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Relationship between budget information gathering and the financial performance of uganda communications commission. A cross-sectional study.

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Abstract

Background:

Budgetary planning is essential for strengthening financial performance in public organizations. However, the Uganda Communications Commission (UCC) has recently experienced concerns regarding its financial performance. This study examined the relationship between budget information gathering and the financial performance of UCC.

Methodology:

A cross-sectional case study design using both quantitative and qualitative approaches was adopted. The target population comprised 136 UCC staff, from which a sample of 115 respondents was selected using simple random and purposive sampling. Data were collected through questionnaires, interviews, and documentary review. Descriptive statistics (frequencies and percentages) and inferential statistics (Spearman correlation, coefficient of determination, and regression analysis) were used to analyse quantitative data, while qualitative data were analysed through content analysis.

Results:

The study achieved a response rate of 77% (88 respondents). Findings revealed a moderate positive relationship between budget information gathering and financial performance of UCC (rho = .484, $p < .05$). Budget information gathering accounted for 23.5% of the variance in financial performance. Further regression analysis showed that analysis of internal and external environments explained 31.6% of the variance in income, with only external environment analysis significantly predicting income ($p = .002$). Budget information gathering had no significant effect on expenditure. Descriptive results indicated that internal financial environment analysis was satisfactory, while external environment analysis was inadequate. Overall, UCC's financial performance was found to be poor, particularly due to increasing expenditure and inconsistent income trends.

Conclusion:

Effective and up-to-date budget information gathering significantly enhances financial performance. Weaknesses in external environment analysis limit UCC's ability to make accurate financial decisions.

Recommendation:

UCC should strengthen its budget information gathering processes, especially by improving the relevance, accuracy, and timeliness of external financial environment analysis to enhance overall financial performance.

***Keywords**: Uganda communication commission, information gathering, financial performance*
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Background

Interest in budgetary planning to improve financial performance can be traced back to accounting practices in ancient civilizations, which involved recording, classifying, and summarizing financial events (Boothe, 2003). At that time, a carefully developed and comprehensive accounting system was in place to track cash flow (which relates to financial performance) over time, providing financial information that was helpful in the budget planning process.

Since the industrial revolution, the demand for management accounting, which supplies information about the transactions and thus financial performance of an organization that occur, has grown (Boothe, 2003). Most product costing and management accounting procedures used today were developed between 1880 and 1925 with the purpose of improving the financial performance of an organization. By 1925, the emphasis was on inventory costing. Financial reporting was the driving force for cost accounting systems.

In the 1950's and 1970's, efforts were made to make financial accounting information more useful to users in relation to the financial performance of an organization (Alexander, 1999). During this period, innovations without rigorous regard for financial costs were routine, aiming at improving the financial performance of an organization. Emphasis was placed on the organizational benefits or effectiveness side of the equation, which measures the financial performance of an organization. During the 60's, planning, programming, and budgeting systems (PPBS) evolved to further improve the financial performance of an organization. The PPBS model systematically linked the planning process to the allocation of resources, including financial resources (Black, 1993). This process called for stronger central management and required agreement on goals and objectives. Organizations found it difficult to get support and agreement using this model.

As a result, in the 80s, it was noted that traditional management accounting practices no longer met managerial needs, and most organizations retreated to cost-cutting

measures and conservative practices (Boothe, 2003). Top management in organizations sought more accurate product costing and more useful and detailed inputs to improve quality and productivity and to reduce costs (Quehl et al., 1999). The accountability reports and subsequent requirements caused cost-benefit analysis to be scrutinized even more closely (Quehl et al., 1999).

Today, the budgetary planning for improved financial performance of an organization has evolved from simply forecasting expenses and income (which measure financial performance of an organization) into a more complex system of planning and tracking revenues and expenditures so that resources can be used most effectively to meet the organization's goals (Meisinger, Jr., 1994; Black, 1993; Henderson, 1997). Careful financial planning includes "an objective analysis of the institution's financial position and an exploration of all three of the goals of enhancing resources, improving cost effectiveness, and reducing expenditures" (Horner, 1997, p. 21). Activity-based management, which is a system-wide integrated approach that focuses management's attention on activities with the objective of improving customer value and the resulting profit, and process value analysis, which emphasizes activity analysis and tries to determine why activities are performed and how well they are performed, have become most common. This study aims to examine the relationship between budget information gathering and the financial performance of UCC.

Methodology

Research design

In this study, a case study research design was used. This design was used because Amin (2005) asserts that since a case study focuses on one unit or a few units of study, it provides an in-depth study of the problem with a limited time scale. A cross-sectional approach was adopted in this study. The cross-sectional approach to data collection was adopted because, according to Sekaran (2003), with this approach, a researcher can target a large group of respondents to obtain information without making a follow-up of the respondents once information from them is obtained. Therefore, this survey helped to save on time and resources during data collection. Both quantitative and qualitative methods were used in the study.

Study setting

The study was mainly confined to UCC. UCC is found in Kampala City, in the Kampala Capital City Authority, which is in the central region of Uganda. The study was based on the information of the years 2019 to 2024 due to the fact that this is the period in which concerns about budgetary planning and financial performance was raised.

Study Population

This study's population included 136 UCC staff (UCC Human Resource Department, 2025). These included two directors who constitute top management, three managers who constitute senior management, 45 specialists who constituted the supervisory team, and 86 officers who were concerned with daily operations in the institutions (UCC Human Resource Department, 2024).

Sample Size and Sample Distribution

Using Krejcie and Morgan's (1970) table for determining sample size, the sample for this study consisted of 115 respondents, as shown in Table 1.

Table 1: Category of respondents, population size, sample size and sampling techniques

Category of population	Population Size	Sample size	Sampling technique
Directors	2	2	Purposive
Managers	3	3	Purposive
Specialists	45	40	Simple Random Sampling
Officers	86	70	Simple Random Sampling
Total	**136**	**115**	

Source: UCC Human Resource Department (2024) and Krejcie and Morgan sample size table

From Table 1, the first column presents the various categories of people the study targeted. The second column shows the total population of the targeted categories of people. The third column shows the sample size of subjects that were selected from the targeted category of respondents. The last column shows how the various categories of the samples were selected.

Sampling Techniques

Both probability and non-probability sampling techniques were used. According to

Sekaran (2004), probability sampling techniques involved giving an opportunity of selecting subjects/elements from the population by chance and non-probability sampling techniques do not involve selecting subjects/elements from the population by chance. The probability sampling techniques that were used included simple random sampling, while the non-probability sampling technique was purposive sampling.

Data Collection Methods

Three types of data collection methods to be used in the study. These included a questionnaire survey and a face-to-face interview.

Questionnaire survey

A questionnaire survey is a research method for collecting information from a selected group of respondents using standardized questionnaires. This method involved

collecting information from a target sample of 115 UCC specialists and officers in a systematic way. A questionnaire survey was used for these categories of respondents to save on time because their number may be big to interview.

Face-to-face interview

Face-to-face interviews were used to collect data from the targeted five UCC directors and managers because they enabled the researcher to establish rapport with these categories of respondents and therefore gain their cooperation. They also allowed the researcher to clarify ambiguous answers and obtain in-depth information through probing. Semi-structured interviews were designed to collect data for this study. Open-ended questions were used so that other valuable questions might emerge from the dialogue between interviewer and interviewee.

Data Collection Instruments

Three types of data collection instruments were used in the study. These included questionnaires, interview guides and a documentary analysis guide, which are briefly explained in the following subsection.

Questionnaires

Self-administered questionnaires (SAQs) were used to collect quantitative data from the targeted specialists and officers. SAQs were used for this category of staff to save on time because their number was too big to interview and because they could read and write in English, and thus fill in the questionnaires by themselves without any assistance.

Interview guide

Interview guides were used to collect qualitative data from the targeted informants, who included UCC directors and managers who were in position to provide in-depth information through probing during the face-to-face interview. The researcher presented questions to the key informants, and their views were written down by the researcher. Data obtained during the interview supplemented that obtained through the questionnaire.

Data Quality Control

Validity

For the instruments to yield relevant and correct data, they were given to two experts conversant with the study area to comment on the ambiguity, difficult and relevancy of questions to ensure construct, content and face validity. A content validity ratio (CVR) was then computed in order to establish the validity of the research instrument. The researcher used the following formula to establish the validity of the research instruments, has been in table 3.2.

Content validity Index (CVI) = Relevant items by all judges as suitable

total number of items judged.

Table 2 Validity of questionnaire

Raters	Items rated relevant	Items rated not relevant	Total
Rater 1	33	3	36
Rater 2	38	6	44
Total	71	9	90

Thus, applying the formula CVI = 71 ≈ .79

The CVI (.79) was above 0.6, which is recommended by Annually (1967) cited by Kent (2001). Thus, the questionnaire was considered suitable for collecting data.

Reliability

In order to ensure the degree to which questionnaires could produce consistent results if used under the same conditions, they were pilot tested on 5 respondents and the results subjected to Cronbach alpha reliability test.

Table.3 Reliability of questionnaire

Variable	No. of items	Alpha
Budget information gathering	10	.754
Budget objectives setting	16	.742
Budget strategies formulation	13	.750
Financial performance	6	.746

The Cronbach's Alpha coefficient for the variables in the questionnaire was above 0.6, which is recommended by Annually (1967) cited by Kent (2001). Thus, the questionnaire was considered reliable for collecting data.

Data Analysis

Two types of analyses were conducted and these included quantitative and qualitative analyses. The following subsections explain the analyses in detail.

Quantitative Analysis

The analysis mainly consisted of descriptive statistics (frequencies and percentages) and inferential statistics (Spearman correlation, coefficient of determination and regressions).

The frequencies and percentages were used to determine the respondents' views on budgetary planning and financial performance in UCC. Spearman correlation, coefficient of determination and regression was used to test the hypotheses. Spearman correlation was used because the scale accompanying the questionnaire is ordinal. The correlation coefficient (*rho*) was used to determine the strength of the relationship between the variables. The sign of the correlation coefficient (+ or -) was used to determine the nature of relationship. The coefficient of determination and regression was used to determine the magnitude of variance in financial performance accounted for by budgetary planning.

Qualitative Analysis

Content analysis was used to edit qualitative data and reorganize it into meaningful shorter sentences. This was then presented as quotations to supplement the quantitative data in order to enhance interpretation of the results.

Results

Response Rate

Response rate (also known as completion rate or return rate) in survey research refers to the number of people who answered the survey divided by the number of people in the sample. It is usually expressed in the form of a percentage. A low response rate can give rise to sampling bias if the non-response is unequal among the participants regarding exposure and/or outcome. In this study, the target sample was 115 respondents but the study managed to get 88 respondents. The break down is shown in table 4.

Table 4: Response rate

Category of population	Sampled size	Responses received	Percentage %
Directors	2	1	50
Managers	3	2	67
Specialists	40	27	68
Officers	70	58	83
Total	115	88	77

Source: Data from field, 2024/2025

Table 1 indicates that the response rate of 77% obtained. This was considered high enough for Amin (2005) and Mugenda and Mugenda (1999) recommends two-thirds (67%) response rate. Therefore, the results were considered representative of what would have been obtained from the population.

UCC specialists and officers' Background

The UCC specialists and officers' background included their gender, education level, tenure and age. Findings are presented in the following sub sections.

Gender of UCC specialists and officers

UCC specialists and officers were asked about their gender. Findings are presented in Table 5.

Table 4.2: Gender of specialists and officers

Gender	Frequency	Percent
Male	48	56.5
Female	37	43.5
Total	85	100.0

Source: Data from field, 2024/2025

Findings in Table 5 show that more UCC specialists and officers (56.5%) who participated in the study were males compared to the proportion of female UCC specialists and officers. This is attributed to the fact that male UCC specialists and officers are dominant as records show at UCC. Thus, a representative sample of male and female respondents participated in this study. The implication is that information obtained on budgetary planning and financial performance was not gender biased.

Level of education of UCC specialists and officers

UCC specialists and officers were asked about their educational background. Findings are presented in Table 6.

Table 6: Level of education of specialists and officers

Level of education	Frequency	Percent
University (degree or higher qualification)	81	95.3
Other tertiary institutions (certificates & diplomas)	4	4.7
Total	85	100.0

Source: Data from field, 2024/2025

Findings in Table 6 show that most UCC specialists and officers (95.3%) who participated in the study had a university level of education. This reflects the distribution of specialists and officers by highest level of education at UCC. Thus, information obtained was not biased due to education distribution. In addition, most respondents who participated in the study were literate and understood issues that were asked. Thus, their responded to the question about budgetary planning and financial performance with a sense of maturity in reasoning

Tenure of UCC specialists and officers

UCC specialists and officers were asked about their tenure. Findings are presented in Table 7

Table 7: Tenure of specialists and officers

Tenure	Frequency	Percent
Less than 1 year	1	1.2
1-2 years	17	20.0
3-5 years	27	31.8
5-10 years	37	43.5
Above 10 years	3	3.5
Total	85	100.0

Source: Data from field, 2024/2025

Findings in Table 7 show that most UCC specialists and officers (78.8%) who participated in the study were at posts for at least three years. Thus, this implies that the UCC specialists and officers who participated in the study had been at UCC for some time and thus knew what happened including issues related to budgetary planning and financial performance. Thus, information obtained about budgetary planning and financial performance from them was dependable.

Age of UCC specialists and officers

UCC specialists and officers were asked about their age. Findings are presented in Table.

Table 8: Age of UCC specialists and officers

Age	Frequency	Percent
20-30 years	23	27.1
31-39 years	32	37.6
40-49 years	22	25.9
Above 50	8	9.4
Total	85	100.0

Source: Data from field, 2024/2025

Findings in Table 8 show that most UCC specialists and officers (72.9%) who participated in the study were aged over 30 years. This is attributed to the fact that usually most employees at UCC fall within this age category. Thus, the implication of these findings is that information about budgetary planning and financial performance was obtained mature adult UCC specialists and officers who could have a sense mature reasoning in their responses.

Budget Information Gathering and Financial Performance of UCC

In APA style of presenting results of statistical test, it is recommended that before testing hypotheses, descriptive statistics should be first computed for each of the variables (Plonsky, 2007). Thus, this approach was adopted in this study and the descriptive statistics that were used were frequencies and percentages.

Descriptive results about budget information gathering by UCC

UCC specialists and officers were requested to respond to 10 items about budget information gathering by indicating their agreement using a five-point Likert scale as shown in Table 4.6. The items are presented in the first column of Table 4.6 and the proportion of UCC specialists and officers to the responses on each of the items is presented in form of frequencies and percentages in columns 2 to 6. The last column presents the total percentage of UCC specialists and officers on each of the items. The analysis and interpretation of the findings about budget information gathering follows the presentation of findings in Table 9.

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Table 9: Findings about budget information gathering

Items about budget information Gathering	SD	D	NS	A	SA
1. UCC always analyzes its internal financial environment	3 (4%)	20 (24%)	15 (18%)	27 (32%)	20 (24%)
CC's internal financial environment analysis is an honest appraisal of the current financial position	5 (6%)	23 (27%)	11 (13%)	32 (38%)	14 (16%)
JCC's internal financial environment analysis is a realistic appraisal of the current financial position	4 (5%)	27 (32%)	17 (20%)	28 (33%)	9 (11%)
CC gathers relevant information during its internal financial environment Analysis	6 (7%)	18 (21%)	12 (14%)	33 (39%)	16 (19%)
JCC gathers up-to-date information during its internal financial environment analysis	13 (15%)	30 (35%)	11 (13%)	20 (24%)	11 (13%)
6. UCC always analyzes its external financial environment	9 (11%)	37 (44%)	18 (21%)	14 (16%)	7 (8%)
CC's external financial environment analysis is an honest appraisal of the current financial position	11 (13%)	18 (21%)	31 (36%)	16 (19%)	9 (11%)
JCC's external financial environment analysis is a realistic appraisal of the current financial position	6 (7%)	25 (29%)	27 (32%)	14 (16%)	13 (15%)
CC gathers relevant information during its external financial environment Analysis	18 (21%)	28 (33%)	16 (19%)	15 (18%)	8 (9%)
UCC gathers up-to-date information duringits external financial environment analysis	14 (16%)	36 (42%)	17 (20%)	12 (14%)	6 (7%)

Source: Data from field,2024/2025

Key: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, SA = Strongly Agree

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To analyze the findings in Table 9, UCC specialists and officers who strongly disagreed and those who disagreed were combined into one category who "opposed" the items. In addition, UCC specialists and officers who strongly agreed and those who agreed were combined into another category who "concurred" with the items. Thus, three categories of UCC specialists and officers were compared, which included "UCC specialists and officers who opposed the items", "UCC specialists and officers not sure with the items" and "UCC specialists and officers who concurred with the items". Interpretation was then drawn from the comparisons of the three categories as shown in the following paragraph.

Findings in Table 9 show that most UCC specialists and officers concurred to three items (that is items 1, 2 and 4) compared to UCC specialists and officers who opposed these items and UCC specialists and officers who were not sure with these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from 28% to 33% while the percentage that was not sure ranged from 13% to 18% and the percentage who concurred ranged from 54% to 58%. From these comparisons, it can be seen that least percentage that opposed the items (28%) was lower compared to the least percentage that concurred (54%) while the least percentage that was not sure was small (13%). In addition, highest percentage that opposed the items (33%) was lower compared to the highest percentage that concurred (58%) and the highest percentage that was not sure was small (18%). Thus, findings show that most UCC specialists and officers were of the view that UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis.

However, findings in Table 9 show that, most UCC specialists and officers opposed four items (that is items 5, 6, 9 and 10) compared to UCC specialists and officers who concurred with these items and UCC specialists and officers who were not sure with these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from (50%) to (58%) while the percentage that was not sure ranged from (13%) to (21%) and the percentage of that concurred ranged from (21%) to (37%). From these comparisons, it can be seen that least percentage that opposed the items (50%) was greater compared to the least percentage that concurred (21%) while the least percentage that was not sure was small (13%). In addition, highest percentage that opposed the items (58%) was greater compared to the highest percentage that concurred (37%) and the highest percentage that was not sure was small (21%). Thus, findings show that most UCC specialists and officers were of the view that UCC did not gather up-todate information during its internal financial environment analysis, rarely analyzed its external financial environment and did not gather relevant and up-to-date information during its external financial environment analysis.

Lastly, findings in Table 9 also show that a more or less equal to the percentage of UCC specialists and officers that opposed, was not sure with and concurred with three items (that is items 3, 7 and 8). A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from (34%) to (37%) while the percentage that was not sure ranged from (20%) to (36%) and the percentage of that concurred ranged from (30%) to (44%). From this analysis, findings show that approximately a third of the UCC specialists and officers were of the view that UCC's internal financial environment analysis was not a realistic appraisal of the current financial position and UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position. However, approximately a third of UCC specialists and officers held views that, were contrary while approximately a third of UCC specialists and officers were not sure.

The following is the interpretation drawn from findings about UCC's budget information gathering obtained from UCC specialists and officers using questionnaires. The implications are that UCC's analysis of internal environment was satisfactory. This is because UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis. The problem was that UCC did not gather up-to-date information during its internal financial environment analysis and sometimes UCC's internal financial environment analysis was not a realistic appraisal of the current financial position. However, UCC's analysis of external environment was unsatisfactory. This is because UCC rarely analyzed its external financial environment and did not gather relevant and up-to- date information during its external financial environment analysis. In addition, sometimes UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position.

Interviews shed some light about UCC's budget information gathering. For example, when key informants were asked their views about UCC's budget information gathering, a director had this to say:

Budget information usually gathered has been helpful to the financial personnel in carrying out its financial role. It has helped inform the financial personnel about how the commission has performed over the past years (Interview with UCC Director, October 10th 2025).

Thus, the findings show that budget information gathering was usually done at UCC and that information gathered was useful in carrying out financial roles at the commission. Thus, if this was the case, it would enhance financial performance of the commission. A UCC manager in response observed thus:

UCC conducts audit inspections from which budget information is based. The inspections assess compliance with certain laws, rules, and professional standards as set nationally and for the UCC. The inspections examine how UCC has performed financially and certain elements of the commission's system of quality control over its financial processes. However, there are some deficiencies in the inspections. For example, adequacy of documentation of

information gathered is questionable (Interview with UCC Manager, October 13th 2025).

These findings highlight another area of usefulness of budget information gathering at UCC. This was assessment of compliance with certain laws, rules, and professional standards. These assessments if well done would help UCC improve its financial performance. A second UCC manager had this to say: In carrying out its role, UCC collects and generates information that could be useful to financial committee in carrying out their role. This information includes, among other things, annual and special reports filed by audit firms under reporting requirements (Interview with UCC Manager, October 14th 2025).

The findings highlight sources of budget information gathering. These were mainly annual and special reports filed by audit firms. The next sub section presents descriptive results about financial performance of UCC

Descriptive results about financial performance of UCC

UCC specialists and officers responded to six items about financial performance of UCC by indicating their agreement using a five-point Likert scale as shown in Table 4.7. The items are presented in the first column of Table 4.7 and the proportion of UCC specialists and officers to the responses on each of the items is presented in form of percentages in columns 2 to 6. The last column presents the total percentage of UCC specialists and officers on each of the items. The analysis and interpretation of the findings follow the presentation of findings in Table 10.

Table 10: Findings about financial performance of UCC

Items about financial performance	SD	D	NS	A	SA
1. UCC's income has been increasing over the years	8 (9%)	26 (31%)	14 (16%)	21 (25%)	16 (19%)
2. UCC's income is better than comparable Organizations	7 (8%)	32 (38%)	12 (14%)	14 (16%)	20 (24%)
3. UCC management and staff are satisfied with the company's income	9 (11%)	28 (33%)	15 (18%)	24 (28%)	9 (11%)
4. UCC's expenditure has been decreasing over the years	28 (33%)	39 (46%)	11 (13%)	7 (8%)	0 (0%)
5. UCC's expenditure was lower than comparable organizations	19 (22%)	33 (39%)	23 (27%)	10 (12%)	0 (0%)
6. UCC management and staff are satisfied with the company's expenditure	14 (16%)	25 (29%)	27 (32%)	14 (16%)	5 (6%)

Source: Data from field, 2024/2025
Key: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, SA = Strongly Agree

Findings in Table 10 show that most UCC specialists and officers opposed to two items (that is items 4 and 5) compared to UCC specialists and officers who concurred with these items and UCC specialists and officers who were not sure to these items. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from (61%) to (79%) while the percentage that was not sure ranged from (13%) to (27%) and the percentage of that concurred ranged from 8% to (12%). From these comparisons, it can be seen that least percentage that opposed the items (61%) is higher compared to the least percentage that concurred (8%) while the least percentage that was not sure was also small (13%). In addition, the highest percentage that opposed the items (79%) is higher compared to the highest percentage that concurred (12%) and the highest percentage that was not sure was also small (27%). Thus, from this analysis it is shown that most UCC specialists and officers were of the view that UCC's expenditure had not been decreasing over the years and was higher than comparable organizations.

However, findings in Table 10 show that, the percentage of UCC specialists and officers that opposed three items (that is item 1, 2 and 3) was almost equal to the percentage of UCC specialists and officers that concurred to while the percentage of UCC specialists and officers that was not sure with the items was small. A comparison on these items shows that the percentage of UCC specialists and officers that opposed ranged from (40%) to (46%) while the percentage

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that was not sure ranged from (14%) to (18%) and the percentage of that concurred ranged from 39% to (44%). From this analysis, the findings show that approximately a half of the UCC specialists and officers were of the view that UCC's income had not been increasing over the years, hence, not better than comparable organizations and UCC management and staff were unsatisfied with the company's income.

Lastly, the findings in Table 10 also show that the percentage of UCC specialists and officers that opposed one item (that is item 6) was almost equal to the percentage of UCC specialists and officers that was not sure with item. A comparison on these items shows that the percentage of UCC specialists and officers that opposed was (45%) while the percentage that was not sure ranged from (32%) and the percentage of that concurred ranged (22%). From this analysis, the findings imply that for approximately a half of the UCC specialists and officers were of the view that UCC management and staff were unsatisfied with the company's expenditure while a third of UCC specialists and officers were not sure.

The following is the implications of the above findings. From the findings, it can be deduced that the financial performance of UCC was poor. This is because sometimes UCC's income had not been increasing over the years as it would be expected by all staff, was not better than comparable organizations and UCC management and thus, staff were unsatisfied with the company's income. In addition, that UCC's expenditure had not been decreasing over the years, was higher than comparable organizations and hence, UCC management and staff were unsatisfied with the company's expenditure.

Interview findings shed some light on the financial performance of UCC. For example, when asked their view about the financial performance of UCC, the UCC Director had this to say: "The Commission experienced an improvement in the income reported in the year 2008/09. However, During the 2009/10 financial year interest income decreased compared to that recorded for the 2008/09 financial year"

(Interview with UCC Director, October 10th 2025)

Thus, from the above findings, it is shown that, there was an improvement in the financial performance of UCC but the improvement was on a decreasing rate given that interest income decreased in the following year. As for the UCC manager, the following was the response about the financial performance of UCC:

"I would say the financial performance of the Commission is fair because as much as income has increased, expenditure has also increased due to inflationary prices. For example, during the financial year 2022/23, more money was spent on operations of the Commission compared to the previous period. The expense items included in the operating expenditure are salaries and allowances, travelling, training, professional fees, subscriptions, universal access obligation, Corporate Affairs, printing and stationery, postage and telephone and other expenses incurred in the day to day running of the Commission" (Interview with UCC Manager, October11th 2025).

The above findings show financial performance has not been very good in terms expenditure incurred by UCC. The second UCC manager also held a similar view as shown in the following:

UCC's financial performance has not been as rosy as we expected. This is because the resultant surplus before tax for financial year 2022/23was reflected a minimal decline of 2.17 percent compared to surplus of the year 2021/22. The total capital expenditure for the year 2009/2010 was higher compared to the year 2021/2022 expenditure" (Interview with UCC Manager, October 12th 2025)

Thus, interview findings concur with findings obtained using questionnaires. After establishing key informants, UCC specialists and officers' views on each of the variables under the first objective, the next step was to test the first hypothesis using inferential statistics.

Testing first hypothesis

The first hypothesis stated, "*Budget information gathering significantly affects the financial performance of the UCC*". Spearman rank order correlation coefficient (*rho*) was used to determine the strength of the relationship between budget information gathering and the financial performance of UCC. The coefficient of determination was used to determine the effect of budget information gathering on the financial performance of UCC. The significance of the coefficient (p) was used to test the hypothesis by comparing p obtained to the critical significance level at (0.05). Table 4.8 presents the test results for the first hypothesis.

Table 11: Correlation between budget information gathering and financial performance of UCC

	Budget information gathering
Financial performance of UCC	*rho*= .484 *rho* ^{2} = .235 p = .000 n =85

Source: Data from field

Findings in Table 11 show that there was a positive moderate correlation (*rho* = .484) between budget information gathering and financial performance of UCC. Since the correlation does imply causal-effect as stated in the first objective, the coefficient of determination, which is a square of the correlation coefficient (*rho* ^{2} = .235), was computed and expressed as a percentage to determine the variance in financial performance of UCC due to budget information gathering. The coefficient of determination shows that budget information gathering accounted for 23.5% variance in financial performance of UCC. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation (p = .000) is less than the recommended critical significance at 0.05. Thus, the relationship was significant. Because of this, the hypothesis "*Budget information gathering significantly affect the financial performance of the UCC*" was accepted. The implication of these findings is that the moderate correlation implied that a change in budget information gathering was related to a moderate change in financial performance of UCC. The positive nature of the correlation implied that the change in budget information gathering and financial performance of UCC was in the opposite direction whereby a better budget information gathering was related to better financial performance of UCC and vice versa.

A further analysis was computed using regression to find out the effect of the indicators of budget information gathering that include analysis of internal and external environment on indicators of financial performance, which included income and expenditure. Findings are presented in table 12

Table 12 A: Regression of analysis of internal and external environment on income of UCC

Income regression Statistics			
Multiple R	.576		
R Square	.332		
Adjusted R Square	.316		
Standard Error	2.766		
Observations	85		

Table 12 B: Regression

Residual	82	627.5	7.7	
Total	84	939.6		
	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	2.79	1.06	2.63	.010
Analysis of internal environment	.11	.09	1.22	.227
Analysis of external environment	.33	.10	3.14	.002

Findings in Table 12 show a moderate linear relationship (Multiple R = 0.576) between analysis of internal environment, external environment and income. The adjusted R Square shows that analysis of internal and external environment accounted for 31.6% variance in income. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio (F = 20.4) at degree of freedom (df = 2, 82) was

less than the critical significance at .05. Hence, the findings of the internal and external environments had a significant effect on income of UCC were accepted. However, the coefficients statistics show that only analysis of external environment significantly affected income of UCC. This is because p-value for analysis of external environment (p-value = .002) was less than the critical significant value at .05. Analysis of internal environment did not significantly affect income of UCC. This is because pvalue for analysis of internal environment (p-value = .227) was greater than the critical significant value at .05. The following is the regression of internal and external environment on expenditure of UCC.

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Table 13: Regression of analysis of internal and external environment on expenditure of UCC
Expenditure regression Statistics

Multiple R		.132				
R Square		.017				
Adjusted R Square		-.007				
Standard Error		2.075				
Observations		85				
ANOVA						
	df		*SS*	*MS*	*F*	*Sig. F*
Regression	2		6.3	3.1	.7	.486
Residual	82		353.0	4.3		
Total	84		359.2			
	Coefficients		*Standard Error*	*t Stat*	*P-value*	
Intercept		6.77	.80	8.50	.00	
Analysis of internal environment	-.07		.07	-1.02	.31	
Analysis of external environment	.09		.08	1.20	.24	

Findings in 13 show a very weak linear relationship (Multiple R = 0.132) between analysis of internal environment, external environment and expenditure. The adjusted R Square shows that analysis of internal and external environment accounted for -0.7% variance in expenditure. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .486) of the Fishers ratio (F = 0.7) at degree freedom (df = 2, 82) was greater than the critical significance at .05. Hence, the hypothesis that the internal and external environment had a significant effect on expenditure of UCC was rejected. Thus, the implication is that internal and external environment did not significantly affect expenditure of UCC.

Summary of results

There was a positive moderate relationship between budget information gathering and financial performance of UCC, whereby a better budget information gathering was related to better financial performance of UCC and vice versa. Budget information gathering accounted for (23.5%) variance in financial performance of UCC. In addition, there was a moderate linear relationship between indicators of budget information gathering (that is analysis of internal environment and external environment) and one indicator of financial performance of UCC (that is income), whereby analysis of internal and external environment accounted for (31.6%) variance in income. However, only analysis of

external environment significantly affected income of UCC while analysis of internal environment did not significantly affect income of UCC. On the other hand, analysis of indicators of budget information gathering (that is analysis of internal environment and external environment) did not significantly affect one indicator of financial performance of UCC (that is expenditure).

Discussion of Findings

The finding relating to the positive relationship between budget information gathering and financial performance of UCC support researchers (Macintosh 1994; Walsh, 1995) whose have extensively documented and demonstrated the importance of information for managers. Tiamiyu (1991) provides one of the reasons that why in this study budget information gathering positively influenced financial performance of UCC. They argued that budget information gathering acts as a reminder to financial personnel that they are being monitored and as such this influences the behavior of the personnel. If subordinates realize that they are monitored by supervisors they will usually put more effort into achieving planned results. In this study, the planned results mean budget planned results, which are intended improve financial performance of UCC.

Findings revealed that UCC's analysis of internal environment was satisfactory. Thus, taking into consideration the positive relation that this study established, this implies that UCC's good analysis of internal environment contributed positively to the financial performance of UCC. One of the reasons why the UCC's analysis of internal environment was good was because UCC always analyzed its internal financial environment, UCC's internal financial environment analysis was an honest appraisal of the current financial position and UCC gathered relevant information during its internal financial environment analysis. This shows that UCC's internal information gathering was in line with Waldron, Vsanthakumar and Arulraj (as cited in Natural Resources Management and Environment Department, 1997) who observed that effective budgetary planning has to begin with an honest and realistic appraisal of the current financial position of the business by conducting a situational analysis. According to Jean-François (2000), honest appraisal and relevant information enhance an organization's performance. According to Opera (2003), budget planning begins with the gathering of relevant data. If this is not achieved, the outcomes tend to be poor.

The problem was that UCC did not gather up-to-date information during its internal financial environment analysis and sometimes UCC's internal financial environment analysis was not a realistic appraisal of the current financial position. Thus, this negative budget information gathering practices compromised UCC's financial performance. Rabinowitz (2009) observed that it is important for organizations to create accurate and up-to-date annual budgets in order to maintain control over their finances.

Despite that UCC's analysis of internal environment was good, its analysis of external environment was unsatisfactory. Thus, this affected negatively its financial performance.

UCC's analysis of external environment was unsatisfactory because UCC rarely analyzed its external financial environment and did not gather relevant and up-to-date information. In addition, sometimes UCC's external financial environment analysis was not an honest and a realistic appraisal of the current financial position. Some of these issues has been already discussed in relation to how they affect financial performance of an organization.

Conclusions

Findings of this study show that the gathering of relevant and up-to-date budget information is a key to improvement of organizational financial performance. The more up-to-date, accurate and complete the budget information is, the more valuable it will be in improving the financial performance of an organization.

Recommendations

UCC should improve its budget information gathering to improve its financial performance. This can be achieved especially by addressing the shortcomings in its analysis of the external environment during budget information gathering. It should always endeavor to conduct an analysis of its external environment, gather relevant and up-to-date information and the analysis should be honest and a realistic of the current financial position.

Area for Further Studies

This study focused on budgetary planning and financial performance. However, other studies should be conducted to establish the effect of budgetary control on financial performance. A study should also be conducted to establish the effect of budgetary monitoring on financial performance.

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SM is the principal investigator of this study

Dr. SM supervised this study

Data availability

Data is available on request

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