

RECORD KEEPING AND FINANCIAL PERFORMANCE OF SMALL-SCALE
ENTERPRISES IN UGANDA: A CASE STUDY OF KABALE MUNICIPALITY

BY

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DECLARATION

I Tumwebaze Editor, declare that this research report titled "*Record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality*" is my original work and it has never been submitted to any Institution for any academic award.

Date

Signature,

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APPROVAL

This research report done by Tumwebaze Editor titled "*Record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality*" has been under my supervision and is ready for submission.

MR. AHABWE EDWARD

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DEDICATION

I dedicate this report to my parent Mr. Tweheyo Edward and Mrs. Jovulet Tweheyo for their parental love they have shown me and for the great support throughout my studies.

May they live longer.

ACKNOWLEDGEMENT

My sincere thanks goes to the Almighty God for the guidance and blessings in my life up to date. Special thanks and appreciation goes to my supervisor Mr. Ahabwe Edward who in his busy schedules had the patience and energy to guide me through this work. I really appreciate his efforts.

Appreciation also goes to my sisters, brothers and friends for their great support they rendered to me throughout my studies.

I would like to convey my appreciation to the staff of Uganda Christian University, I say thank you for your cooperation in sharing academic knowledge in which research was part.

To God be the Glory

LIST OF ABBREVIATIONS

CD	Compact Disc
CES	Current employment statistics
KSI	Key success Indicators
ROA	Return on Assets
SMEs	Small and Medium Sized Enterprises
UK	United Kingdom
USB	Universal Serial Bus

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ABSTRACT

The study assessed record keeping and financial performance of small scale enterprises in Uganda. The objectives of the study were; to evaluate record keeping practices in small scale enterprises in Kabale Municipality, to establish the financial performance indicators among small scale enterprises in Kabale Municipality and to establish the relationship between record keeping and financial performance of small scale enterprises in Kabale Municipality. The study used a descriptive research design and data was collected using interviews, documentary evidence and questionnaires. The study findings on record keeping practices in small scale enterprises in Kabala Municipality were; records creation, control storage and access, retention and disposal procedures and destroy and/or delete. The study findings on financial performance indicators among small scale enterprises were; business growth, operating cash flow, employment levels of workers and stock turnover. The study findings on the relationship between record keeping and financial performance of small scale enterprises were; record keeping helps to manage their businesses, record keeping helps to improve on the success in their businesses, record keeping are resources that could otherwise be used for investment, facilitating future growth of business, record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept and record keeping helps to determine the survival of business. The study recommended that the owners of small scale enterprises should ensure that they use better records management practices which can help them to easily retrieve the documents when needed for reference easily, there is a need for business owners to have enough storage space for expansion to facilitate proper records management so that they can be able to achieve their intended objectives and there should be proper financial recordings in records of the business enterprise in order to use them as source of reference for better accountability of the business progress.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter covers the background of the study, problem statement, objectives of the study, research questions, scope of the study, and purpose of the study and significance of the study.

1.1 Background

Records are essential elements of an organization in this competitive world for any business to succeed; it needs to have accurate reliable and timely records. (Tony Blackwood, 2014) Therefore records are a must for every organization whether small or big. This is to show how the funds of the organization have been accounted. Records include all the documents that institutions or individuals create or receive in the course of administrative and executive transactions. They form part of or provide evidence of such transactions (Ssekajja, 2017).

Records are documents produced or received by a person or organization in the course of business and retained by that person or organization for use Cowling, (2017). Records are particularly important since they assist small scale enterprises to continue in their processes and maintain a consistent pattern in policy formulation and implementation (URT, 2016). They also act as raw data for research in various disciplines which is an important ingredient of socioeconomic development (Shepherd and Yeo, 2015).

Schekhawat (2013) noted that small companies Local public Institutions and starting organizations were acquiring assets and human resource without following procedures. Asumpta (2014) also reported that most companies and small business operators in Africa were found not keen on keeping records which quite often caused tax assessment difficulty. In year 2013 recordkeeping attracted global attention among business operators in order to determine private economy trend and tax assessment by government (Arbor, 2015).

Financial performance is the achievement of the company's financial performance for a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability Ntambara, (2016). Measurement of financial performance of based on accounting information contained in financial statements used by management, creditors, investors, and others to form judgment

about performance of a financial institution. It generally shows the ability of accompany to generate returns for the shareholders in light of the investment committed Flam in i (2015)

In Uganda, small scale enterprises are reported to contribute about 20% of Uganda's GDP. This is mainly by small holders who may not even fit the definition of a micro and small business (Tolip and Bitekerezo, 2013). Besides, since a great component of GDP is none monetized and largely subsistence it is possible that the contribution of both micro and small units is much larger than 20%.

Small scale enterprises are small businesses with a limited number of employees and a limited flow of finances and materials Ademolaet. al., (2014). Small scale enterprises play an essential role in contributing to economic growth and development (URT, 2016). Over the years, this sector has played a critical role in developing Uganda's economy through creation of employment opportunities, income generation, and equitable distribution of income hence contributing towards poverty reduction.

According to New vision, 27" may by Kizza (2018) observed that poor record keeping is one of the major reasons why companies collapse. As in line with the above statement small scale businesses in Ntungamo Municipality are at risk of not keeping records well which may result in its collapse. As simple as it may sound, companies cannot perform well if they do not measure their results. Whether it is measuring current process performance, customer satisfaction, market effectiveness or time to market, performance measurement is a critical component of business success Panorama consultants (2015). Although key performance indicators also known as KPI or Key success Indicators (KSI), help an organization define and measure progress towards original goals (Reh, 2013).

Muchira (2013), asserts that accurate records keeping for small scale enterprises transactions is essential to the growth of the enterprises as it enables them to calculate the business profit more accurately. Small scale enterprises should be able to have some documents to back up their tax records and be helped in avoiding losses by paying salaries and other expenses accurately to ensure profitability of the business enterprises, this has not been achieved in Ntungamo Municipality, Ntungamo Municipal council report, (2019).

Ntungamo Municipality has 9,775 out of 82,963 small scale business enterprises in Uganda which forms a proportionate of 12% of all business enterprises in the municipality and the heterogeneity of business enterprises sector in area provides a better representative sample for the study.

1.2 Problem Statement

Keeping records is very necessary in the attainment of proper performance in business as all business activities are shown in the records kept (Enoch Biryabarema, 2018). Zacharia Bolo (2017) said it is necessary that African small business owners be trained in financial management so that they can prepare, analyze and understand the financial operations. This would improve on performance of small businesses. A number of small scale enterprises are coming up drastically but their operation is short lived because the small business operators are not keen on keeping their business records which are useful in the evaluation of the performance. Small businesses are uniquely susceptible to disaster (Donna, 2015) with the above, there is likely to be a problem in determining the level of performance of small scale enterprises in Kabale Municipality. Small scale enterprises in Kabale Municipality have failed to properly keep their business records and as a result this has led to imposing of huge taxes on them denying them a chance perform well and grow and also the performance of the businesses is hardly measured (Kabale Municipal council report, 2019). Therefore this research assessed record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality so that dependable conclusions and recommendation can be drawn.

1.3 The purpose of the study

The purpose of the study was to assess record keeping and financial performance of small scale enterprises in Uganda.

1.4 Objective of the study

1. To evaluate record keeping practices in small scale enterprises in Kabale Municipality
 - i. To establish the financial performance indicators among small scale enterprises in Kabale Municipality.
11. To establish the relationship between record keeping and financial performance of small scale enterprises in Kabale Municipality.

1.5 Research Questions

- i. What are record keeping practices in small scale enterprises in Kabale Municipality?
11. What are the financial performance indicators among small scale enterprises in Kabale Municipality?
12. What is the relationship between record keeping and financial performance of small scale enterprises in Kabale Municipality?

1.6 Scope of the study

1.6.1 Content scope

The study focused on record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality. Where record keeping is the independent variable and financial performance is the dependent variable. The study was conducted specifically on the record keeping practices in small scale enterprises, the financial performance indicators among small scale enterprises and the relationship between record keeping and financial performance of small scale enterprises in Kabale Municipality.

1.6.2 Geographical scope.

The study was carried out in Kabale Municipality, Kabale District. Kabale District is located in south western Uganda and is bordered by Rukungiri District to the north, Ntungamo district to the northeast, the Republic of Rwanda to the east and south, Rubanda District to the west and to the Northwest.

1.6.3. Time Scope

The study considered a period of five years (2015 to 2020) following assess record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality.

1.7 Significance of the study

Small scale enterprises will use the research findings to improve on their record keeping practices basing on the recommendations that will be made by the researcher.

The study will add knowledge on the existing literature on records record keeping and financial performance of businesses

The study will provide information that will be used by policy makers especially Uganda Revenue Authority with information on business operations which will help the business community to keep proper records for proper assessment to avoid penalties.

The study will help business owners on how they can improve on proper record keeping in their businesses basing on the recommendations that will be made by the researcher since the records are necessary for business operations.

1.8 Definition of operational terms

Records are documents produced or received by a person or organization in the course of

business and retained by that person or organization for use Cowling, (2017).

Recordkeeping is the act of keeping track of the history of a person's or organization's **activities**, generally by creating and storing consistent, formal records Cherlye, (2015).

Financial performance is the achievement of the company's financial performance for a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability Ntambara, (2016).

Small scale enterprises are small businesses with a limited number of employees and a limited flow of finances and materials Ademolaet. al., (2014).

1.8 Conceptual framework

Independent variable

Record keeping

- ▶ Records of income received
- ▶ Records for expenses
- ▶ Records for purchases made
- ▶ Records business loans

Dependent variable

Financial performance

- ▶ Volume of sales
- ▶ Profitability
- ▶ Market penetration share

Intervening variables

- ▶ Government policy
- ▶ Business owners attitudes

Source: researcher,2022

The study examined record keeping and financial performance of small scale enterprises in Uganda. Record keeping is the independent variable and financial performance is the dependent variable. The indicators of record kept are; records of income received records for expenses, records for purchases made and records business loans and the indicators of financial performance are volume of sales, profitability and market penetration share.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter consists of the related literature as in line with other scholars about the sales performance indicators, different quality control tools used to enhance sales performance and **he** relationship between product quality and sales performance.

2.2 Record keeping practices in small scale enterprises

Records creation

Records are normally created to document a transaction, to support a right or a claim, to explain/implement a policy, to inform clients and users, to protect organizational rights and liability and to provide accountability. In order for records to accomplish these functions, they must, be prepared in the normal course of business and have an independent business purpose, (Ssenabulya, 2013).

Control storage and access

To ensure that digital and paper files are stored securely, the organization need to control who has access to them. When it comes to managing records according to best practices, how and where the documents are stored, is as important as who has access to them, when planning to store boxes of documents in the office, One must consider whether he/she has the requisite space or whether it would be more effective to outsource the storage needs to a records management company. Or, if the organization has hundreds of files that don't need to be stored in physical form, consider whether it has the in-house resources and document scanning equipment to convert them to a digital format. Once it has determined the best methods of storage, it needs to put a policy in place that clearly states how files can be retrieved and by whom. This plan needs to pay special attention to portable storage devices that are easily lost, stolen or misused. Authorized users need to know exactly how to take care of company files, Pember, (2014).

Retention and disposal procedures

Every record will have its own lifespan. It's necessary to ensure that all retention and disposal schedules are correctly applied to each type of record generated in each department. To make

this as simple as possible, draw up a list of all the various records of the organizations works with and set a clear process for each type. This should include which records need to be retained; the minimum period of retention as defined by UK law; the medium in which they are retained; the review process and frequency of review; how they should be destroyed; and who is responsible for a particular set of records, Penn, Pennix, and Coulson, (2014).

Record, track and monitor

Records move around all the time: in and out of storage and between colleagues and departments. Without a comprehensive cataloguing and monitoring system in place, it's easy for files to fall between the cracks and disappear. To prevent this, implement a system which allows the organization to monitor all movement of records. One way to keep track is to use bar-coding systems. Each time an archived box or file is removed, its barcode is scanned and should someone else need the file, they can quite literally track it down. If the organization is working with a records management provider, this process is a lot simpler, Saffady, (2014).

Destroy and/or delete

When records do come to the end of their lifecycle, they need to be destroyed securely. Put a policy in place for the destruction of confidential and personal records that meets all legal requirements for each type of document. This should also include a general 'good housekeeping' plan for the destruction of non-critical or non-sensitive information to free up office and digital storage space. The policy should also cover the method of destruction per type of document. Destroying a paper file, for example, is not the same as destroying a CD or USB. What's more, shredding has to be done correctly or you may inadvertently expose confidential information, Saleemi, (2015).

Outsource records management

Storing paper and digital records securely and with 100% compliance is not as simple as it may sound. It's far easier to outsource document storage needs to a provider whose business it is to manage records. This saves the company time and money that would otherwise be spent on administrative tasks. Work with true experts who can help to define a clear records management strategy and enable one to get on with business, Sanderson, & Ward, (2013).

2.2 Financial performance indicators among small scale enterprises

These are qualitative measures on financial performance of small scale enterprises in terms of growth, productivity and profitability to ensure the survival of small scale enterprises.

Financial performance, according to Nyakundi, Nyamita and Tinega (2014) measures the **extent** to which financial objectives of the business have been met. It also describes a businesses' financial performance as how a business utilizes its assets effectively in order to **conduct** business and generate revenue (Indriasih & Koeswayo, 2014). Therefore, financial performance can be used to measure a business's level of success and it forms the crucial objective the business essentially desire to achieve.

According to Onyango and Muturi (2013), financial performance deals with items that affect financial statements. The measurements can take the form of growth capital employed, turnover, asset base, divided among other forms. Financial performance is a crucial indicator to measure some economic units in order to determine its level of success in achieving set goals.

Business growth

The growth of the small enterprises sector will be reflected in the increasing number of registered businesses and with successful enterprises that recruit more people, produce more output and better competitors (Stoner e ta! 2012). Stoner e ta! further emphasized that the success of these enterprises should therefore be reflected in profitable enterprises, growing enterprises, and conversion into medium or large enterprises.

In studies done by the Lied ho Im and Mead (2013), growth of small enterprises was measured using the number of workers employed. They noted that the number of small enterprises was increasing annually with a birth rate of about 20% per year. Liedholm and Mead (2013) however found that the majority of small enterprises didn't grow at all. While many reasons have been identified for the lack of growth of small enterprises; poor managerial skills, lack of market information, inappropriate technology, poor pricing methods and lack of government support are the key constraints.

Sewanyana (2017) in his study also found out that amongst the small scale enterprises which are the subjects of his study, the entrepreneurship behavior is exhibited in the majority of these enterprises. He came to conclusion that the better performance of small scale enterprises is attributed to good financial management.

In Uganda the role of small enterprises sector has been recognized and various financing schemes have been established to assist in the growth of these enterprises. Pride

Africa, FINCA Uganda, Uganda women credit finance institutions and many others are cases **in point** (Balunywa and Ssekajja, 2017).

Most studies (Ngobo 2015, Kibera and Kiberam, 2017, Chinjora and Cassi man, 2017), point **to** finance as one of the key factor to small enterprises growth. This is due to the presence of financial markets in various countries, small enterprises business owners' accesses finance to expand business and they usually get small collateral to enable the access the loans and get favourable bank charges. This means that they access finance to enable them to grow.

Growth in productivity

This is the ability to produce. It is the relationship between input and output which is used to measure the economic soundness of the use of factors of production. Stoner et al (2015) defined productivity as the ratio of output to input. It was a measure of the manager s or employee s efficiency in using the organizations scarce resources to produce goods and services.

Zacharia Bolo (2018) said it is necessary that African small business owners be trained in financial management so that they can prepare, analyze and understand the financial operations. This to him would improve on productivity of small businesses.

Growth in profitability

Dwivedi (2016) defined a profit as income accruing to the equity holders in the same source as wages accrue to labour; rent accrues to the money lenders. Dwivedi (2012) further stated that profit means different things to different people. To a layman, profit meant all incomes that flow to the investors. To an accountant, profit meant the excess of revenue over al 1 paid out costs including both manufacturing and overhead expenses. The economist's concept of profit is pure profit called economic profit. Pure profit was a return over and above the opportunity cost that is income expected from second best alternative for a businessman.

Obone (2015) defined a profit as a return on capital represented by the difference between production costs and selling price of goods. Obone (2015) further emphasized that profit in form of interest is a reward paid to the owner of capital who may or may not be the entrepreneur; he thus regarded a profit as a reward for risk taking.

Return on Assets (ROA)

In businesses, assets utilized encompass accounts receivable (debtors), property, plant and **equipment** and inventories. Owing to increased inflation and deterioration in liquidity it is **crucial** for firms to elevate the productivity level of their capital and ascertain the effectiveness and efficiency of assets. It is therefore important to determine how costs associated with each asset in conjunction with its turnover impact the 'total cash flow time', which can be measured as the average number of days required to convert cash invested in assets into the cash collected from a customer (Steward, 2015).

Operating Cash flow

Monitoring and analyzing your cash flow is an essential way to understand your ability to pay your deliveries and routine operating expenses. The international financial reporting standards defines operating cash flows as cash generated from the operations less taxation and interest paid, investment income received and less dividends paid gives rise to operating cash flows. To calculate cash generated from the operations one must calculate cash generated from the customers and cash paid to suppliers. The difference between the two reflects cash generated from operations (Peter and Sylinia, 2018). Operating cash flow is a measure of the amount of cash generated by a company's normal business operations. It indicates whether a company can generate sufficient positive cash flow to maintain and grow its operations, or it may require external financing for capital expansion.

Working Capital

Working capital is also known as the net working capital and it is the difference between a company's current assets, like cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, like accounts payable. It is also known as cash which is immediately available and it is calculated by subtracting your business liabilities from its existing assets (Adelakun, 2016). Most companies require an investment in working capital which reduces cash flow, but cash will also fall if money is collected too slowly, or if sales volume is decreasing which will lead to a fall in accounts receivable.

Working capital is known as money available to a company for day-day operations. It is also a common measure of a company's liquidity, efficiency and overall health. Because it includes cash, inventory, accounts receivable, accounts payable, the portion of debt due within one year, and other short term accounts. A company's working capital reflects the

results of host of company activities including inventory management, debt management, revenue collection and payments to suppliers (Jassen, 2016). Positive working capital shows that a company is able to pay off its short term liabilities immediately. The most significant uses of working capital is inventory, the longer it stays on the shelf or the warehouse, the longer the company's working capital is tied up. When managed carefully businesses can grow themselves out of cash by needing more working capital to fulfill expansion plans than they can generate in their current state.

Revenue

Revenue is the income that a business has from its normal business activities, usually from the sale of goods and services to customers. It can also be referred to as sales or turnover. Revenue refers to income generated from sale of goods or services, or any other use of capital or assets associated with main operations of an organization before any costs or expenses are deducted. Revenues usually recorded as the top item in an income (profit and loss statement) from which all charges, costs and expenses are subtracted to arrive at the net income (Moshi, 2018).

Revenue may also refer to business income in general or it may be referred to as gross receipts. This revenue includes donations from individuals and corporations support from government agencies, income from activities related to the organization's mission and income from fund raising activities, membership dues and financial securities such as stocks, bonds or investment funds (Artsberg, 2017). In a more formal usage, revenue is a calculation or estimation of the periodic income based on a particular standard accounting practice or the rules established by a government or government agency.

Employment levels

Employed is a defined as full and part time worker, as well as part time and temporary employees who receive the pay for a designated period. Current employment statistics or CES provide data on national employment, unemployment and wages and earnings across all industries including civilian government workers. This is an indicator that there is growth in a company or organization. A literature review by Bashett and Sen (2013) identifies an extensive body of evidence which suggests that growth in manufacturing and services have particularly a positive impact on employment.

Malamed, Hartwig and Grant (2011) suggest that growth in services is becoming relatively more important in driving employment than manufacturing. The authors looked at research on 24 growth episodes from the 1980s, 1990s and 2000s, in which there was evidence of the impact of employment in different sectors. In eighteen of these poverty had fallen, in fifteen Of these there had been a rise in employment and in six cases a rise in employment in agriculture saw rises in employment in two of the three sectors but there was no case of increased employment in all the three sectors.

Stock turnover

It is a ratio that shows how many times the company has sold and replaced inventory during a period. The company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand. It is calculated as sales divided by average inventory. The inventory turnover ratio is an important measure of how well a company generates sales from inventory. Inventory is an account of all goods a company has in its stock including raw materials, work in progress materials and finished goods that will ultimately be sold. It provides insight as to how the company manages its costs and how effective their sales efforts have been (Hausman, 2011).

2.3 Relationship between record keeping and financial performance of small scale enterprises

Reynolds Sara, (2010) carried out a study on the importance of record keeping and management of imports and exports showed that majority of those who run SMEs are ordinary lot whose educational background is lacking. Hence they are not well equipped with record keeping skills and this put them at a disadvantage to manage their businesses. He recommended that there is need for vigorous training in the area of record keeping skills that would make success in their businesses.

A study carried out by Mary Mutenyi (2018) on quality of record keeping and performance of SMEs showed that most SMEs owners do not value the importance of record keeping and for those who maintain records; their records are of poor quality

According to Tomlin (2018), economists argue that record keeping are resources that could otherwise be used for investment, facilitating future growth of business. Hence, there is a belief that record keeping put disproportionate pressure on smaller business for growth.

Record keeping usually have to operate in an overbearing regulatory environment with the plethora of regulatory records cumbersome important procedure and high port charges that constantly exert serious burden on their operations McCannon (2018). Many SMEs have to deal with myriad of record keeping. As stated earlier they are heterogeneous and different in size and structure many in turn carry differing obligations for record keeping that affects the cost to the enterprises of complying with (and to the revenue authorities of administering) alternatively to possible record keeping obligations. Public corporation, for example, commonly have strong accounting requirements than do sole proprietorship, and enterprises with employees may be subject to the full panoply of requirements associated with record keeping, in carrying out responsibilities with the financial performance of small scale business and to provide transparent records in operation (Stover, 2017).

This type of environment harms individual business and the overall economy. As a result, many in the business community react by taking a step of record keeping .this typically include underreporting profits and turn over; underreporting employees wages; and, creating phantom employees (Barney, 2018). A significant number of businesses also fail to register their business because of poor record keeping. This only increase the burden to the owners of the business, hence a relationship record keeping and financial performance of small and medium enterprises.

The approach to operation is experience oriented or absolutely no training in accounting courses and management. This denies the business the key professional touches to running the business yet skill in record keeping and cash management should be done according to financial control to ensure that record keeping and performance are reconciled (Morgun, 2010).

According to Cheryle Jones (2016), the best time to set up a record system for a small business is before the business is started. Experience clearly indicated that the use of an adequate record keeping system increased the changes of the business to survive. Cheryle Jones (2016) also pointed out that the biggest problem for many small businesses was that they did not know where to start from with the business records so none were kept at all. The need for income tax information is not the only reason to keep business records but good records would as well provide an accurate record of business financial performance which would also be used as a vehicle to monitor performance in specified areas of the business.

er keeping is very necessary in the attainment of proper performance in business as business activities are shown in the records kept (Enoch Biryabarema, 2018). The riansas small business development center (2013) also pointed out that a small business **ar** failed to keep complete and accurate financial records placed its long term continuance with success in grave, grave doubt.

Sill on the relationship between record keeping and financial performance of small scale enterprises, the law on small scale business development center (2016) also said there was a **need for** appropriate record keeping to determine the survival or failure of a new small **business**. According to the business center for those already in businesses, a good record **keeping** system would increase the chances of staying in business which would also give an **opportunity** for the small business to earn larger profits.

Hughes (2013) asserts that keeping business records is an important driver for the success of a business and argues that a comprehensive record or book keeping system enables owners to develop accurate and timely financial reports that detail the progress and prospects of the business, Thus, the performance of a business is contingent on the existence of bookkeeping system. Macey, 2011) have used increased market share, profitability, improve facilities and meeting required standards as proxies for business performance. Arguing along the same line, Fitzgerald et al (2017) views performance indicators to include but not limited to profitability, business competitiveness sales growth, customer base, liquidity and capital structure, relative market share, quality of services and staff competence as well as resource utilization and productivity. All these performance indicators accrue to any business organization as a result of proper record keeping.

Okoli (2011) links proper record keeping to profitability of business enterprises and argues that the lack of proper record keeping makes it impossible for owners of business enterprises to do a critical assessment of their performance. He thus calls for the maintenance of proper record keeping in enhancing their profitability and hence performance. Whilst the importance and the role of record keeping is widely acknowledged, the drivers of record keeping itself are at best anecdotal. To this end, Mairura (2011) assessed the relationship between record keeping and performance of SMEs and found that there is a significant relationship between them. They further noted that level of education, type of business ownership, number of employees and age of business were the drivers of record keeping.

Accounting records provide a basis for complete and accurate income tax computed as the basis for sound planning for the future and basis for discussion with partners, potential investors, and lenders all these are important aspects which enhance performance of the business. Business also depends on correct accounting records to make good decisions about the firm. Decision such as: about expansion, drop or maintain decision of product lines make or buy decisions, about size of debtors. Therefore it is important that proper records must be kept in order to facilitate efficient and proper timely decision making (Van Home, 2016).

CHAPTER THREE: METHODOLOGY

3.0 Introduction

The **chapter** presents the description of how the study was carried out. It presents the **introduction**, research design, population of the study, sample size, source of data, methods of **data collection**, data collection instruments, data collection procedures, ethical considerations and **data processing and analysis**.

3.1. Research design

According to McMillan and Schumacher (2011) a research design is a **plan** for selecting subjects, research sites and data collection procedures to answer the research questions. The researcher used descriptive research design where both quantitative and qualitative approaches were used at various individuals of small scale enterprises in Kabale Municipality. This kind of research design helped to describe the characteristics of an entity being studied and is appropriate when a study was collecting first hand data using either interviews or questionnaires and from respondents.

3.2 Study population

The population is a set of elements larger than or different from the population sampled and to which the researcher would like to generalize study findings. The study engaged a total of two hundred (200) respondents from which the sample was got. This included small scale enterprises owners and customers (Kabale Municipality, Report, 2021)

3.3 Sample size

The study sample size was 132 which included sixty (60) small scale business owners and seventy two (72) customers of the small business owners. And they were selected basing on a table for determining sample size as suggested by Krejcie and Morgan (1970) and use of proportional allocation of stratification.

Table 1 Category of respondents

Category of respondents	Target population	Sample size
Small business owners	83	60
Customers of the small business	117	72
Total	200	132

3.+ Sampling procedures

The researcher used simple random sampling technique on customers of the small businesses in order to reduce bias from the respondents and purposive sampling techniques were used on **small** business owners because they were believed to be more informed and updated with the content of the study.

3.5 Data type sources

The researcher employed both primary and secondary methods in data collection.

3.5.1 Primary data

According to Chasteen, (2016) primary data refers to the data directly collected from the field.

It provides firsthand information therefore the researcher used questionnaires and interview guides to gather data from respondents who were selected for the study. The researcher used this data type source because it helped to get what is happening exactly in the field so that dependable conclusions and recommendations can be made.

3.5.2 Secondary data

According to Chasten (2013), secondary data refers to data that is collected from the already existing information. It provides second hand information for example bakery reports on sales volume. This data sources were used to get dependable information that supplemented on primary data when making the report.

3.6 Data collection methods

The research methods used in data collection included questionnaires, interview and documentary evidence.

3.6.1 Interview

This involved face to face discussion with specific respondents such as employees and customers in a relaxed and conversational atmosphere. According to Trochim (2015), the method of interview permits collection of first hand detailed information about the themes of the study. In addition, it gave respondents a chance to answer questions unlimitedly and flexibly and therefore was appropriate method to use to collect data from key informants. Interviews were used to get primary data of qualitative nature for the research. The researcher used standardized interview with a list of questions and lists of respondents to get information. The method was used because it gave clear answers, as the researcher was able

to ask again. This instrument was used on small scale business owners since they were believed to have the right information for the study.

3.6.2. Questionnaire

A set of questions for obtaining statistically useful or personal information from individuals or a set of questions to be asked of a number of people usually in order to gather information or opinions. According to Kenyon (2014), closed questions ease data collection from respondents who are literate enough to read and write. A questionnaire is essentially a structured technique for collecting primary data. It is generally a series of written questions for which the respondents has to provide the answers Bell (2013). A set of questions were sent to both staff and other respondents by the researcher and this method was used because it had high response rate and there was privacy while respondents were answering questions. This method was used on customers of the small scale busses enterprises.

3.6.3 Documentary evidence

Document evidence is a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning around an assessment topic Bowen, (2012).The researcher analyzed sources of data like business reports to get related information about the variables under study in the institution.

3.7 Data collection instruments

The research instruments that were used in data collection included questionnaires, interview guide and documentary analysis.

3.7.1 Interview guide

An interview guide is a list of questions under themes, or areas to be covered in a semi structured interview Namara, (2010). Interview guides were used to get primary data of qualitative nature for the research. That researcher used standardized interview guide with a list of questions and lists of respondents to get information. The instrument was used because it gave clear answers, as the researcher was able to ask again.

3.7.2. Structured questionnaire

A set of structured questions were sent to the respondents by the researcher and this instrument was used because it had high response rate and there was privacy while respondents were answering questions. A questionnaire were constructed which was

essentially a structured technique for collecting primary data. This is generally a series of written questions for which the respondents had to provide the answers.

3.7.3 Documentary analysis

The researcher analyzed sources of data like institution magazines, brochures, newspapers to get related information about the variables under study in the institution.

3.8 Data collection procedure

After formulating and finishing the proposal, the researcher followed the following procedures/steps in data collection. The researcher obtained an introductory letter from the coordinator of research Kabale University which introduced her to the respondents. This was followed by data collection. The researcher then had to analyze, interpret, code and present the final report to be submitted to examining body.

3.9 Data quality control

3.9.1 Validity

Validity is the degree by which the sample of test items represents the content the test is designed to measure. Validity is an indication of how sound your research is. The researcher gave the research instruments to a team of experts who made a review. Thereafter, content validity index was calculated. Amin (2015) puts it that for any instrument to be accepted as valid the overall average index should be 0.70 and above. The researcher calculated and got a content validity index of 0.80 which was considered valid for the study.

3.9.2 Reliability

The researcher pre-tested the research instruments particularly the questionnaire which was the most used instrument to a group of respondents that did not participated in the study for example from ten members of the other Municipal Councils since they were in the same business.

3.10. Data processing and analysis

After collection of questionnaires from the study site, they were sorted to establish whether they were correctly filled. Only questionnaires that were correctly filled were considered for analysis. Data analysis involves sorting, inspecting, cleaning and coding of the data ready for analysis (Babbie, 2011).The researcher analyzed the collected quantitative data by coding and use of Microsoft excel to generate tables. Thus the study used statistic which were tables and figures. Qualitative data was analyzed by using words. All information from interviewees

ere collected, recorded down on a piece of paper according to the stated objectives. They **were** interpreted and analyzed using words.

3.11 Ethical considerations

The researcher had to seek consent from the respondents of the study population by assuring them that the information that was given to her was kept confidential and not revealed to third parties and was only for academic purposes. Participants were informed that participation was voluntary and that they were free to opt out at any time they wished to and this did not affected their relationship with the researcher or their relationship with those that participated in the study.

3.12 Limitations of the study and how they were handled

The researcher encountered the problem of delay in returning the answered questionnaires. But the researcher informed the respondents on the purpose of the study and the information will be given to her in time.

Finance was inadequate and this had to put the researcher into strain as well as stress and forced her to improvise on some expenses like transport, lunch, stationary and secretarial services which added more stress to the researcher. However the researcher made sure the little money available was used well during the study.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF THE FINDINGS

4.0 Introduction

This chapter gives a detailed presentation, interpretation and discussion of findings based on the order according to the objectives of the study.

4.1 Background characteristics

A total of one hundred thirty two (132) respondents was selected for the study. The researcher considered the age, gender and educational levels of respondents. This biographic data was very essential for the researcher and the study in order to describe the best respondents that were selected for the study as presented below.

4.1.1 Age of the respondents

In a bid to record the bio data of respondents, the researcher considered the age of respondents and the results in Table 1 below were recorded:

Table 1: Showing the age of the respondents

Age	Frequency	Percentage
21-30	20	15
31-40	53	40
41-50	46	35
51 and above	13	10
Total	132	100

Source: Field data, 2022

According to the results presented in table 1 above, 40% the. highest numbers of the respondents had between 31-40years of age while 10% the least numbers of respondents had 51 and above years of age. The rest of the respondents included 35% had 41-50years of age and the remaining 15% had 21-30 years of age. The researcher considered the age of respondents with the view of acquiring data from respondents in relation to their lifetime experiences and understanding.

4.2.1 Gender of the respondents

The researcher also considered the gender of respondents and the results in table 2 below were recorded:

Table 2: Showing the gender of the respondents

Gender	Frequency	Percentage
Male	99	75
Female	33	25
Total	132	100

Source: Field data, 2022

The study results presented in Table 2 above indicated that 75% the highest numbers of respondents were males whereas 25% the least number of respondents were females. The researcher considered the gender of respondents with the aim of ensuring gender balance in the study and this implies that males were many and dominated in small scale enterprises therefore were available to give information for the study.

4.1.3 Level of educational attained by the respondent

The researcher further considered the levels of education attained by respondents and the results presented below in Table 3 were recorded.

Table 3: Showing the level of educational attained by the respondents

Educational level	Frequency	Percentage
Non formal education	13	10
Primary	40	30
Secondary	53	40
University	26	20
Total	132	100

Source: Field data, 2022

According to the results presented in Table 3 above 40% the highest numbers of the respondents had secondary education whereas 10% the lowest number of respondents had non formal education, the respondents with 30% had primary education and the remaining 20% had university. The researcher considered the respondents' highest level of education in order to get relevant information based on their literacy levels.

4.5 Record keeping practices in small scale enterprises in Kabala Municipality

The researcher documented the record keeping practices in small scale enterprises in Kabala Municipality and the results were presented in table 6 below.

Table 4 Showing respondents views on the record keeping practices in small scale enterprises in Kabala Municipality

Record keeping practices in small scale enterprises in Kabala Municipality	Strongly agree		Agree		Not sure		Disagree		Strongly disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Records creation	66	50	54	41	12	9	-	-	-	-	132	100
Control storage and access	25	19	71	54	36	27	-	-	-	-	132	100
Retention and disposal procedures	43	33	54	41	35	27	-	-	-	-	132	100
Destroy and/or delete	38	29	80	61	11	8	3	2	-	-	132	100

The study findings indicated that 50% of participants strongly agreed with records creation, 41% agreed and 9% of the respondents were not sure. This implies that 91% of the respondents were in agreement with the statement of records creation.

From the table 4 above, the study results revealed that 19% of the respondents strongly agreed with control storage and access, 54% agreed and 27% were not sure. This implies that 73% of the respondents were in agreement with the statement of control storage and access.

The study findings from table 4 above revealed that 33% of the respondents strongly agreed with retention and disposal procedures, 41 % agreed and 27% of the respondents were not sure. This means that majority of the respondents 74% were in agreement with the statement of retention and disposal procedures.

The study findings indicated that 29% of participants strongly agreed with destroy and/or delete, 61% agreed, 8% were not sure and 2% disagreed with the statement. This implies that 90% of the respondents were in agreement with the statement of destroy and/or delete.

4.5 Financial performance indicators among small scale enterprises

The researcher also documented financial performance indicators among small scale enterprises and the results were presented in table 7 below.

Table 5: Showing respondent's views on the financial performance indicators among small scale enterprises

Financial performance indicators among small scale enterprises	Strongly agree		Agree		Not sure		Disagree		Strongly disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Business growth	53	40	47	36	19	14	13	10	-	-	132	100
Operating cash flow	38	29	71	54	23	17	-	-	-	-	132	100
Employment levels of workers	31	23	87	66	14	11	-	-	-	-	132	100
Stock turnover	59	45	52	39	10	8	11	8	-	-	132	100

Source: Field data, 2022

The study results revealed that 40% of the respondents strongly agreed with business growth, 36% agreed, 14% were not sure and 10% of the respondents disagreed with the statement. This implies that 76% of the respondents were in agreement with the statement of business growth.

The study findings from table 5 above revealed that 29% of the respondents strongly agreed with operating cash flow, 54% agreed and 17% were not sure. This means that majority of the respondents 83% were in agreement with the statement of operating cash flow.

The study findings from table 5 above revealed that 23% of the respondents strongly agreed with employment levels of workers, 66% agreed and 11 % were not sure. This means that majority of the respondents 89% were in agreement with employment levels of workers.

The study findings from table 5 above revealed that 45% of the respondents strongly agreed with stock turnover, 39% agreed, 8% were not sure and other 8% disagreed with the statement. This means that majority of the respondents 84% were in agreement with stock turnover.

4.4 Relationship between record keeping and financial performance of small scale enterprises

The researcher further considered the respondent's opinions on the relationship between record keeping and financial performance of small scale enterprises and the results presented below in Table 6.

Table 6: Respondent's opinions on relationship between record keeping and financial performance of small scale enterprises

Relationship between record keeping and financial performance of small scale enterprises	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Freq uenc y	%	Freq uenc y	%	Freq uenc y	%	Freq uenc y	%	Freq uenc y	%
Record keeping helps to manage their businesses	30	60	20	40	-	-	-	-	-	-
Record keeping helps to improve on the success in their businesses	31	62	10	20	09	18	-	-	-	-
Record keeping are resources that could otherwise be used for investment. Facilitating future growth of business	15	30	10	20	05	10	20	40	-	-

Record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept	20	40	25	50	5	10	-	-	-	-
Record keeping helps to determine the survival of business	12	24	8	16	13	26	17	34	-	-

Source: Field data, 2022

From study finding 60% of the respondents strongly agree, 40% agreed that record keeping helps to manage their businesses. This means that majority of the respondents 100% were in agreement with the statement that record keeping helps to manage their businesses.

From the table 6 above, the study results revealed that 62% of the respondents strongly agreed that record keeping helps to improve on the success in their businesses, 20% agreed and 18% were not sure. This implies that 82% of the respondents were in agreement with the statement that record keeping helps to improve on the success in their businesses.

The study findings from table 6 above revealed that 30% of the respondents strongly agreed that record keeping are resources that could otherwise be used for investment, facilitating future growth of business, 20% agreed, 10% were not sure and 40% disagreed. This means that respondents 50% were in agreement with the statement that record keeping are resources that could otherwise be used for investment, facilitating future growth of business.

The study findings indicated that 40% of participants strongly agreed that record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept, 50% agreed, 10% were not sure. This implies that 90% of the respondents were in agreement with the statement that record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept.

The study findings from table 6 above revealed that 24% of the respondents strongly agreed that record keeping helps to determine the survival of business, 16% agreed, 26% were not sure and 34% disagreed. This means that respondents with 42% were in agreement with the statement that record keeping helps to determine the survival of business.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS 5.0

Introduction

This chapter contains the summary of findings, conclusion and recommendations of the study

5.1 Summary of findings

5.1.1 Roles of records keeping in small scale enterprises in Ntungamo Municipality.

The study findings indicated that 50% of participants strongly agreed with records creation, 41 % agreed AS Ssenabulya, (2013) stated that records are normally created to document a transaction, to support a right or a claim, to explain/implement a policy, to inform clients and users, to protect organizational rights and liability and to provide accountability. In order for records to accomplish these functions, they must, be prepared in the normal course of business and have an independent business purpose and 9% of the respondents were not sure. This implies that 91% of the respondents were in agreement with the statement of records creation.

From the table 4 above, the study results revealed that 19% of the respondents strongly agreed with control storage and access, 54% agreed as Pember, (2014) stated that to ensure that digital and paper files are stored securely, the organization need to control who has access to them. When it comes to managing records according to best practices, how and where the documents are stored, is as important as who has access to them, when planning to store boxes of documents in the office, One must consider whether he/she has the requisite space or whether it would be more effective to outsource the storage needs to a records management company and 27% were not sure. This implies that 73% of the respondents were in agreement with the statement of control storage and access.

The study findings from table 4 above revealed that 33% of the respondents strongly agreed with retention and disposal procedures, 41% agreed as Pennix, and Coulson, (2014) stated that every record will have its own lifespan. It's necessary to ensure that all retention and disposal schedules are correctly applied to each type of record generated in each department. To make this as simple as possible, draw up a list of all the various records of the organizations works with and set a clear process for each type. This should include which records need to be retained; the minimum period of retention as defined by UK law; the medium in which they are retained; the review process and frequency of review; how they should be destroyed; and who is responsible for a particular set of records and 27% of the

respondents were not sure. This means that majority of the respondents 74% were in agreement with the statement of retention and disposal procedures.

The study findings indicated that 29% of participants strongly agreed with destroy and/or delete, 61% agreed as Saleemi, (2015) stated that when records do come to the end of their lifecycle, they need to be destroyed securely, put a policy in place for the destruction of confidential and personal records that meets all legal requirements for each type of document. This should also include a general 'good housekeeping' plan for the destruction of noncritical or non-sensitive information to free up office and digital storage space. The policy should also cover the method of destruction per type of document. Destroying a paper file, for example, is not the same as destroying a CD or USB, 8% were not sure and 2% disagreed with the statement. This implies that 90% of the respondents were in agreement with the statement of destroy and/or delete.

5.1.2 Financial performance indicators among small scale enterprises

The study results revealed that 40% of the respondents strongly agreed with business growth, 36% agreed as Stoner et al (2012) stated that the growth of the small enterprises sector will be reflected in the increasing number of registered businesses and with successful enterprises that recruit more people, produce more output and better competitors, 14% were not sure and 10% of the respondents disagreed with the statement. This implies that 76% of the respondents were in agreement with the statement of business growth.

The study findings from table 5 above revealed that 29% of the respondents strongly agreed with operating cash flow, 54% agreed as Peter and Sylinia, (2018) stated that monitoring and analyzing your cash flow is an essential way to understand your ability to pay your deliveries and routine operating expenses, the international financial reporting standards defines operating cash flows as cash generated from the operations less taxation and interest paid, investment income received and less dividends paid gives rise to operating cash flows and to calculate cash generated from the operations one must calculate cash generated from the customers and cash paid to suppliers, the difference between the two reflects cash generated from operations and 17% were not sure. This means that majority of the respondents 83% were in agreement with the statement of operating cash flow.

The study findings from table 5 above revealed that 23% of the respondents strongly agreed with employment levels of workers, 66% agreed as Bashett and Sen (2013) stated that

employed workers is defined as full and part time worker, as well as part time and temporary employees who receive the pay for a designated period, current employment statistics or CES provide data on national employment, unemployment and wages and earnings across all industries including civilian government workers and this is an indicator that there is growth in a company or organization and 11 % were not sure. This means that majority of the respondents 89% were in agreement with employment levels of workers.

The study findings from table 5 above revealed that 45% of the respondents strongly agreed with stock turnover, 39% agreed as Hausman, (2011) stated that it is a ratio that shows how many times the company has sold and replaced inventory during a period, the company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand. It is calculated as sales divided by average inventory and the inventory turnover ratio is an important measure of how well a company generates sales from inventory, 8% were not sure and other 8% disagreed with the statement. This means that majority of the respondents 84% were in agreement with stock turnover.

5.1.3 Relationship between record keeping and financial performance of small scale enterprises

From study finding 60% of the respondents strongly agree, 40% agreed that record keeping helps to manage their businesses as Mary Mutenyi (2018) on quality of record keeping and performance of SMEs showed that most SMEs owners do not value the importance of record keeping and for those who maintain records; their records are of poor quality. This means that majority of the respondents 100% were in agreement with the statement that record keeping helps to manage their businesses.

From the table 6 above, the study results revealed that 62% of the respondents strongly agreed that record keeping helps to improve on the success in their businesses, 20% agreed as Tomlin (2018), economists argue that record keeping are resources that could otherwise be used for investment, facilitating future growth of business. Hence, there is a belief that record keeping put disproportionate pressure on smaller business for growth and 18% were not sure. This implies that 82% of the respondents were in agreement with the statement that record keeping helps to improve on the success in their businesses.

The study findings from table 6 above revealed that 30% of the respondents strongly agreed that record keeping are resources that could otherwise be used for investment, facilitating

future growth of business, 20% agreed as Enoch B iryabarema, (2018) stated that record keeping is very necessary in the attainment of proper performance in business as all business activities are shown in the records kept, 10% were not sure and 40% disagreed. This means that respondents 50% were in agreement with the statement that record keeping are resources that could otherwise be used for investment, facilitating future growth of business.

The study findings indicated that 40% of participants strongly agreed that record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept, 50% agreed as Hughes (2013) asserts that keeping business records is an important driver for the success of a business and argues that a comprehensive record or book keeping system enables owners to develop accurate and timely financial reports that detail the progress and prospects of the business, thus, the performance of a business is contingent on the existence of bookkeeping system, 10% were not sure. This implies that 90% of the respondents were in agreement with the statement that record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept.

The study findings from table 6 above revealed that 24% of the respondents strongly agreed that record keeping helps to determine the survival of business, 16% agreed as Okoli (2011) stated that proper record keeping to profitability of business enterprises and argues that the lack of proper record keeping makes it impossible for owners of business enterprises to do a critical assessment of their performance. He thus calls for the maintenance of proper record keeping in enhancing their profitability and hence performance. Whilst the importance and the role of record keeping is widely acknowledged, the drivers of record keeping itself are at best anecdotal, 26% were not sure and 34% disagreed. This means that respondents with 42% were in agreement with the statement that record keeping helps to determine the survival of business.

5.2 Conclusion

The study findings on record keeping practices in small scale enterprises in Kabala Municipality were; records creation, control storage and access, retention and disposal procedures and destroy and/or delete.

The study findings on financial performance indicators among small scale enterprises were; business growth, operating cash flow, employment levels of workers and stock turnover.

The study findings on the relationship between record keeping and financial performance of small scale enterprises were; record keeping helps to manage their businesses, record keeping helps to improve on the success in their businesses, record keeping are resources that could otherwise be used for investment, facilitating future growth of business, record keeping is help in the attainment of proper performance in business as all business activities are shown in the records kept and record keeping helps to determine the survival of business.

5.3 Recommendations

The owners of small scale enterprises should ensure that they use better records management practices which can help them to easily retrieve the documents when needed for reference easily.

There is a need for business owners to have enough storage space for expansion to facilitate proper records management so that they can be able to achieve their intended objectives

There should be proper financial recordings in records of the business enterprise in order to use them as source of reference for better accountability of the business progress.

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APPENDICES

APPENDIX A

QUESTIONNAIRE FOR THE SELECTED RESPONDENTS

Dear respondent,

I am Tumwebaze Editor, a student of Kabale University. I am undertaking research on "Record keeping and financial performance of small scale enterprises in Uganda a case study of Kabale Municipality" as part of the requirements for the award of a degree in business administration. The questions presented to you in this questionnaire are only intended to help me undertake my research and will not be used for any other purpose. Your answers given will be treated with utmost confidentiality.

Your answers given will be treated with utmost confidentiality. Yours sincerely

.....

Tumwebaze Editor

Researcher

SECTION A: BIO DATA OF RESPONDENTS

Please tick or fill where applicable

SECTION A: BIO DATA OF RESPONDENTS

I. Age

- a) 21-30
- b) 31-40
- c) 41-50
- d) 51<

2. Sex

- a) Female
- b) Male

3. Highest level of Education

- a) Non formal Education
- b) Primary
- c) Secondary
- d) University

Tick appropriately using Strongly agree, Agree, Not sure, Disagree and Strongly disagree

SECTION B

6. Record keeping practices in small scale enterprises in Kabala Municipality

Record keeping practices in small scale enterprises in Kabale Municipality	Strongly agree	Agree	Not sure	Disagree	Strongly agree
Records creation					
Control storage and access					
Retention and disposal procedures					
Destroy and/or delete					

Section C

7. Financial performance indicators among small scale enterprises

Financial performance indicators among small scale enterprises	Strongly agree	Agree	Not sure	Disagree	Strongly agree
Business growth					
Operating cash flow					
Employment levels of workers					
Stock turnover					

Section C

8. Relationship between record keeping and financial performance of small scale enterprises

Relationship between record keeping and financial performance of small scale enterprises	Strongly agree	Agree	Not sure	Disagree	Strongly agree
Record keeping helps to manage their businesses					
Record keeping helps to improve on the success in their businesses					
Record keeping are resources that could otherwise be used for investment, facilitating future growth of business					
Record keeping is help in the attainment of proper performance In business as all business activities are shown in the records kept					
Record keeping helps to determine the survival of business					

Thank you for your cooperation

APPENDIXB

INTERVIEW GUIDE

1. What are record keeping practices in small scale enterprises in Kabale Municipality?
2. What are the financial performance indicators among small scale enterprises?
3. What is the relationship between record keeping and financial performance of small scale enterprises?

Thanks for your cooperation

APPENDIXC

Sample Size Determination Using Krejcie and Morgan Table.

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note;" N" is population size and "S" is sample size.

Source: Krejcie and Morgan, 1970.

APPENDIX IV: STUDY BUDGET

ITEMS	AMOUNT(UGX)
Transport	80,000
Stationary	60,000
Typing, printing and photocopying	70,000
Research binding	90,000
Grand total	300,000

APPENDIX V: WORK PLAN OF THE STUDY

ACTIVITIES	PERIOD (JULY- DECEMBER 2022)			
	JULY- AUGUST	SEPTEMBER- OCTOBER	NOVEMBER	DECEMBER
Proposal Writing				
Data collection and Analysis		a -		
Submission of chapter four and five				
Report Submission				