local governments, managerial competencies had a favorable impact on citizen satisfaction and stakeholder involvement. The significance of skilled managers in fostering robust connections with community stakeholders, augmenting confidence, and attaining superior performance results was underscored by Ahmed and Raza (2019). Transparent and accountable governance in higher local governments is facilitated by managerial abilities. Since they are knowledgeable about ethical

behavior, accountability, and openness, competent managers make sure that local governance procedures are carried out openly and responsibly. According to Van Wart et al. (2020), management competencies have a favorable impact on local government organizations' practices related to accountability and openness. In higher local government settings, Olivás-Luján et al. (2017) emphasized the need for capable managers to cultivate a culture of integrity and ethical behavior.

In higher local governments, managerial competencies facilitate efficient risk management and crisis response. Skilled managers can recognize and evaluate risks, create plans for risk management, and react quickly to emergencies or crises. The significance of managerial competencies in risk mitigation and supporting the resilience of higher local governments was highlighted by Liu et al. (2020). The need for capable managers in crisis management, coordination, and sound decision-making in times of disaster was emphasized by Brown and Potoski (2019). In higher local administrations, managerial competencies foster innovation and adaptation. In the framework of higher local governments, competent managers may promote an innovative culture, inspire creative problem-solving, and adjust to changing conditions. According to Hartmann et al. (2018), innovation performance in higher local government entities was significantly impacted by managerial competencies. The importance of skilled managers in promoting organizational learning and developing innovative capacities was highlighted by Dittillo and Liguori (2012). In higher local governments, managerial competencies support environmental stewardship and sustainable development. A responsible and environmentally conscious decision-making process is ensured by competent managers who have the knowledge and abilities to incorporate sustainability principles into higher local government policies and practices. In the context of municipal governments, (Lægroid, & Rykkja, 2023) emphasized the importance of skilled managers in advancing sustainable development. The significance of managerial competencies in tackling environmental issues and executing sustainable projects in higher local governments was highlighted by Kharrazi et al. (2019).

The literature analysis concludes by highlighting the noteworthy combined impact of budgetary control and managerial abilities on the performance of higher local governments. The data exhibited shows how these factors are related to one another and how they affect several performance metrics, such as financial results, service quality, strategic alignment, innovation, public involvement, staff motivation, and budgetary restraint. It is crucial to acknowledge the existence of a study lacuna in comprehending the particular dynamics of the combined influence of management abilities and budgetary control within the framework of local governments in emerging nations. This link has not received much research in these kinds of settings, particularly in areas with particular potential and problems. To close this gap and improve how capable managers implement budgetary control systems, more empirical research is required. This research will ultimately improve the performance of higher local governments in developing nations, with a particular emphasis on higher local governments in eastern Uganda. Future research can help create more effective strategies and policies that support performance improvement in higher local government contexts by addressing this research gap.

3. Methodology

This research employed a cross-sectional survey design, chosen due to its suitability for studying a specific phenomenon within a short timeframe (Shegafi & Lee, 2023). The selection of this design was based on its cost-effectiveness in providing the required data (Akotia, Awuzie, & Egbu, 2023). The study population consisted of higher local governments within the eastern region of Uganda, comprising 32 entities (Ministry of Local Government, 2022). Specifically, the focus was on 30 higher local governments since it was the sample size based on Krejcie and Morgan's table (1970) and simple random sampling was used to select the local governments. The unit of inquiry included heads of finance, district planners, accounting officers, district chairpersons, and secretaries for social services. This selection was made because these individuals were deemed knowledgeable about the area of study and capable of providing the necessary data.

Operationalization and Measurement of Variables

This was carried out using literature reviews, theoretical frameworks, and earlier research. The process of converting ideas or notions into quantifiable metrics and indicators is known as operationalization (Pearlson, Saunders, & Galletta, 2019). It is crucial to convert the variables and concepts into quantifiable indicators to provide answers to the research questions. Operationalization makes it easier to translate abstract concepts of

variables into observable traits or behaviors that can be quantified (Larson, 2020). The performance of the higher local governments in eastern Uganda is the dependent variable, and managerial competencies and budgetary control are the independent variables, as the theoretical and conceptual framework explains.

Table 1: Operationalization and Measurement of Variables

Global variable	Definition	Dimensions	Measurement	Sample questions
Budgetary Control	The process of establishing financial goals, keeping an eye on actual performance, and implementing corrective measures to guarantee that goals are met is known as budgetary control. It involves creating budgets, doing variance analyses, and putting corrective measures into place. It is based on the concepts of managerial accounting (Hansen et al., 2018; Horngren et al., 2017).	defining goals Cost surveillance Cost assessment Analyzing variance	Eight items in the questionnaire were ranked by respondents using a five-point Likert scale.	The goal setting is conveyed clearly.
Managerial competencies	The capacity of managers to carry out their duties in an efficient manner and make a positive impact on the success of their organizations is referred to as managerial competence. To effectively carry out their duties, managers need to have a variety of knowledge, abilities, attitudes, and behaviors (Buller & McEvoy, 2012; Hult et al., 2016).	Competencies Knowledge Experience	Eight items in the questionnaire were ranked by respondents using a five-point Likert scale.	Handling tasks on the job
Performance of higher Local governments	Elevated In certain locations, local governments are in charge of providing several essential services to residents and companies. Notable roles like social services, education, housing, planning, and garbage collection are among them, as are some less well-known ones like business support, registration services, licensing, and disease control.	Revenue targets Service delivery targets Expenditure targets	Seven items in the questionnaire were ranked by respondents using a five-point Likert scale.	Increased local governments reach their service delivery goals.

Data processing and analysis

Data from the field was coded, edited and analyzed using inferential statistics (Correlation and Regression analysis)

4. Results

Demographic characteristics of the respondents

The demographics of the respondents were distributed as indicated in Table 2.

Table 2: Demographic characteristics of the respondents

Category	Item	Frequency	Percent
Gender	Male	79	58.5
	Female	56	41.5
	Total	135	100
Tenure working	Below 5 years	35	25.9
	5- 10 years	74	54.8
	Above 10 years	26	19.3
	Total	135	100
Level of education	Less than diploma	28	20.7
	Degree	70	51.9
	Post Graduate	37	27.4
	Total	135	100

Data: Primary source (2023)

The results in Table 4.1 reveal that 79 (58.5%) of the respondents are male, while 56 (41.5%) are female. Among the 135 respondents, 35 (25.9%) have worked with the higher local government for less than five years, indicating the presence of early-career professionals. The majority, 74 individuals (54.8%), have a tenure of 5-10 years, signifying a mid-career demographic with substantial experience. The category of "Above 10 years" includes 26 individuals (19.3%), suggesting the presence of seasoned professionals with extensive experience. In the "Less than diploma" category, 28 individuals (20.7%) have educational backgrounds below the diploma level. A significant portion, 70 individuals (51.9%), possess bachelor's degrees, falling into the "Degree" category. Additionally, 37 individuals (27.4%) hold postgraduate qualifications.

Table 3: Characteristics of the LG

Item	Frequency	Percentage	
Age of local government	Less than 5 years	6	21.5
	5 – 10 years	24	78.5
	Total	30	100
Location	Teso region	10	33.3
	Bugisu region	8	26.7
	Karamoja region	4	13.3
	Elgon region	8	26.7
	Total	30	100

The results in Table 4.2 reveal a notable distribution in local governments' age and geographic location. Most local governments (78.5%) fall within the 5 to 10 years age range, suggesting a recent wave of establishment. Meanwhile, a smaller proportion (21.5%) comprises local governments that are less than 5 years old. This discrepancy in age highlights potential variations in governance maturity, experience, and challenges among local governments, with those in the 5 to 10-year category potentially still navigating the maturation process. Geographically, the study indicates diverse representation, with 33.3% in the Teso Region, 26.7% each in the Bugisu and Elgon regions, and 13.3% in the Karamoja region. This distribution implies regional disparities in development needs, resources, and challenges. Policymakers should consider these variations when allocating resources and designing interventions to ensure equitable development across regions. Tailored approaches

that account for both the age and regional context of local governments will be crucial in enhancing their overall performance and effectiveness in service delivery.

Pearson Correlation Matrix

The degree of linear correlation between the research variables was assessed using Pearson's correlation analysis, which is represented by the letter r. The findings are displayed as shown in Table 4.3.

Table 4: Correlation Results

	1	2	3	4	5	6	7	8	9	10	11	12
Target setting-1	1											
Cost Monitoring-2	-0.02	1										
Cost Evaluation-3	.254**	0.129	1									
Budgetary control-4	.721**	.456**	.734**	1								
Knowledge-5	.711**	0.048	.196*	.545**	1							
Skills-6	0.023	.642**	0.093	.320**	0.008	1						
Experience-7	.673**	0.018	.205*	.515**	.576**	-0.09	1					
Managerial competencies-8	.690**	.376**	.246**	.691**	.782**	.496**	.717**	1				
Revenue targets-9	.749**	-0.035	0.049	.457**	.669**	-0.033	.642**	.624**	1			
Service delivery targets-10	.260**	.320**	.491**	.543**	.294**	.176*	.565**	.511**	.185*	1		
Expenditure targets-11	-0.049	.690**	.220*	.364**	0.036	.330**	0.06	.223**	-0.037	.386**	1	
Performance of Higher LGS-12	.523**	.439**	.372**	.684**	.533**	.213*	.667**	.699**	.627**	.778**	.604**	1

** Correlation is significant at the 0.01 level (2-tailed).
 * Correlation is significant at the 0.05 level (2-tailed).
 N = 30

Relationship between budgetary control and performance of higher local governments in the Eastern Region of Uganda

Table 4 presents findings demonstrating a statistically significant positive correlation between budgetary control and the performance of higher local governments in Uganda's Eastern area (r=.684, p<.01). This suggests that any improvement in financial control will lead to an improvement in the Eastern area of Uganda's higher local governments' performance. We accept the null hypothesis based on hypothesis one and conclude that the Eastern area of Uganda has a positive and substantial association between budgetary control and the performance of higher local governments.

Relationship between managerial competencies and performance of higher local governments in Eastern Region of Uganda

The findings shown in Table 4 demonstrate a statistically significant positive correlation (r=.699, p<.01) between the performance of higher local governments in the Eastern area of Uganda and managerial competencies. This suggests that any improvement in managerial skills will lead to an improvement in the Eastern area of Uganda's higher local governments' performance. We accept the null hypothesis based on hypothesis two and conclude that management competencies and the performance of higher local governments in Uganda's Eastern region have a positive and substantial relationship.

Multiple regression analysis

To demonstrate the causal relationship between the research variables and to explain the independent variables' predictive ability concerning the dependent variable, a multiple regression analysis was conducted.

Table 5: Multiple regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.168	.279		-.604	.547
	Budgetary Control	.451	.093	.384	4.845	.000
	Managerial Competences	.614	.112	.434	5.471	.000
R		.752 ^a				
R Square		.566				
Adjusted R Square		.559				
F		86.068				
Sig.		.000 ^b				

a. Dependent Variable: Performance of Higher LGS, N = 30

Table 5's regression analysis results show that management competencies and budgetary control have a substantial impact on the performance of higher local governments in Uganda's Eastern region. Important details regarding the statistical significance of these relationships are provided by the significance rate, which is reflected by the p-values.

In Uganda's Eastern area, budgetary control significantly improves the performance of higher local governments (Beta=.384, $p < .05$). This suggests that the performance of higher local governments in Uganda's Eastern area has increased significantly by 0.384 units for every unit rise in budgetary control.

Similarly, the performance and managerial abilities of Uganda's Eastern region's higher local governments (Beta=.434, $p < .05$). This suggests that the performance of higher local governments in Uganda's Eastern area has increased statistically significantly by 0.434 units for every unit rise in management abilities.

In conclusion, the analysis shows that management competencies and budgetary control have a statistically significant impact on the performance of higher local governments in Uganda's Eastern area. The regression results show that management competencies and budgetary control account for 55.9% (Adjusted R Square=.559) of the variances in the performance of higher local governments. This suggests that other factors not included in this study account for 44.1% of the variation in performance. We accept the null hypothesis based on hypothesis three and conclude that managerial competencies and budgetary control work together to positively and significantly predict the performance of higher local governments in Uganda's Eastern region.

5. Conclusion and Policy Recommendations

From the findings, it can be concluded that Managerial competencies are a significant predictor of the performance of higher local governments in the Eastern region of Uganda since it is confirmed by both correlation and regression results. Further, it can be concluded that any positive change in budgetary control in terms of target setting, cost monitoring, and cost evaluation will result in better performance of higher local governments in the Eastern region of Uganda. Strengthening and improving financial management, budgeting, and control processes. Given the positive relationship between budgetary control and the performance of Higher LGS. This may involve stricter financial oversight, better budget allocation, and tracking of expenditures. Additionally, this suggests that revenue targets will improve if there is an improvement in the skills, knowledge, and experience of local government officials. In addition, investing in training and development programs for managers and staff can be beneficial. Enhancing their skills in leadership, decision-making, and problem-solving can contribute to better performance.

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