

**RESPONDING TO THE BUDGET DEFICIT IN PRIVATE
UNIVERSITIES IN TANZANIA: SEARCH FOR SUSTAINABLE
FINANCING OPTIONS**

**RESPONDING TO THE BUDGET DEFICIT IN PRIVATE UNIVERSITIES:
SEARCH FOR SUSTAINABLE FINANCING OPTIONS**

BY

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**A Dissertation Submitted in Fulfilment of the Requirements for Award of the
Degree of Master of Science in Accounting and Finance (MSc A&F) of Mzumbe
University**

2019

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University, a dissertation entitled **Responding to the budget deficit in private university in Tanzania: Search for sustainable financing options** in partial/fulfilment of the requirements for award of the degree of Master of Science in Accounting and Finance of Mzumbe University.

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DEDICATION

To my lovely wife, Victoria Mng'ani, and our wonderful children Alex, Lilian, and Marian.

LIST OF ABBREVIATIONS

ABB	Activity Based Budget
AJUCO	Archbishop James University College
AMUCTA	Archbishop Mihayo University College of Tabora
BoT	Board of Trustees
CARUMUCO	Cardinal Rugambwa Memorial University College
CPD	Committee of Principals and Directors
DP/ARC	Deputy Principal for Academic, Research and Consultation
DP/PFA	Deputy Principal for Finance and Administration
DVCA	Deputy Vice Chancellor for Academics
DVCAF	Deputy Vice Chancellor Administration and Finance
EC	European Community
FPC	Finance and Planning Committee
GNP	Gross National Product
H E	Higher Education
HESLB	Higher Education Students' Loan Board
HoD	Head of Department
JUCo	Jordan University College
MARUCO	Marian University College
NACTE	National Council for Technical Education
NGO	Non Governmental Organizations

NSSF	National Social Security Fund
SAUT	Saint Augustine University of Tanzania
SFUCHAS	St. Fransis University College of Health and Allied Sciences
STEMMUCO	Stela Maris Mtwara University College
SWOT	Strength, Weakness, Opportunities, Threat
TCU	Tanzania Commission for Universities
TEC	Tanzania Episcopal Conference
VC	Vice Chancellor

ABSTRACT

This study dwelt on responding to the budget deficit in private universities in Tanzania. St. Augustine University of Tanzania was chosen to represent other private universities in Tanzania as a case study. Specific objectives of this study are to examine the effectiveness of the budgetary process in private universities in Tanzania, to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively and to search for successful alternative financing strategy to close the budget deficit gap.

Mixed method research design was applied, that included qualitative and quantitative methods. Data were collected by using questionnaires, interview and documentary reviews. The findings of this study show that budget deficit in private universities in Tanzania is mainly attributed to overdependence on few sources of income especially tuition fee, and poor forecasting.

It is recommended that there should be a method which assists to identify costs per unit (unit cost system) for each subject a student would take to obtain a degree, and all costs of services offered by faculties and departments. In order to solve the budget deficit budget process, constant cash flows and economic factors should be considered throughout the budget period.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION AND COPYRIGHT	ii
ACKNOWLEDGEMENT	iii
DEDICATION.....	iv
LIST OF ABBREVIATIONS	v
ABSTRACT	vii
LIST OF TABLES.....	xiii
LIST OF FIGURE	xiv
 CHAPTER ONE	 1
PROBLEM SETTING.....	1
1.1 Introduction	1
1.2 Background of the problem	1
1.3 Statement of the Problem	2
1.4 Research Objective	3
1.5 Research Questions	4
1.6 Significance of the Study	4
1.7 Scope of the Study	4
 CHAPTER TWO	 6
LITERATURE REVIEW	6
2.1. Introduction	6
2.2 Key terms.....	6
2.2.1 Budget	6
2.2.2 Budgeting.....	7
2.2.3 Planning.....	8
2.2.4 Controlling.....	8
2.2.5 Coordination	8
2.2.6 Communication.....	8

2.2.7 Making Decision	9
2.2.8 Budget Reviews	9
2.2.9 Budget Participation	9
2.3 Theoretical Literature Review	9
2.3.1 Theories of Budget.	9
2.3.2 Critical Issues in Budget.....	10
2.3.3 Budget Deficit	11
2.3.4 Budgeting in Private Universities	12
2.3.5 Reforms in the Budgetary Process	12
2.3.6 Budget Implementation	13
2.3.7 Challenges in Budget Implementation	13
2.3.8 Potential benefits of budgeting	15
2.3.9 Budget Process.....	15
2.3.10 Approaches to budgeting	16
2.4 Problems in Budgeting	16
2.5 Similarities and contrast between public and private universities in budgeting...17	
2.6 Behavioural aspects in budgeting.	17
2.6.1 The association between Budgeting and Organizational Strategic Plans.....17	
2.6.2 Factors influencing budgetary process	18
2.6.3 Budgeting process participants	18
2.7 The Budget communication.....	19
2.8 The budgeting process criticisms.....	19
2.9 Empirical studies.....	20
2.9.1 Management financing.	20
2.9.2 Budgeting practices in Non Government Organisation.	20
2.9.3 Challenges of budgeting.	21
2.9.4 Benefits of budgeting.	22
2.9.5 Effective budgeting	23
2.10 Research gap	24
2.11 Conceptual Framework	25
2.12 Conclusion	26

CHAPTER THREE	28
RESEARCH METHODOLOGY	28
3.1 Introduction	28
3.2 Research design	28
3.3 Area of Study	29
3.4 Study population and sample.....	29
3.5 Sampling procedure and Sample Size.....	29
3.6 Data Collection Techniques.....	30
3.7 Data analysis	31
3.8 Reliability and validity	32
3.9 Ethical consideration	33
3.10 Limitation of study	33
CHAPTER FOUR.....	34
PRESENTATION OF FINDINGS.....	34
4.1 Introduction	34
4.2 Presentation of the findings	34
4.2.1 Questionnaire response rate analysis.....	34
4.3 The effectiveness of the budgetary process in private universities in Tanzania ..	35
4.3.1 Time spent working in the university (experience)	36
4.3.2 Period in which the budget covers in private university in Tanzania.	37
4.3.3 Budget preparation period in private universities in Tanzania.	37
4.3.4 Budget preparation	37
4.3.5 Budget implementation	38
4.3.6 Challenges in budget implementation	39
4.4 Reasons budgetary process in private universities in Tanzania has failed to work effectively.	39
4.4.1 Persons responsible in budgetary process in private universities in Tanzania ..	40
4.4.2 Presence of budget committees.....	40
4.4.3 Effectiveness of the office of Internal Audit	41

4.4.4 Doing external Audit irregularly.....	41
4.4.5 Mechanism on budgetary control.....	42
4.4.6 Feedback on budgeting process	42
4.4.7 Sources of Revenue	43
4.4.8 Government Support	43
4.4.9 Why do budget processes fail to be effective?	44
4.5 Alternative financing strategy to close the budget deficit gap.	45
4.5.1 The extent of existence and persistence of budget deficit in private universities in Tanzania	46
4.5.2 Reasons for budget deficit in private universities in Tanzania	47
4.5.3 Available options to address the budget deficit.	47
4.5.4 Enhancing budgeting system toward closing the budget gap.....	48
4.6 Chapter summary	49
CHAPTER FIVE	53
DISCUSSION.....	53
5.1 Introduction	53
5.2 Discussion of the findings	53
5.3 The effectiveness of the budgetary process in private universities in Tanzania ..	53
5.3.1 Time spent working in the university (experience)	54
5.3.2 Period in which the budget covers in private university in Tanzania.	55
5.3.3 Budget preparation period in private universities in Tanzania.	55
5.3.4 Budget preparation	56
5.3.4 Budget implementation	56
5.3.5 Challenges in budget implementation	57
5.4 Reasons budgetary process in private universities in Tanzania has failed to work effectively.	58
5.4.1 Persons responsible in budgetary process in private universities in Tanzania ..	58
5.4.2 Presence of budget committees.....	59
5.4.3 Effectiveness of the office of Internal Audit	60
5.4.4 Doing external Audit irregularly.....	60
5.4.5 Mechanism on budgetary control.....	61

5.4.6 Feedback on budgeting process	61
5.4.7 Sources of Revenue	62
5.4.8 Government Support	62
5.4.9 Why do budget processes fail to be effective?	63
5.5 Alternative financing strategy to close the budget deficit gap.	64
5.5.1 The extent of existence and persistence of budget deficit in private universities in Tanzania	64
5.5.2 Reasons for budget deficit in private universities in Tanzania	64
5.5.3 Available options to address the budget deficit.	66
5.5.4 Enhancing budgeting system toward closing the budget gap	66
CHAPTER SIX	69
SUMMARY, CONCLUSION AND POLCY RECCOMENDATIONS.....	69
6.1 Introduction	69
6.2 Summary.....	69
6.3 Conclusions	71
6.4 Policy Recommendations	72
6.5 Limitations of the study.....	73
6.6 Suggestion for further research.....	73
REFFEENCES.....	75
APPENDICES.....	80

LIST OF TABLES

Table 4.1 Questionnaire Response Rate Analysis	35
Table 4.2 Professionalism in Accounting and Finance	36
Table 4.3 Time Spent in the University Working in the Position	36
Table 4.4 Period to Which the Budget Covers	37
Table 4.5 Budget Preparation Period in Private Universities in Tanzania.....	37
Table 4.6 Reason for Budget Preparation	38
Table 4.7 Views of Respondents on Budget Implementation	38
Table 4.8 Challenges in Budget Implementation	39
Table 4.9 States of Budgetary Process in Private Universities in Tanzania	40
Table 4.10 Respondents View on Presence of Budget Committees.....	41
Table 4.11 Effectiveness of the Office of Internal Audit.....	41
Table 4.12 Doing External Audit Irregularly	42
Table 4.13 Mechanism on Budgetary Control	42
Table 4.14 Feedback on Budgeting Process.....	43
Table 4.15 Contribution of Sources of Revenue	43
Table 4.16 Government Support to Private Universities	44
Table 4.17 Causes for Budget Deficit.....	44
Table 4.18 Extent of Dependency on Single Source-Tuition Fee 2013-2017	45
Table 4.19 Budget gap for Year 2016/2017	46
Table 4.20 Causes for Budget Deficit.....	47
Table 4.21 Available Options to Address the Budget Deficit.....	48
Table 4.22 Enhancing Budgeting System toward Closing the Budget Gap	49

LIST OF FIGURE

Figure 2.1 Conceptual frame work	25
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CHAPTER ONE

PROBLEM SETTING

1.1 Introduction

Undertaking research study is always interesting, though challenging. It is interesting because the researcher unconditionally opens hands struggling to provide unbiased explanation facts about an observation. It is challenging because it needs application of the researcher's knowledge base, conceptual, analytical and creativity skills.

This chapter created a base for this research study whereby from this chapter we got background and statement of the problem, research objective, research questions, significance and the scope of the study. These concepts introduced research study and laid a base for literature review, methodology, presentation, analysis, discussion, summary, conclusion and recommendation of research study.

1.2 Background of the problem

From time in memorial education and health services are known to be produced by the Governments. That is why public goods theory requires the government provide these as merit goods. A public good, once produced for some consumers, be consumed by additional consumers at no additional cost (Cornel, 1999) Goods with these characteristics are under-produced or no produced at all in the private sector. Following the conventional wisdom, economic efficiency requires government force people contribute to the production of public goods, and allow citizens consume them (Holcombe, 2014).

This understanding has been in the mind of people over the decades that public good is government obligation. However through Washington consensus that gave birth to Neoliberalism outlook, this in turn led to cost sharing concept, and free market operation has changed the mind set of people. Governments opened the window for private sector to produce the public goods. This is evidenced by current private Hospitals, private schools and private Universities as compared to past decades.

Neoliberalism has brought fundamental changes in privatization of public education, and free market (Baltodeno, 2012)

Responding to the globalization challenges and pressure influenced by widespread acceptance of neoliberal perspective and free market logics, the government of Tanzania and many other countries opened education market allowing private universities and foreign universities to offer academic programmes. In Tanzania private sectors started providing higher education in 1990s. According to TCU guide book 2015/2016 higher education private institutions increased up to 40 in the year 2016. The growth of interest to engaging private sector in delivering education is also prevalent elsewhere. In China, for example, the government allowed private sectors and international investors to invest in private education (Mok, 2008), while in Asia, Latin America, the former Soviet Republic, Eastern Europe, parts of Africa and the Middle East private universities have played an important role in the provision of higher education (Johnstone, 1998).

Despite the fact that private universities got a chance to provide higher education in Tanzania but they don't perform effectively in Tanzania. They have been experiencing financial problem from time to time .Experience shows that private universities in Tanzania do not get subsidies from the government as their counterpart public universities do. Budget deficit has been a great threat to the well being of private universities in Tanzania over a past five years. No studies have focused in this area; hence the study aimed at identifying the reasons for budget deficit in private universities in Tanzania with a view of looking for the alternative sustainable financing options to solve the budget deficit gap.

1.3 Statement of the Problem

According to TCU Guide Book 2015/2016 75 higher learning institutions were listed by the end of academic year 2014/2015. These included universities, university colleges and centres. Out of these 40 are private and 35 are public universities. The proliferation of universities both Government and Private universities over the past two decades lead to severe competition. The effect of competition reflects on stringent loan allocation which has proved to affect private universities adversely

compared to public universities. Public universities depend on government reallocation in addition to the tuition fees while private universities depend on tuition fee as the source of their revenue budgets. Hence as the number of students is dwindling while university commitments keep on growing, it creates threats to the future growth of the university, and as such, diminishes expected contribution in human capital development and the realization of national socio-economic objectives. As a consequence of limited and narrow revenue base worsened by the declining number of students, meeting institutional costs such as salaries and utilities remains a challenge which needs to be addressed in private universities

Budget deficit in private universities is a problem leads to inadequate staffing or financial resources to make the changes effective; and due to budget deficit actual progress cannot be met and plans cannot be reached. This study attempts to address this issue. In order to respond to the persistent budget deficit experienced and evidenced in private universities, researches are necessary to explore on the financing options suitable to the private university context (Baumback et al.2003)

1.4 Research Objective

(i) General objective

Considering above background dissertation aimed at assessing for budget deficit in private universities in Tanzania with a view of exploring on the suitable financing options.

(ii) Specific research objectives

- a) To examine the effectiveness of the budgetary process in private universities in Tanzania
- b) To examine the reasons budgetary process in private universities in Tanzania has failed to work effectively.
- c) To search for successful alternative financing strategy to close the budget deficit gap.

1.5 Research Questions

The following questions guided the research study.

- (i) How effective has the budget process been in private universities in Tanzania
- (ii) What are the roots causes of the budget implementation in private universities in Tanzania?
- (iii) How should the current budgeting practice in private universities in Tanzania be improved to attain sustainable budgeting system so as to close the budget deficit gap?

1.6 Significance of the Study

This study attempts to add to the knowledge base of budget deficit in private universities by exploring, identifying and analysing the causes and finally looking for alternative sustainable financial option in responding to the budget deficit in private universities in Tanzania, a study case of St. Augustine University of Tanzania.

Budget deficit is one of the leading factors that slow down private Universities towards achieving their objectives. Suggestions and recommendations from this study will enable the private universities perform effectively and efficiently to reach their goals and objectives.

The study will contribute to the policy makers of private universities in Tanzania in responding to budget deficit, searching for sustainable financing options. This will help the management to focus on budgets processes with much emphasis on budget implementation. This study will contribute to existing literatures as the findings obtained from here add new value to existing literatures.

1.7 Scope of the Study

This study capitalized on matters concerning problem of budget deficits in private university in Tanzania (SAUT) and its response to it by looking alternative sustainable financial options in private Universities in Tanzania. The study

identified, analysed and discussed on budget process but concentrate on budget implementation as a kernel of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter summarizes the studies from other researchers who have carried out their research in the same field of study. Theoretical base and explanations of past studies on similar field are given in this part. Areas covered in this study include key terms, benefit of budgeting, approaching to budgeting as the source of problem in private universities, similarities and contrast between public and private universities in budgeting, behavioural aspect in/ politics of budgeting, Budget process, Participants in the budgeting process and criticism of budget process with reference to “responding to the budget deficit in private universities: search for sustainable financing options.”

2.2 Key terms

2.2.1 Budget

An organization’s strategy report, objectives goals and priorities, uttered in financial language, for a specific period of time is called a budget. The organization’s strategic plan, which in turn is connected to the goals and mission of the organization is supported and tied to the budget

A quantitative statement for defined period of time which may include planned revenues, expenses, assets, liabilities and cash flows is called a budget. The budget must conceive and base upon combination of historical data and future financial projections. Hence for Lucy budget provides focus on organization, coordinates activities and facilitates control (Lucey, 2000).

Budget is a plan quantified in financial terms in defined time usually showing intended income and Expenditure, the capital working to achieve a certain goal set

ahead of time. Hence a budget is valuable management ahead (Wood and Sangster (2002)

Speaking about the budget Baumbach et al. (2011) put openly that a budget is a control device used by management to predetermine what each major class of expense should be for the period of time cover and to aid executives in conducting the business in line with these as planned. This being the case private universities should have budgeting systems for their welfare.

Budget is a plan articulated, prepared and approved prior to the budget period and show income expenditure and capital employed. It may show incremental effects on former or actual figures compiled by zero based budgeting (Lucey 2005).

Budget is a plan quantified in monetary terms prepared and approved prior to a defined period of time, usually showing planned income to be generated and or expenditure to be incurred during that period and the capital to be employed to attain a given objectives (Owler and Brown, 2014).

According to Hermanson, (2009) budget is a map showing the company's objectives and how management intends to obtain and use resources to attain those objectives.

2.2.2 Budgeting

According to shilling, (2007) budgeting integrates project and program decisions covering the organization parts for a specified period.

Harper, W.M (2012) says budgeting is done by the budget officer, in conjunction with the parties responsible for execution in preparation of budget. Budgeting officers will be responsible for the following: Giving various departments instructions, budget estimates are realized and checked, providing information to departmental managers help forecasting, suggesting possible revisions. Discussing difficulties with managers ensuring that manager prepare their budget in time presenting to committee and furnishing explanations on particular points and coordinating all budget centers.

2.2.3 Planning

Ryan, (2008) says management faced with the need to plan the resources under their control. The budget must conceive and base upon combination of historical data and future financial projections. The planning period identifies goals attained during the fiscal year, and how to achieve them. Planning attempts to make today's decision in respect to their futurity, it bridges the gap from current and in the future (Koontz, 2014).

2.2.4 Controlling

Matching of actual expenditure with plans is a Budget control. A budget assists managers managing and controlling the activities for which they are responsible. Budget offers control procedures like communication, authorization of expenditure and performance evaluation. Hence control procedures are essential for efficiency (Moll, 2003).

2.2.5 Coordination

The budget is a vehicle through which the actions of the different parts of an organization are brought together and reconciled into a common plan. According to Drury, (1999) budgeting compels managers to examine the relationship between their own operations and those of other department and in the process, identify and resolve conflict.

2.2.6 Communication

Communication is essential part in organization in dissemination of information to different departments to keep informed of the budget process and the plans. Lines of communication should be adopted and implemented. This would encourage the awareness and importance of the budget.

For an institution to function effectively there is need to have definite communication line so that plans and policies are known (Weetman, 2006).

2.2.7 Making Decision

Budget is important tools for decision in the organization Edwards et al, (2000). Decision making included pricing education, costing information in institution and these has been a widespread problem. Buckland, (2005) says reliable information is hard to be produced where overheads are higher with the staffs who don't have background in costing or pricing taking decisions.

2.2.8 Budget Reviews

The budget is ongoing process that needs actual results compared with the budgeted results. Reviews enabled management to identify unsuccessful items and investigate the reasons for. The difference could be due to the unrealistic plans with or actual conditions from those anticipated. The institution is required to assess the actual performance and re-appraise the company's future strategy (Drury, 1999).

2.2.9 Budget Participation

Participative budgeting is a procedure in which manager is concerned with, and has authority on, the willpower of the budget Shields & Shields, (2008). Literature suggests that if more task and independence is given to a person, the person would be optimistic to be inventive while knowing that any successful result will be identified to him (Thomas, 2000).

2.3 Theoretical Literature Review

2.3.1 Theories of Budget.

Budget theory is the academic study of social motivations and political behind government and civil society budgeting. Budget theory is a connection that exists where one party acts on behalf of another party. In budget a slack relation exists where managers intentionally use participation to create slack, while the other argued that managers through anticipation reduced slack in their budgets. The relationship between budgetary participation and budget slack has been equivocal in the literature of management accounting. Budgetary slack has been noticed as one of the prime unsolved trouble in budgetary control Horngren (2002).

Agency theory says that participation only provides the opportunity for subordinates to insert slack to their budget. Thus, agency theory predicts a positive participation-slack relation. Persons who participate feel less of a need to include slack in their budget estimates and accordingly will tend to propose more difficult tasks. Murray, (1990) Managerial propensities to create slack may be improved or diminished by the ways in which budgetary systems are designed and implemented Merchant, (2005). Stakeholders are those people and groups that affect, or can be affected by, an organization's decisions, policies, and operations” Post et al., (2002). The prime merit of the stakeholder concept is that it points out the important relational aspects of organizations, and it functions as a useful heuristic. The basic idea is that an organization's success depends on how it is able to manage its relationships with key groups, such as customers, employees, suppliers, communities, politicians, owners, and others, that can affect its ability to reach its goals. It becomes the manager's job “to keep the support of all of these groups, balancing their interests, while making the organization a place where stakeholder interests can be maximized over time”. Freeman and Philips, (2002) see power as being displayed when one part in a relationship is able to impose its will on the other part. This could be through force (coercive power), material or financial resources (utilitarian power), or symbolic resources (normative power). Through power imbalance, conflicts, challenges and confusion, the influence on the institutionalized budgeting process could be substantive.

2.3.2 Critical Issues in Budget

Although considerable time is rewarded to budget systems, there is general recognition that budget process still encountered by several constraints and that budget outcomes could be unsatisfactory even when the budget system is well designed. A lot of literature on public expenditure management addressed problems of the practical aspects of managing the budget.

The main concern is that, revenue and expenditure followed different patterns over the financial year and aggregate revenue tended to be below the projections on which the budget is based. These were the case in most developing countries that faced

resource variability and had limited scope to smoothing consumption pattern (World Bank, 2008). Furthermore budget management issues were based on the recognition that public budgets often differ from the accounting system used in the private organization. The main difference is that most government operate a cash based accounting structure in which revenues and expenditure is recorded when fund actually changed hands. This could create perverse incentives for accounting officer since it is possible to improve the finances in any other year by delaying payments or accelerating receipts. In order to reduce this type of problem, many countries have attempted to improve budget implementation by introducing features of private sector accounting systems. A major reform is adoption of accrual accounting in which a transaction is recorded at the time the commitment is made (World Bank, 1991).

2.3.3 Budget Deficit

Budget deficit occurs when an individual, business or Government budgets more spending than there is revenue available to pay for the spending, over a specific period of time. It occurs when expenses exceed revenue.

Nominal interest rates are raised by budget deficits worldwide. This belief is among business people, politicians and economists (Evans, 2007). empirical studies, found no evidence of positive association between nominal interest rates and budget deficits (Feldstein, 2003)

Bamiro, (2012) explored the reasons contributing to budget deficit in private universities. They found that the deficit is largely due to declining students' enrolment following intense competition from other Universities and colleges. They also found that universities departments are not aggressive enough in looking for other sources of income other than tuition fee.

Another strand of literature examines on the dependence of one source of income. Eismer (2009) critically examined on the dependence of one source of income generating with no means of financial options such as internally generated revenues, government grants or subsidies. Eismer, (2009) believes that there are serious

problems in depending on one source of income. Efforts are needed to have several sources of income to sustain their budgets.

Another strand of literature examines on process that leads the budgets deficit in private sector. Eismer (2009) revealed that poor personnel in account departments to implement budget, un professional budget committees' members, failure to adhere to budget votes and misallocation of funds have direct contribution to budget deficit in private universities. (Ehrhart et al, 2007). Budget process if not well performed and maintained can be the source of budget deficit. (Hagen 2006, and Ehrhart et al 2007)

2.3.4 Budgeting in Private Universities

The institution would request the department to prepare their budget proposals which were sent to finance department for preparation to be forwarded to budget committee. The committee could adjust the request upwards or downwards before preparing the draft to be sent to the University management. The budget committee would go from end to end the submission and prepares the sketch budget. The draft budget would be submitted for consideration before it is forwarded to the Treasury.

2.3.5 Reforms in the Budgetary Process

Diamond, (2003) puts that, budgetary course reform is involved in moving from traditional centralized input oriented systems to more modern devolved performance, based on systems focusing on the constraints of limited managerial capacity. In the previous decade, academic concern with management change has been raised. Abernethy & Brownell, (1999). planned change is a complex construct, with a multiple dimension. University exists in a changing environment and struggle with organizational problems faced by other organizations. University could change their management accounting system because of different internal and external factors. Covaleski & Dirsmith (2008) examined how budget practices were modified during periods of organizational decline and how actors were able to create and enforce institutional pressures and identified those participants involved in the change process.

2.3.6 Budget Implementation

Premchand, (2005) Implementation or execution of the budget is an activity that took place throughout the financial year and is the cutting edge of the budget as it involves all members of the Institution unlike the more technical and selective participation of officials in budget formulation. The way in which revenue and expenditure are grouped for decision making is the most important aspect of budgeting.

Execution of the budget required an advance program of action evolved within the parameters of the ends of the budget and means available, Premchand, (2004). Budget is not only a financial plan that sets into view cost and revenue within an organization, but also a tool for resource allocation, control, co-ordination, communication, performance evaluation and motivation.

2.3.7 Challenges in Budget Implementation

Managers have well defined thoughts about what and when they want to accomplish, communicating hinders their thoughts to attain desired objectives (Garrison, 2002). Lack of a budgetary theory laid down a challenge for economist to resolve the basic budgeting problem faced of dealing with limited resources (Key 1940).

Management must be given greater caution in running their operations. The important of outputs or performance targets were specified in advance for ongoing programmes so that actual achievements could be compared to targets during implementation. Publication of annual reports highlighting all the achievements is one way of encouraging greater transparency and ensuring that management are held accountable.

The new approach to budgeting and budget reforms came with new sets of rules, actions and course of action. However, with time the players master the regulation of the game and learn how to outwit them. The management would devise ways of taking care of their self interest. Equally new systems could become a routine over time and as the willingness to enforce the rules wanes, they were likely to be abandoned.

Developing countries cannot generate accurate forecasts of resource availability. Economies with a low revenue base would rely on external funding and would not be able to respond to adverse shocks, such as a deterioration of the term of trade. These could disrupt the attainment of targets, reduce accountability and damage the credibility of the budget process. Expenditure requirements and underperformance in revenue outcomes or extraction of donor support could compel even the most committed government either to renege on its promise to fiscal discipline or to cut back on programmed expenditure projects therefore threatening both a locative and operational efficiency. The lack of flexibility in responding to these threats could force budget makers to resort to the traditional technique of imposing across the board cuts. The imposition of budget cuts during implementation and the continued operation of a cash budget systems means that resource allocation in outer years would not achieve indicative budget ceilings and would preclude many of the presumed benefits of the budget approach.

Concern has been raised about limitation and weakness that have been linked to traditional budgeting process were becoming increasingly widespread, with the primary fear being that it could potentially hinder and damage the institution performance. The process is inefficient and ineffective. Budgets prepared in advance are likely to face price increase between the time of preparation and the time when funds is spent or received. There is need to take into account when the institution is budgeting, what the costs or value would be when the expenditure is made or the income received. The budget committee should take into consideration the increase in cost when allocating funds to the user department.

The challenge in budget execution lies with the institution weaknesses. The crucial question in implementing the budget lies on how to create an operating atmosphere that would sustain the reform. Introducing institutional arrangements that provide corrective incentives and assist in balancing priorities with affordability is the success of the budget process. The budget implementation has become a challenge to institution because of weaknesses in the planning and budget process. Poor forecasting ability has made the budgets to be prepared without consistent and reliable forecasts of macroeconomics presentation and analysis of the inference for

the budget. This means that the forward budget is not based on accurate and reliable assessment of the aggregate resource envelop. The credibility of the budget process has been a challenge because revenue forecasts have consistently exceeded actual collections, necessitating across the board cuts in appropriate estimates.

2.3.8 Potential benefits of budgeting

In theory budget is an important part of the business environment and are considered to be the key drivers and evaluators of managerial performance; and the key elements for planning and control. Budgets are powerful device for management control; they can play an essential role in the organization's power politics because it can increase the power and authority of top management and limit the autonomy of lower level managers. Besides its advantages traditional budgeting presents disadvantages also. In recent years criticism towards traditional budgeting has increased. The basis of this criticism is that traditional budgeting is a relic of the past; it prevents reactions to changes in the market, it cannot keep up with the changes and requirements of today's business world and it isn't useful for business management. In order to eliminate criticism researchers and practitioners have developed more systematic and alternative concepts of budgeting that suits better for the needs of the modern business environment. Beyond budgeting, better budgeting, rolling forecasts, activity-based budgeting are the main alternatives developed in the last years (Réka et al, 2014)

2.3.9 Budget Process

In developing budget information about the external and internal factors influences the organization must be gathered, amounts for income and expenditures should be estimated, and information must be brought together in one in general file, the master financial plan.

The evaluation of government legislation, economic factors, competitors, business and relationships with customers, commonly known as external influences is very vital to the financial achievement of the business. The evaluation of products and services provided, the staffs of the organization, and the available resources, such as

land equipment, building and capital, land, commonly known as internal factors is evenly imperative. Furthermore, the limiting factors and the dominating influence that has a direct effect on the organization must be well thought-out in developing the budget. The limiting factor, if not well considered may act as the sources of budget targets not to be achievable. In universities limiting factor may be ability constraints in hostels, or distance from lecture rooms, which makes it unfeasible for students to be present at school at ordinary times. Another limiting factor may be constraints on the expansion of new programs due to lack of lecture halls, library and qualified faculty for convinced attractive academic degree.

Budgeting in private universities examines the budget process as faced in what is a complex educational environment. The monograph is divided into two parts. The first part discusses the context of budgeting, including its definition, the environment, the personnel involved, and criticisms of the process. In connection between the strategic planning and the budget, an organization will encounter the shortfalls as the budget process communicates with the people who must eventually make the budget work. Furthermore developing, implementing, and control of the budget are aspects of the budget process (Gibson 2009).

2.3.10 Approaches to budgeting

It is said that budgeting in public sector is more problematic than in private sectors. But to our surprise budgeting in private universities has also become problematic why? In most of private universities approaching to budgeting is not participatory; it is top down decision making. Top management and the account department sat down and work on it without the concern of cost centers involvement hence less concern. Subordinates do not feel are part and parcel of the university (Tănase, (2013)

2.4 Problems in Budgeting

Budgeting involves various activities that must be done by the budget centre and there are people participating in the budgeting and control process. But is not always fully successive due to the following factors as written in Lucey (2002) ;(i)It is difficult to estimate the revenue and expenditure in which will be included in

budgeting.(ii) It is difficult to estimate the activity level accurately in some organizations. (iii) It is difficult to set the budget that will fit, to all budget centers or departments. (iv) Inflation and other economic factors are unpredictable and conflict may arise during the control and monitoring of the operations.

2.5 Similarities and contrast between public and private universities in budgeting.

Budgeting in both private (private universities inclusive) and public sector entities are more or the less similar with regards to motive, objectives and benefits though in public universities is much more felt. The difference is with regards to purpose, processes, and accounting methods. Managers in both private and public universities continually face the task of allocating resources by balancing costs, benefits and risks and gaining commitment by a wide constituency of stakeholders to those decisions (Phillips, 2007).

2.6 Behavioural aspects in budgeting.

In preparing the budget communication is inevitable between the cost centres, where risks are thought upon from the beginning. Hence bottom up communication is an essential tool for a successful budget preparation.

Budget game may occur when cost centres protect themselves from anticipated losses, whereby managers may engage in budget game such as creating a cushion, padding the budget and hedge. Generally the manoeuvring consists of an understatement of expense or overstatement of proposed income so that a discrepancy is twisted which will be to the manager's or the department's advantage. (Bart, 2008)

2.6.1 The association between Budgeting and Organizational Strategic Plans.

The organization's goals and mission superlatively brings the organization's managers together in support of the budget process in support of extensive communication between all cost center managers and upper management before, during, and after the budget process. The organization's strategic objectives must be

communicated to all levels of the organization by top management. Strategic objectives must be funded by the financial manager. Vision will be the cardinal point to the cost center managers showing where top management expects the organization to be in the next years to come and what the organization will achieve. As a reciprocal cost center managers must unveil their particular feelings, and goals back to top management. Through this ongoing communication process is a vehicle towards the strategic plan and transformation into the premeditated yearly operation budget of the organization.

People involvement in budget preparation is the characteristic of budget process hence; everyone is directed toward the achievement of the organization's strategic objectives. Human traits can lead to game playing and frustration, particularly when expected revenues fall short of projected expenditures.

2.6.2 Factors influencing budgetary process

The budget is ongoing process from its approval to the end financial year. Actual results are compared with budgeted results. The items that were not proceeding according to plan can be investigated by management accordingly.

However discrepancy may be due to unrealistic actual conditions during the budgeted period. Furthermore factors which influenced the budget could become out of date quickly in unpredictable conditions, the budgeting process could prove to be time consuming and expensive and staff could reject the budget established and could behave in a dysfunctional manner to ensure that objectives are not achieved. There also could be tendency to adhere to the budget rather than to take advantage of new opportunities that emerge or a tendency to base the budget for last year's with only minimal adjustments for price inflation and similar factors, rather than to prepare a realistic and feasible financial plan of what the business seeks to achieve.

2.6.3 Budgeting process participants

In private universities, the chief staff concerned in the budgeting process include the cost center managers, the executive staff. They can form a large budget committee, but also the two vice chancellors and the controller, with representatives from the

cost center groups can form the budget committee. The role of the budget committee is to review the submitted figures and assess their viability in preparation for finalizing the master budget. The members of the budget committee cautiously consider budget requests in light of the big picture of the strategic plan of the organization as a whole.

2.7 The Budget communication.

The document presented to the Budget Committee or the Board is the summary of administration on what is known about the organization's plans. However, it is crucial that the presented document be known by Board or the Budget Committee.

There are four "S's" for budget presentation: Keep it simple, salient, scrupulous, and with no surprises.

2.8 The budgeting process criticisms.

Budget is created by estimating future income and future expenditures while calculating expected net income for the next operating period. Budgets are prepared by people with different desires and ambitions whose behaviour is often driven by the desire targeted results and appraisals. As a result, cost centre managers may play games when creating budgets, may set easy targets which favour their meeting the goals even if the targets do not meet the organization's strategic plan, and may pad their budget requests in anticipation of across the board cuts from top administration.

Because of the potential pitfalls of the budget process, and the fact that the process is universally disliked because it takes too long and adds little value to the organization, there are many critics of the budgeting process. Some of these critics call for a new set of management processes which would essentially do away with budgeting.

2.9 Empirical studies.

2.9.1 Management financing.

Al-Kadash (2012) gave an overview on management financing for higher education in Jordan. The study aimed at analysing finances and management techniques in Jordanian Higher Education. The study also touched private universities in the world in terms of their financing and management method. Archival documents, observations, and reports were used in order to accomplish the study objective. The emphasis of the study relied upon developed higher educational systems in the Middle East countries.

The study by De Silva (1998) calls for universities to improve their productivity in Brazil. Evaluation systems and external criteria to control the quality of teaching and research in universities are called by many studies and are suggesting. Since universities and colleges are not profit-oriented organizations, the traditional microeconomics and administrative variables used to measure efficiency do not have any direct function. An alternative would be to create an “as if” market control system to evaluate performance in universities. Internal budget and resources allocation mechanism can be used as incentive instruments to improve quality and productivity.

2.9.2 Budgeting practices in Non Government Organisation.

The study on budgeting practices in Non Government Organisation was done by (Muleri, 2001). The study aimed at establishing effectiveness of budgeting practices among British Non Government Organisations in Africa. The study looked at the notion from a different point of view and revealed that most organizations used recent practices as zero based and philosophies to reduce monetary misconduct. The study observed that, there is a constraint on budgeting process which is the source of cost cutting in achieving cost efficiency. The study summed that budgeting is well conventional in assessment and normally used to communicate plans and operations.

2.9.3 Challenges of budgeting.

Reflecting on challenges of budgeting at Social Security Funds a study by Wamae, (2008) aimed at establishing the challenges of budgeting process and the challenges faced when drawing up a budget to be used by an organization and how organization can effectively face the budgeting challenges. The study found that the organization faces challenges when the budget is portrayed up hence the biggest challenge is felt on commitment; where various head of department did not take budget seriously. The study concluded Social Security Funds effective budgeting.

The study in the insurance Industry Kenya was conducted Kigochi, (2008) in order to evaluate the challenges of operational Budgeting Challenges. The study aimed at establishing the challenges in formulating operational budgets in the insurance industry in Kenya and to propose solutions to the major challenges. the study objectives of were to determine the challenges faced when formulating an operational budget in the insurance industry and also to establish the effectiveness of those operational budgets.

The study found that there are effective operational budgets in the insurance industry in Kenya

Sume, (2007), writing on problems that hinders proper budgeting in non-profit organizations in Tanzania said budget is prepared based on the activities to be implemented; to achieve intended objectives according to the agreement of donors and organization on their memorandum of understanding. This is to say that not the organization decides what to budget but the donors and so this lead to failures of the budget because of unrealistic of the situation.

Ndono, (2008) speaking on problems encountered in preparing of Budget and Budgetary budget process and control recommends that, before preparation of the budget there should be an identification of duties with regards to their level of performance as well as the goals and strategic plans formulated to attain the organization objectives for maximum utilization of resources. However the application of budgetary control could be necessary for the achievement of an

organization targets, since the budget and budgetary control are interrelated. Ndonoo goes on saying that, there are several factors that hinder the effective budget process and budgetary control. These factors are:-

First Inefficient training and seminars to staffs this discourages efficiency and effectiveness of the budget. Second unqualified Accountants who cannot prepare well the budget are the source poor budgeting. Third shortage of Accountants in the articulation of budget process is a source of budget failure. Fourth the delay of fund from central government/ Donors causes impossibility of budget implementation. Fifth bureaucracy in decision making this always delays fund allocation to budget activities.

The study recommended that in order to solve or eradicate these problems, the organization should:-

First employ staff with regard to their relevant qualifications, only qualified accountants should be employed. Second the Sponsors / donors should provide fund at right time in order to solve the problem of fund delay. Third staffs should be offered with frequent seminars so as to widen their skills and knowledge. Fourth the number of accountant should be increased so as to eliminate their shortage problem. Fifth there should be no red tape in decision making all minor decision making should be accomplished within the departmental level and the major ones should be forwarded to budget committee.

2.9.4 Benefits of budgeting.

The study on survey of budget practices in secondary schools was conducted by (Obulemire, 2006) The study aimed at looking the benefits of budgeting by Public Secondary Schools Managers and to establish factors that secondary school consider when undertaking a budgetary process. The result from study revealed that that most secondary schools do not have a strategic plan to guide them towards attainment of both long-term and short term objectives. The head of schools had received training in financial management on preparing budgets and the commonly prepared budget was income and expenditure budget with only a few schools preparing the cash

budget and long term assets acquisition budget, despite the fact that most of them had incurred expenditure on long term investments. The research finding concluded that activity based accounting was commonly used, but this could not be proved if it is actually done based on the principal of Activity Based Budget (ABB).

2.9.5 Effective budgeting

Liku, (2008) writing on an effective budgeting a tool in financial planning and control said that, organizational performance can be achieved through effective budgeting and implementation. Any organization that does not have effective budgeting, it will be very rare to achieve good performance. But also if the organization does not involve other staffs or employees in budgeting the organizations performance would not be well attained.

Liku (2008) recommended that, information is the most important aspect for the success. The information designed in such a way to provides information on performance attained to date. This kind of information will enable the management to take immediate corrective and remedial actions against any deviations from the budget policies and regulation and take measures against the persons who is responsible.

He says that, there is a need to computerize the whole system of function. Through this system exchanging information would be easy and ease the problem of communication.

On training and reward, Liku (2008) says that most of staffs have no knowledge of budgeting and therefore they don't participate fully in budget preparation and execution, the management should encourage the accounting department staff to develop their carrier and arrange seminars regularly concerning budget for other

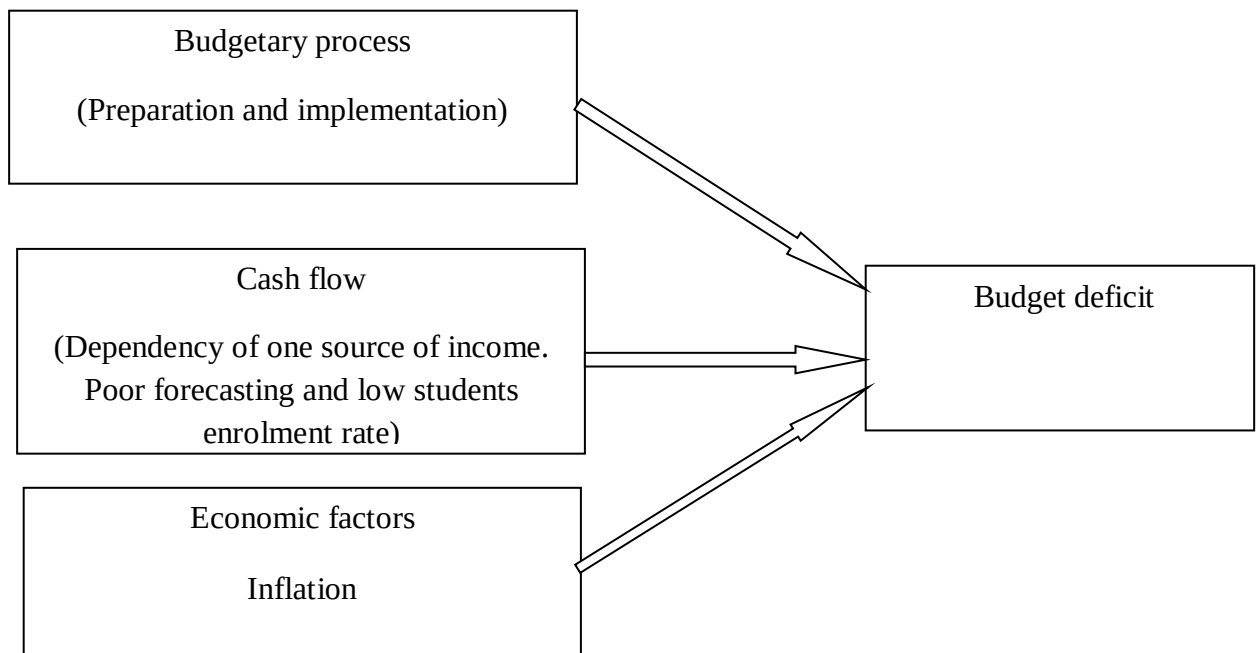
general staff. Reward should be given to departments which perform well to increase motivation, hence encourage efficiency in performing their tasks towards organizational objectives.

2.10 Research gap

Despite the fact that private universities got a chance to provide higher education in Tanzania but they don't perform effectively. They have been experiencing financial problem from time to time .Experience shows that private universities in Tanzania do not get subsidies from the government as their counterpart public universities do. Budget deficit has been a great threat to the well being of private universities in Tanzania over a past five years. No studies did studies in this area; hence the study aimed at identifying the reasons for budget deficit in private universities in Tanzania with a view of looking the alternative sustainable financing options to solve the budget deficit gap.

2.11 Conceptual Framework

Figure 2.1 Conceptual frame work



The conceptual frame work above show what are causes for budget deficit in private universities in Tanzania. Budget deficit in this conceptual frame work, is a dependent variable while budget process, cash flows and economic factors are independent variables.

Budget deficit can be caused by budgetary process if private universities fail to prepare and implement well their budgets. Poor plans and poor follow up may lead to budget deficit. Another cause of budget deficit can be due to cash flow trend in private universities. Poor trend cash flows can be caused by over dependence of single source of income, poor forecasting and low students enrolment rate. lastly according to conceptual frame work budget deficit can be due to economic factor such as inflation out break during the budget period.

2.12 Conclusion

Researchers emphasized budgeting related to other aspect of management accounting, like cost and responsibility accounting, resource allocation, performance measurement with multiple purpose Covalleski et al,(2003). Budget system serve the needs of managers in judgment and decisions required and provide management functions of planning and control.

When writing on budget deficits Sawyer, (2010) argued that striving balanced budget is misunderstand fiscal policy. Zero budget deficits would be impossible to achieve. Arguments against budget deficits outlined and dismissed high levels of employment and economic activity be secured alternatives to budget deficits. Promotions of investment and of net exports considered and argued as not general route. Progressive approach in reducing budget deficits redistribute income, from rich to poor, from profits to wages, which lower the propensity to save, thereby stimulating aggregate demand, and permitting higher demand with lower budget deficit.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covered the research methodology and techniques that used in collecting data. This chapter provided details about the research methods and techniques that were used in data collection, data analysis, data validity and reliability for the study.

3.2 Research design

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims at combining relevance to the research purpose with economy in procedure (Kothari, 2004). Researcher selects a qualitative, quantitative, or mixed methods study to conduct research design and decides on one choice. Research designs are inquiry within qualitative, quantitative, and mixed methods approaches that provide direction in a research design. They are strategies of inquiry (Denzin & Lincoln, 2011).

Mixed method research design is a type of research that includes qualitative and quantitative research techniques. These paradigms characteristics were mixed in one case study. A mixed approach applies deductive and inductive methods; has multiple forms of data collection and produce eclectic pragmatic reports (Leedy, 1997). Study based the inquiry on assumption that collected diverse data provided more complete understanding of a research problem. The study begun with a broad survey in order to generalize results to a population and then, in a second phase, focused on qualitative, open-ended interviews to collect detailed views from participants helped to explain the initial quantitative survey.

This approach has been selected because it helped the researcher to study the area of the study in deep and acquired all the necessary data which was required from the selected case. The researcher preferred to use this design because.

First it facilitated more concentration in carrying out a detailed study of the research problem, Second it was flexible in terms of data collection method and analysis such as interview, questionnaires and documentary sources. Third it provided more insight into a situation that its conclusions from it were more tentative. Fourth it was used as a basis for making a more refined research project where a situation was not well known in a social unit (case study)

In addition, a case study strategy was employed because this study intended to undertake an intensive investigation on how budget deficit contribute to the low achievement of private universities goals.

3.3 Area of Study

This study was conducted at St. Augustine University of Tanzania (SAUT), as representative of private universities in Tanzania. St. Augustine university of Tanzania is an Independent Higher Learning Institution governed by the board of trustee and the university council under the Catholic Bishop of Tanzania (Tanzania Episcopal Conference). The university holds a certificate of Accreditation granted by the Higher Education Accreditation council of Tanzania on 25th September, 2002 in accordance with the provisions of the Education (Amendment) Act. No. 10, of 1995.

3.4 Study population and sample

Population in this study constitutes SAUT main campus and its constituent colleges and centers. The study sample included VC, Principals, DVCAF, DP/PFA, Bursars, Internal Auditors, External Auditor, chief planning officer, Members of budget committee, Deans of students, Estate managers, Human resource officers, Procurement officers, Administrators and Accounts personnel. This unity of inquiry proved true and authentic information of study by virtue of experience, knowledge, positions, involvement in budget issues.

3.5 Sampling procedure and Sample Size

A sample size of 165 respondents was used in the study. Non probability sampling method has been used. Respondents were selected in purposive manner. The reason

for using this method is because of their knowledge, experience, and involvement in budget preparation by virtue of their positions and role and so they are more knowledgeable on the problem being researched.

3.6 Data Collection Techniques

The researcher used both primary and secondary methods of collecting data. A questionnaire and interview were used to collect primary data. Self administered drop and pick questionnaire was distributed to employees involved in the budget process. This enabled the researcher to get adequate and accurate information from people with the experience. The questions were both open and closed end questions. The close end questions provided more structured responses and open ended questions provided more information not covered in the questionnaires. The data were collected exhaustively to get as much information from staffs that had experience in the preparation and implementation of budget at SAUT.

The secondary data sources were used to supplement the data received from questionnaire and interview. The secondary data were obtained from SAUT annual budget from 2012/2013 to 2016/2017; budget Performance reports used by SAUT to evaluate their budget performance quarterly for five years from 2013 to 2017.

Methods or techniques employed in data collection:-

(a) Questionnaires

Questionnaires were designed according to objectives of study and research question and so were distributed to different targeted people. The questionnaires were both open ended and closed ended questions.

Open- ended questions were used by the respondents to give their own answers because there was a predetermined answer from which the respondent was supposed to choose. Hence the respondent maximized his or her freedom; and gave more details. Close-ended questions were used in order to restrict respondent to predetermined answers; which has been provided by the researcher so the respondent did not go beyond the researcher's pre knowledge and miss the target.

(b) Interviews

This method used to respondents in order to determine their awareness of budget process, budget implantation and budget deficit. To determine the level of importance attached to budget. Last to search their opinions on sustainable financing options. The interviewers were the principals, deputy principals of St. Francis University College; Internal auditors of SAUT main campus and JUCO; Bursars of SFUCHAS, AJUCO, JUCO, SAUT Mbeya centre and SAUT Main campus. Each interview covered one hours and I spend four days interviewing them. There was an interview schedule that directed the researcher and respondents on the day and time of interview. This helped them to offer willingly their one hour for interview. This method was very useful because I expected to get more than what was expected due to the possibility for debriefing/asking follow-up questions which is not available when self administered question is used

(c) Documentary sources

The researchers utilized and made accessibility to some books of account of university like vouchers, job cads, cash books, ledgers and whichever document related to the study apart from this researcher used budget manual, budget guidelines and annual budgets reports for different past five years, periodic budgetary control reports from which a comparison between actual and budgeted amount is made. Also the researcher passed through different reports that worked on the financial analysis of the University especially those were created by Finance and Planning Committee.

3.7 Data analysis

According to Kombo and Tromp (2006), data analysis refers to examination of what has been collected from the field and making deduction and inferences. It involves uncovering of understanding structures; extracting important variables, and testing any underlying assumptions.

In this study both qualitative data and quantitative data were collected. In explaining qualitative findings, contents analysis was applied. Content analysis is a widely used qualitative research technique. Rather than being a single method, current applications of content analysis show three distinct approaches: conventional, directed, or summative. All three approaches are used to interpret meaning from the content of text data and, hence, adhere to the naturalistic paradigm. The major differences among the approaches are coding schemes, origins of codes, and threats to trustworthiness. In conventional content analysis, coding categories are derived directly from the text data. With a directed approach, analysis starts with a theory or relevant research findings as guidance for initial codes. A summative content analysis involves counting and comparisons, usually of keywords or content, followed by the interpretation of the underlying context. (creswell,2010)

.Questionnaire responses were analyzed with the aid of Excel, hence with the help of computer excel, frequencies, statistics, tables and graphs were presented. The necessary frequency and percentage tables, graphs, tests and narratives were used to represent the information obtained from data analysis.

3.8 Reliability and validity

The researcher made sure that data collected are relied upon for reliability and validity. The data were collected from people who are involved in the budget preparation and implementation at SAUT. Other sources of information were historical record which were kept by the university and are reputed to be good because the researcher quoted the source so that reader could seek for more information if necessary.

Validity determined whether the research truly measures what was intended to measure or how truthful the research results are. A pilot test was done on some staff to ensure the validity of the data. The research instruments were pre-tested to confirm that they serve the intended purpose before they were used fully to collect data. The pre- testing was done to three staffs that were excluded from the study sample. This was done to ensure reliability of the data collection tool. To ensure validity, the questions were given to 15 people these included the supervisor and 14

class mates for verifications. The reason behind this pre testing was to ask these 15 people their comments on validity of questions and its ability to gather the required data with reference to the objective of the study. Interview guide was also prepared and pre-tested before actual data collection.

3.9 Ethical consideration

In this research all ethical considerations such as privacy and anonymity were observed. Before completing the questionnaire, the researcher explained to the respondents the purpose of the research, the expected duration of participation and the extent of privacy and anonymity in writing.

3.10 Limitation of study

The study is an academic research, a partial fulfilment of a master degree. Hence findings of this study should be considered in this context. In addition, the researcher could not get responses from all stake holders of the University but from sample size meant for the study. Hence the contribution from other workers was not included. Further to this, the finding of this study comprises of single private university a case study (SAUT) which may be more or less applicable to other private universities elsewhere in the world.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents, and analyses the findings of the study. It is the most important chapter during research because it devotes the contribution to answer research questions. The data were gathered exhaustively through questionnaire, interview and documents as the research instruments. The questionnaire was designed in line with the objectives of the study.

This research study was set out to respond to the budget deficit in private universities in Tanzania with a view of searching for sustainable financing options. This was done in the sense that there was insufficient research done on responding to the budget deficit in private universities in private universities in Tanzania. St Augustine University of Tanzania was taken as a case to represent private Universities in Tanzania.

The objectives of this research study were:

First to examine the effectiveness of the budgetary process in private universities in Tanzania. Second to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively third to search for successful alternative financing strategy to close the budget deficit gap.

4.2 Presentation of the findings

4.2.1 Questionnaire response rate analysis

A total of 33 members of the management and senior finance personnel, 132 administrative staffs from various departments responsible for budgeting in the University were distributed questionnaires suitable to their groups as shown in table 4.1

Table 4.1 Questionnaire Response Rate Analysis

	Distributed questionnaires	Returned questionnaires	Percentage
Management members	33	27	83%
Administrative staffs	132	93	70%
Total	165	120	73%

Management members comprised vice chancellor, Deputes vice chancellors in finance and of academic, Principals of the colleges and Depute principals. All 33 management members were furnished with questionnaires, 83% returned, except 17% did not return questionnaires. One hundred thirty two (132) administrative staffs were given questionnaires for answering and only 93 questionnaires equivalent to 70 per cent were filled in and returned. This response rate of 73% was considered impressive for the purpose of this study.

The findings of this chapter are summarized from section 4.2 through section 4.5.4 to answer the research questions and objectives provided in chapter one.

4.3 The effectiveness of the budgetary process in private universities in Tanzania

The first objective of this study was to examine the effectiveness of the budgetary process in private universities in Tanzania. To explore this objective, respondents were required to focus on position, experience, professionalism and procedures. The questions were asked to prove how far is the effectiveness of budgetary process is followed in private universities in Tanzania. The intention was to examine the effectiveness of the budgetary process in private universities in Tanzania. Aspects considered in this objective were; Experience of and professionalism of respondents, the period to which the budget covers, budget preparation, budget implementation, and challenges in implementation

All respondents responded to this question which gave rise to 100 per cent response rate. The results are summarized in Table 4.2 on the position; the study revealed that, 85% management personnel did not take accounting and finance during their studies.

They work through experience but not as professional in finance and accounting. Internal auditors and accountants play great role to rectify this gap by using their professionalism in accounting and finance.

In addition to the questionnaire, the objective was also explored through interviews. The purpose of the interview was to verify the result obtained in questionnaire. The interview results revealed that more than 80% management personnel are not professionals in accounting and finance.

Table 4.2 Professionalism in Accounting and Finance

	Yes	No	Percentage %
Professional in Accounting and Finance	4	0	15%
Not Professional in Accounting and Finance	23	0	85%
Total	27	0	100%

Source: Research Data, 2019

4.3.1 Time spent working in the university (experience)

The study aimed at establishing the duration in which the respondents had worked in the university that gives him or her the authority to be considered as an expert in preparing and implementing the budget in virtue of experience and professionalism. Data in table 4.3 revealed that most of the respondents have worked for a period less than ten years. Seventy percent (70%) of workers worked for above five years but less than ten years, while 30% had worked for a period below five years.

Table 4.3 Time Spent in the University Working in the Position

Time	Frequency	Percentage
Above ten years	2	2%
Less than ten but above five	94	78%
Less than five years	24	20%
Total	120	100%

Source: Research Data, 2019

4.3.2 Period in which the budget covers in private university in Tanzania.

The inquiry was made on the period in which the budget period. The study portrayed in table 4.4 showed that 100% confirmed that the budget is prepared for a period of one year. A budget must have a time frame a duration that it covers.

Table 4.4 Period to Which the Budget Covers

Time	Frequency	Percentage
Less than one year duration	0	0%
One year duration	120	100%
Above one year duration	0	0%
Total	120	100%

Source: Research Data, 2019

4.3.3 Budget preparation period in private universities in Tanzania.

The study in this section required the respondents' opinion on the period in which the budget is prepared in private universities in Tanzania. If it takes appropriate period during preparation. The question here is for how long does it take to prepare. The results from the study respondents differ from one college to another college and sometimes within the college itself. But in a summary form results showed most budgets take appropriate time of three months preparation while others said two months and others said five months as portrayed in table 4.5. Eighty five percent (85%) agreed that the budget process in private universities in Tanzania take appropriate time to prepare, while 15% disagreed.

Table 4.5 Budget Preparation Period in Private Universities in Tanzania

	Frequency	Percentage (%)
Budget is prepared for three months	102	85%
Budget is prepared for two or five months	18	15%
Total	120	100%

Source: Research Data, 2019

4.3.4 Budget preparation

In this section, the study aimed at establishing the respondents view on budget preparation. Ninety percent (90%) of the study respondents agreed that budgets are prepared and are used to forecast future and therefore good for planning, 84% agreed

that budgets are used as control measures, 76% said that budgets are used as a tool to communicate to other levels in the departments. 63% agreed that budgets motivate employees' efficiency as shown in table 4.6

Table 4.6 Reason for Budget Preparation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Budgets are for forecasting and for planning	4%	4%	2%	10%	80%
Budget are for control measures	9%	3%	4%	37%	47%
Budgets are tools for communication to other Levels.	2%	6%	12%	38%	42%
Budgets judge performance of the Users	6%	10%	8%	37%	39%
Budgets motivate employees efficiency	10%	18%	9%	33%	30%
Budgets are used as a means by which management communicates to other department	7%	20%	10%	53%	10%

Source: Research Data, 2019

4.3.5 Budget implementation

The study went further checking the effectiveness of the budget in private universities in Tanzania using the tool of budget implementation. The effectiveness of the budget lies on the implementation of it.

Findings from the study revealed that majority of the respondents said they experience the problem in the whole processes of budgeting. Table 4.7 shows that 78% experienced problem during implementation of the budget, 17% in formulation of the budget and 5% percent in evaluation and control of the budget.

Table 4.7 Views of Respondents on Budget Implementation

	Frequency	Percentage
During formulation of budget	94	78%
During implementation of budget	20	17%
During evaluation and control of budget	6	5%
Total	120	100%

Source: Research Data, 2019

4.3.6 Challenges in budget implementation

The logic behind this inquiry was to get respondents' view on the challenges of budget implementation responding to the objective on the effectiveness of the budget in private universities in Tanzania. Findings from the study revealed that 55% of respondents agreed that insufficient funds allocated to department caused challenges in budget implementation, 26% agreed on overdependence of one source of income caused challenges, 9% dwelt on poor forecasting caused challenges, 7% said on unnecessary reallocation of fund from the votes of accounts caused challenges and 3% agreed that non constant cash flows affects budget implementation as shown in the table 4.8

Table 4.8 Challenges in Budget Implementation

Factors	Frequency	Percentage (%)
Insufficient Fund	65	55%
Overdependence of one source	21	26%
Poor forecasting	9	9%
Fund reallocation	7	7%
Inconstant cash flows	2	3%
Total	120	100%

Source: Research Data, 2019

4.4 Reasons budgetary process in private universities in Tanzania has failed to work effectively.

The second objective of this study was to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively. To explore this objective, respondents were required to concentration in the budget process, mechanism on budgetary control, presence of budget committees, professionalism in budgeting process, feedback on budgeting process, sources of revenue, Government support and where does the budget process fail. The intention was to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively. Aspects considered in this objective were; persons responsible in budget process, presence of budget committees, effectiveness of the office of internal audit, doing external auditing, mechanism on budgeting, feedback on budgeting process, sources of revenue, government support, and causes for budget deficit.

4.4.1 Persons responsible in budgetary process in private universities in Tanzania

The motive behind this inquiry was to establish the capability of personnel who are responsible for the budget process from its formulation, implementation and evaluation. What is their professionalism with respect to budgetary process? Also this section wanted to know from the respondent if the budget is prepared and who are the participants? The study revealed that budgets are prepared in private universities in Tanzania. It is participatory whereby Vote holders work together with professionals from accounts department on budget process. The results from the study showed that 80% of respondents agreed that budgets are prepared by all vote holders under supervision of professional staffs from accounts and finance departments but 20% disagreed. Seventy eight percent (78%) agreed that the budget is participatory but 22% disagreed. All respondents (100%) confirmed that the budget is prepared as shown in the table 4.9

Table 4.9 States of Budgetary Process in Private Universities in Tanzania

	Yes	No	Total
Budgets are prepared	100%	0%	100%
Professionalism in Budget	80%	20%	100%
Budgets are participatory	78%	22%	100%

Source: Research Data, 2019

4.4.2 Presence of budget committees

This section wanted the respondents' opinion on the presence of Budget committees with respect to power in the effectiveness of the budget. What is the role of budget committee in the whole process of budgetary? The result showed that it is only in SAUT Main campus and JUCO where budget committees are strong and effective, all other colleges and centers do not have strong and effective budget committee.

The results from the study showed that 25% agreed the presence of budget committees and their effectiveness while 75% said budget committees are not strong and effective as shown on the table 4.10

Table 4.10 Respondents View on Presence of Budget Committees

	Frequency	Percentage %
Strong and effective budget committee	30	25%
Not strong and effective budget committee	90	75%
Total	120	100%

Source: Research Data, 2019

4.4.3 Effectiveness of the office of Internal Audit

The motive behind this section was to find from respondents views on the effectiveness of the office of internal auditor who will be acting as a watch dog to the effectiveness of budget process. The study revealed that SAUT Main Campus and JUCO have the office of internal auditor though not strong represented by 25%. But the situation is worse in other colleges and centers where the office is not effective represented by 75% as shown in table 4.11

Table 4.11 Effectiveness of the Office of Internal Audit

	Frequency	Percentage %
Effective internal auditor	30	25%
In effective internal audit	90	75%
Total	120	100%

Source: Research Data, 2019

4.4.4 Doing external Audit irregularly

In establishing this requirement the study wanted to know if external auditing is taking place annually and the motive behind was to check why should there be failure in the effectiveness of budgetary process. The report from SAUT finance and planning committee (2017/2018) showed that private universities in Tanzania, SAUT being the case study 100% said has no practice of doing external audit annually even though external audit is mandatory by law. Most of the external audits as shown in table 4.12 are done in the request of donors.

Table 4.12 Doing External Audit Irregularly

	Frequency	Percentage %
External audit conducted annually	0	0%
External audit not conducted irregularly	120	100%
Total	120	100%

Source: Research Data, 2019

4.4.5 Mechanism on budgetary control

The logic behind this section was to inquire the respondents' views on budgetary control if it can be the cause of failure to effectiveness of budgetary process.

The study through table 4.13 showed that 70 percent did not answer this question, 8% said there is absence of mechanism on budgetary control and 26 percents said in order to have mechanism on budgetary control private universities should abide to vote accounts allocation.

Table 4.13 Mechanism on Budgetary Control

	Frequency	Percentage %
Absence of control	10	8%
Presence of control	26	22%
Not answered	84	70%
Total	120	100%

Source: Research Data, 2019

4.4.6 Feedback on budgeting process

The study in this section wanted the respondents' understanding whether there is feedback in budgeting process. The study showed that 100% of respondent said that the concept of feedback on budgetary process is not existing because all said no on the question do you have feedback mechanism as an essential element in budgeting process as shown in table 4.14

Table 4.14 Feedback on Budgeting Process

	Frequency	Percentage
Presence of feedback on budgeting process	120	100%
Absence of feedback on budgeting process	0%	0%
Total	120	100%

Source: Research Data, 2019

4.4.7 Sources of Revenue

In inquiry of sources of Revenue, the aim of the study was to establish the respondents view on what are their present sources of revenue.

The result from the study showed that seventy percent (70%) of the respondents said the source of revenue is from students' fees twenty one percent (21%) on other generating income and nine (9%) on donation as the table 4.15 shows.

Table 4.15 Contribution of Sources of Revenue

Sources of revenue	Frequency	Percentage %
Tuition Fees	84	70%
Donation	11	9%
Other Generating activities	25	21%
Total	120	100%

Source: Research Data, 2019

4.4.8 Government Support

The study wanted to establish if private universities get subsidies from the government as their counterpart public universities do. The study result showed 100% said private universities in Tanzania do not get government support in running their costs as shown in the table 4.16.

Table 4.16 Government Support to Private Universities

Government subsidies to private universities	Respondents	Percentage
0% government support to private universities	120	100%
Above 25% government support to private universities	0	0%
50% government support to private universities	0	0%
100% government support to private universities	0	0%
Total	120	100%

Source: Research Data, 2019

4.4.9 Why do budget processes fail to be effective?

This section wanted the respondents' knowledge and views on why the budgetary processes fail to be effective in private universities.

The result from the study showed that 56% over dependence of one source is the reason for failure of budgetary process because the source itself is not reliable. Seventeen percent (17%) said the failure comes from poor forecasting. Thirteen percent (13%) said cash flows from the sources of income delays the allocation of funds to activities budgeted. Twelve percent (12%) said the reason is due to students' enrolments rate is dwindling in private universities while running cost are shooting up hence they disturb the equilibrium of the budget. Two percent (2%) said inflation is the source budget failure. The table 15.17 shows the respondents' views on causes for budgetary process failure.

Table 4.17 Causes for Budget Deficit

Causes	Frequency	Percentage %
Over dependence of one source	67	56%
Forecasting	20	17%
Cash flows from sources of income	16	13%
Students enrolment	14	12%
Inflation	3	2%
Total	120	100%

Source: Research Data, 2019

Table 4.18 Extent of Dependency on Single Source-Tuition Fee 2013-2017

S/N	Institution	Total Revenue (Tshs)	Actual Fee (Tshs)	Other Sources (Tshs)
1	Arusha Center	3,388,760,500	3,048,165,000	113,913,000
2	MARUCO	4,794,289,312	2,412,925,000	2,503,818,012
3	Dar Center	1,313,812,500	725,892,010	00
4	JUCo	26,875,197,873	26,252,785,000	2,991,445,478
5	SFUCHAS	14,321,888,345	7,840,779,943.4	598,741,200
6	Mbeya Center	8,042,440,334	6,397,351,000	1,329,407,657
7	AJUCO	10,663,960,816	8,556,853,300	251,904,500
8	STEMMUCO	11,212,059,690	11,541,570,000	556,608,150
9	CARUMUCO	6,189,365,189	3,563,655,043	202,553,750
10	AMUCTA	12,806,054,000	11,202,883,000	548,345,000
11	Main Campus	92,751,606,203	59,568,788,000	2,833,970,494
	Total	192,359,434,762	141,111,647,296	9,426,889,229

Source: Research Data, 2019

Private universities in Tanzania to the great extent depend on a single source of income and this is tuition fee. Table 15.18 shows that tuition fees contribute over 95% of a total annual revenue collection.

4.5 Alternative financing strategy to close the budget deficit gap.

The Third objective of this study was searching for successful alternative financing strategy to close the budget deficit gap. This study on the search for alternative sources of financing was not meant to replace the existing models on responding to budget deficit in private universities in Tanzania but to complement them. To explore this objective, respondents were required by the study through interview and questionnaire to give their opinion if private universities Tanzania do experience budget deficits, give reasons for budget deficits in private universities in Tanzania. If their current sources of revenue could be enough to solve the deficits. This study went further looking for new options to address the budget deficit and what should be improved to attain sustainable budgeting system so as to close the budget gap. The intention was to find the alternative financing strategy to close the budget deficit gap.

In addition to the questionnaire, the objective was also explored through interviews. The purpose of the interview was to verify the result obtained in questionnaire and to get new insight in the study. The interview results revealed the similar result obtained from questionnaire as elaborated in section 4.5.1 through section 4.5.4 of this study.

4.5.1 The extent of existence and persistence of budget deficit in private universities in Tanzania

The study under this section wanted to find from the respondents' view on the reality of this phenomenon that the private universities in Tanzania do experience budget deficit. The result showed that with exception of SFUCHAS and JUCO the remaining colleges and the SAUT main campus do experience budget deficit as shown in the table 4.19

Table 4.19 Budget gap for Year 2016/2017

S/N		Proposed Expenditure Tshs	Actual Revenue collection Tshs	Budget Gap Tshs	Percentage of actual revenue collection
1	Arusha Center	1,711,818,000.00	1,700,016,500.00	(11,801,500)	99%
2	MARUCO	3,976,978,892.00	3,090,404,795.00	(886,574,097)	78%
3	Dar Center	755,838,700.00	539,855,500.00	(215,983,200)	71%
4	JUCo	5,996,597,691.00	6,102,928,315.00	106,330,624	102%
5	SFUCHAS	3,265,389,725.48	3,265,844,800.00	455,074.52	100%
6	Mbeya Center	3,117,627,500.00	2,837,428,540.00	(280,198,960)	91%
7	AJUCO	4,719,850,000.00	4,203,212,520.00	(516,637,480)	89%
8	STEMMUCO	3,340,345,719	1,883,841,090.00	(1,456,504,624)	56%
9	CARUMUCO	2,134,409,571.00	1,537,564,565.00	(596,845,006)	72%
10	AMUCTA	3,010,696,431	2,947,024,000	(63,672,431)	98%
11	Main Campus	20,595,525,549.00	19,381,599,288.00	(1,213,926,261)	94%
	Total	52,625,077,778.48	47,489,719,913.00	-5,135,357,860	

Source: Annual budget report, 2016/2017

4.5.2 Reasons for budget deficit in private universities in Tanzania

This section wanted to know why there is budget deficit in private universities in Tanzania while through experience private institutions are known for their smartness in abiding to the laws and are very keen in their performances. The study revealed that 100% of respondents said the Government is bias in supporting universities in Tanzania. Nothing is received from the government as subsidies to private universities, as it does to public universities. Table 4.15 reveals this situation.

Stereo type source of revenue –tuition fee has been the cancer for the private universities in Tanzania that leads to budget deficit. Table 4.19 shows dependence of one source tuition fee is 56%; this single source of revenue has been killing the budgets in private universities in Tanzania. Together with these reasons the study went further showing other reasons for budget deficit in private universities in Tanzania are Inflation 2%, Poor forecasting 17%, and Cash flows from source of income 13%. Table 4.20

Table 4.20 Causes for Budget Deficit

Causes	Frequency	Percentage %
Over dependence of one source	67	56%
Forecasting	20	17%
Cash flows from sources of income	16	13%
Students enrolment	14	12%
Inflation	3	2%
Total	120	100%

Source: Research Data, 2019

4.5.3 Available options to address the budget deficit.

The study in this section requested the respondents' opinion, what are the available options in addressing the budget deficit. The study result showed 16% insisted that much effort should be concentrated on effective collection where effort was not much employed. Five percent (5%) insisted on reducing unnecessary expenditures and increase collections, forty five (45%) Percent insisted on improving new generating income activities. Seventeen Percent (17%) insisted on realistic budgets, twelve percent (12%) on strategies and budget control. Four Percent (4%) insisted on

keen planning by considering internal and external environments. Lastly 8% insisted on forming strong and effective budget committees. As shown in table 4.21

Table 4.21 Available Options to Address the Budget Deficit.

	Frequency	Percentage
Effective revenue collections	19	16%
Reducing unnecessary expenditure	6	5%
New generating activities, research and consultancy	54	45%
Realistic budgets	17	14%
Budget control	12	10%
Internal and external environments	4	3%
Strong and effective budget committees	8	7%
Total	120	100%

Source: Research Data, 2019

4.5.4 Enhancing budgeting system toward closing the budget gap

The study through both interview and questionnaire inquired respondents from their best knowledge to give their view on what should be improved to attain sustainable budgeting system so as to close the budget gap. The motive behind this inquiry was to see if their current sources of revenue and their means on budget process have proved failure and caused budget gap for consecutive years; what should be done or improved in order to have sustainable budgeting with the aim of closing the budget gap.

The study results as shown in table 4.22 revealed that, twenty three percent (23%) of study respondents insisted on procedures for budgeting should be followed. Ten percent (10%) insisted on formulation of active budget committee and 7% insisted on strengthening internal control and evaluation to be consistently done. Furthermore 9% insisted on looking for external donors, six percent (6%) said private universities should be aggressive in fund raising. Twenty percent (20%) said private universities through their organs should face the government on cost sharing. Twenty five percent (25%) insisted on creating the spirit of investments on shares and small industries.

Table 4.22 Enhancing Budgeting System toward Closing the Budget Gap

	Frequency	Percentage
Improving budget process	28	23%
Formulation of active budget committees	12	10%
Strengthening budget internal control	8	7%
Searching for external donors	11	9%
Strengthening fundraising activities	7	6%
Search Government support	24	20%
Creating a spirit of investments	30	25%
Total	120	100%

Source: Research Data, 2019

4.6 Chapter summary

The study revealed that a majority of the respondents were both males and female comprising 80% and 20% respectively. In addition, most of the respondents were administrative staffs comprising 70 percent while 30 percent were management's staffs. Furthermore, 100% of the respondents had worked for a period of less than twenty year. Two percent respondents worked for more than ten years percent while 78 percent had worked for a period of below ten years but above five years. Twenty four percent (24%) had worked for a period of less than years.

The study revealed that all of the respondents said that the budget covered a period of one year. Furthermore the budget process took appropriate period to prepare. Eighty percent (80%) of respondents agreed that budgets are prepared by professional staffs from accounts and finance departments and all vote holders. Seventy eighty percent (78%) agreed that the budget is participatory with few exceptions (22%) who disagreed. The good news is that all respondents (100%) confirmed that the budget is prepared in private universities.

On the area of importance of the budget preparation the study revealed that 90% of the respondents agreed that budgets were used to forecast future and therefore good for planning, eighty four percent (84%) agreed that budgets are used as control measures, furthermore 76% agreed budgets are used to communicate to other levels in the departments. Lastly 63% said budgets are used to motivate employees to efficiency.

With respect to budget implementation, findings from the study revealed that majority of the respondents said they experience the problem in the whole processes of budgeting. Seventy eight percent (78%) experienced problem during implementation of the budget, 17% in formulation of the budget and 5 percent in evaluation and control of the budget.

On the challenges in budget implementation in relation to budget deficit, Findings from the study revealed that 55% of respondents agreed that insufficient funds allocated to department caused challenges in budget implementation, 26% agreed on overdependence of one source of income caused challenges, 9% dwelt on poor forecasting caused challenges, 7% said on unnecessary reallocation of fund from the votes of accounts caused challenges and 3% agreed that non constant cash flows affects budget implementation

On the sources of revenue the study result showed that seventy percent (70%) of the respondents said the source of revenue is from students' fees, twenty one percent (21%) on other generating income and nine (9%) on donation

The study result on government support to private universities in Tanzania showed 100% said private universities in Tanzania do not get government support in running their costs

The study on the reasons for budget deficit in private universities in Tanzania revealed that 56% of respondents said over dependence of single source are the reason for failure of budgetary process because the source itself is not reliable. Seventeen percent (17%) said the failure comes from poor forecasting. Thirteen percent (13%) said cash flows from the sources of income delays the allocation of funds to activities budgeted. Twelve percent (12%) said the reason is due to students' enrolments dwindling in private universities while running cost are shooting up hence they disturb the equilibrium of the budget. Two percent (2%) said inflation is the source budget failure.

The study on available options to address the budget deficit the result showed 16% insisted that much effort should be concentrated on effective collection where effort

was not much employed. Five percent (5%) insisted on reducing unnecessary expenditures and increase collections, forty five (45%) Percent insisted on improving new generating income activities by employing short courses, conducting seminars, and expansion of research and consultancy activities as among the core functions of any university. Seventeen percent (17%) insisted on realistic budgets, twelve percent on strategies and budget control. Four Percent (4%) insisted on keen planning by considering internal and external environments. To undertake proper financial feasibility studies by strengthening accountability and professionalism. Lastly 8% insisted on forming strong and effective budget committees

The study on enhancing budgeting system toward closing the budget gap through both interview and questionnaire revealed that, 23% of respondents insisted on procedures for budgeting should be followed from stage of budget formulation, budget presentation, implementation with various revisions of budgeting and actual performance to reflect on the budget. Ten percent (10%) insisted on formulation of active budget committee and 7% insisted on strengthening internal control and evaluation to be consistently done. Furthermore 9% insisted on looking for external donors,. Six percent (6%) said private universities should be aggressive in fund raising both locally and internationally. Twenty percent (20%) said private universities should face the government on cost sharing as the government does in Health service. Twenty five percent (25%) insisted on creating the spirit of investments on shares and small and medium industries.

Furthermore the study revealed that, universities have got the added value (brains) as strength and opportunity to universities. Private universities should use their Academic staffs and Administrative staffs (the brains) in investing in research and consultancy.

The findings of this study have implications to the St. Augustine University of Tanzania and other private universities' management. The results revealed in chapter four of this study, require the management to be very keen on the challenges of the budget deficit as a reality phenomenon. This reality should motivate them to look for the new sustainable financing options in order to close the budget gap. Since not all

university' stake holders are involved in the budget process, a tendency of opposition from the dissatisfied parties must be expected. The university should ensure that no one feels left out in implementation of the budget, especially those that are directly responsible for the budget implementation. The university should also issue proper budget preparation and implementation guideline to the relevant staffs who oversee the budget process.

These implications of this study also extend to the departments in various colleges of the university as the factors that facilitate budget implementation have been identified in this study and it is upon the college principals and heads of departmental to effectively employ the best policies during budget process.

The findings are also advantageous to the owners of private universities in Tanzania in provision and supervision of budget process in view of responding to the budget deficit in their private universities.

CHAPTER FIVE

DISCUSSION

5.1 Introduction

This chapter discusses the findings of the study. It is the most important chapter in research study because it discusses the findings from the study result. The discussion is built in view of objectives of study, research questions and questionnaire.

This research study focused on respond to the budget deficit in private universities in Tanzania with a view of searching for sustainable financing options. This was done in the sense that there was insufficient research done on this aspect. St Augustine University of Tanzania was taken as a case to represent private Universities in Tanzania. The whole discussion is built and expanded in view of chapter four with respect to the following objectives.

First to examine the effectiveness of the budgetary process in private universities in Tanzania Second to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively, third to search for successful alternative financing strategy to close the budget deficit gap.

5.2 Discussion of the findings

5.3 The effectiveness of the budgetary process in private universities in Tanzania

The first objective of this study was to examine the effectiveness of the budgetary process in private universities in Tanzania. Through interview and questionnaires the questions on position, experience, professionalism and procedures were asked to prove how far is the effectiveness of budgetary process is followed in private universities in Tanzania. Experience in doing budgeting makes someone acquitted with the work. Professionalism is an indication on technical knowhow and procedure

reveals the steps taken to reach a goal, are these steps proper to the the intended goal?

On the position the study revealed that, 85% of management personnel did not take accounting and finance during their studies. They work through experience but not as professional in finance and accounting. Internal auditors and accountants play great role to rectify this gap by using their professionalism in accounting and finance. Internal auditors and accountants play great role to rectify this gap due to their professionalism in accounting and finance. Due to this professionalism syndrome of top management, effectiveness of the budget is questionable because it is centred in accountants' opinion and willing. If accountants mercy up in budget process no one will detect the mistakes in the budget hence the whole budget will be taken as perfect while it was prepared wrongly.

5.3.1 Time spent working in the university (experience)

The study aimed at establishing the duration in which the respondents had worked in the university that gives him or her the authority to be considered as an expert in preparing and implementing the budget in virtue of experience and professionalism. Data in table 4.2 revealed that most of the respondents have worked for a period less than ten years. Seventy percent (70%) of workers worked for above five years but less than ten years, while 30% had worked for a period below five years. This scenario is due change of position to senior executives in the main campus and to some colleges and also some colleges have been established in recent years. Due to this scenario the doubt on effectiveness of budget preparation and implementation cantered on staffs' experiences. Majority of staffs have very little time in the office. Hence their experience is less in respect to effectiveness of the budget. As the saying goes practice makes perfect, experience matters a lot. Staffs' little experience in budget process and implementation their efficiency is also a point of questionable.

Premchand, (1995) said Implementation or execution of the budget is an activity that take place throughout the financial year and it needs people with experience and ability in knowhow. It is the cutting edge of the budget as it involves all members of the Institution unlike the more technical and selective participation of officials in

budget formulation. Implementation of the budget required an advance program of action evolved within the parameters of the ends of the budget and means available therefore experts and experience is the most essential element in a successful budget.

5.3.2 Period in which the budget covers in private university in Tanzania.

The inquiry was made on the period in which the budget covers. The outcome portrayed in table 4.3 showed that 100% confirmed that the budget is prepared for a period of one year. A budget must have a time frame a duration that it covers. It must show where it begins and where it ends. According to Lucy T. (2000) a budget is a statement of an organization's goals, priorities, objectives and plans, expressed in monetary language, for a precise period of time. Therefore a good budget must have a specified time mostly a period of one year. A budget must identify when it starts and where it ends in order to pay aground for implantation and evaluation.

5.3.3 Budget preparation period in private universities in Tanzania.

The study in this section required the respondents' opinion on the budget preparation period in private universities in Tanzania. If it takes appropriate period during preparation. The study results from respondents differ from college to college and sometimes within the college itself. But in a summary form results showed most budgets take appropriate time of three months preparation while others said two months and others said five months as portrayed in table 4.4. Most respondents agreed that the budget process in private universities in Tanzania take appropriate time to prepare, 85 percent agreed, while 15 percent disagreed. The study intended to determine the effectiveness of the budget from its beginning that is during preparation. Does it take too long (in the sense of losing the direction) or too short (in the sense of rushing) to prepare. If the budget preparation period is too long there is tendency of diverting from a direction, also if the budget is prepared in very short period rushing is expected. Hence the authenticity and effectiveness of the budget will be missed.

5.3.4 Budget preparation

In this section, the study aimed at establishing the respondents view on budget preparation. Ninety percent (90%) of the study respondents agreed that budgets are prepared and are used to forecast future and therefore good for planning, 84% agreed that budgets are used as control measures, 76% said that budgets are used as a tool to communicate to other levels in the departments. 63% agreed that budgets motivate employees' efficiency as shown in table 4.5 Hence a budget must be taken as a cardinal point to the community it serves

Literature says the Budget guidelines prepared by top management are passed down through successive levels in the institution. Managers at each level may make additions and provide greater details for subordinates. Managers at each level prepare the plans for items under their levels. Communication in budget preparation must follow clear channels from top to bottom and from bottom to the top as a feedback process. (Shim, 2009).

5.3.4 Budget implementation

The study went further checking the effectiveness of the budget in private universities in Tanzania using the tool of budget implementation. The effectiveness of the budget lies on the implementation of it. To prepare a budget without its implementation has no effect on the university. Every good budget must be implemented.

Findings from the study table 4.6 revealed that majority of the respondents said they experience the problem in the whole processes of budgeting. 78 percent experienced problem during implementation of the budget, 17 percent in formulation of the budget and 5 percent in evaluation and control of the budget.

According to literatures implementation or execution of the budget is an activity that takes place throughout the financial year. There should be constant and effective follow ups throughout the financial year in execution of the budget. Implementation is the cutting edge of the budget as it involves all members of the Institution participation in budget process. The way in which revenue and expenditure are

grouped for decision making is the most important aspect of budgeting. Implementation of the budget required an advance program of action evolved within the parameters of the ends of the budget and means available. Budget is not only a financial plan that sets into view cost and revenue within an organization, but also a tool for resource allocation, control, co-ordination, communication, performance evaluation and motivation (Premchand, 1995). According to Weetman, (2006) budget aim to serve the needs of management decision and to provide basis for management functions of planning and control.

From this the researcher deduced that if there is problem in one or more stages of budget process especially in budget implementation then there should be a problem in effectiveness of the budget that lead to budget deficit.

5.3.5 Challenges in budget implementation

The logic behind this inquiry was to get respondents' view on the challenges of budget implementation responding to the objective on the effectiveness of the budget in private universities in Tanzania. Findings from the study revealed that 55% of respondents agreed that insufficient funds allocated to department caused challenges in budget implementation, 26% agreed on overdependence of one source of income caused challenges, 9% dwelt on poor forecasting caused challenges, 7% said on unnecessary reallocation of fund from the votes of accounts caused challenges and 3% agreed that non constant cash flows affects budget implementation as shown in the table 4.7

Managers could have well defined thoughts about what they want to achieve and when they want it to be accomplished. The difficulty could occur in the way of communicating their feelings and plans to others, so as to enable them attain desired objectives. Funding to budget activities must flow constant to specified activities while economic factors should remain constant as was forecasted during budget process (Garrison, 1982).

University weakness could hinder effective budget implementation because the method used to allocate funds to department level is unsatisfactory. The reallocation

of funds caused targeted activities not to be attainable and the implementation cannot be possible. In some cases inconstant cash flows during the budget period is a severe problem to the budget implementation hence there must be an indicator to budget deficit.

5.4 Reasons budgetary process in private universities in Tanzania has failed to work effectively.

The second objective of this study was to examine the reasons budgetary process in private universities in Tanzania has failed to work effectively. Here the areas of concentration were on participants in the budget process, mechanism on budgetary control, presence of budget committees, professionalism in budgeting process, feedback on budgeting process, sources of revenue, Government support and where does the budget process fail.

5.4.1 Persons responsible in budgetary process in private universities in Tanzania

The motive behind this inquiry was to establish the capability of personnel who are responsible for the budget process from its formulation, implementation and evaluation. What is their professionalism with respect to budgetary process? Also this section wanted to know from the respondent if the budget is prepared and who are the participants? The study revealed that budgets are prepared in private universities in Tanzania. It is participatory whereby Vote holders work together with professionals from accounts department on budget process. The results from the study showed that 80% of respondents agreed that budgets are prepared by all vote holders under supervision of professional staffs from accounts and finance departments but 20% disagreed. Seventy eight percent (78%) agreed that the budget is participatory but 22% disagreed. All respondents (100%) confirmed that the budget is prepared as shown in the table 4.8

According to literatures Participative budgeting is defined as process in which manager is involved with, and has influence on, the determination of the budget (Shields & Shields, 1998;. Thomas, 2000) suggested that if more responsibility and

autonomy is given to a person, the person would be encouraged to be innovative because of knowing that person would be identified with any successful result.

Participative budgeting has been defined as a means of communication and influence of managers in the budgetary process and the extent of their influence over the setting of budgetary targets (Covaleski et al. 2003). Drury, (2006) believed that increasing individual's active participation in budget preparation and using budget as a tool to assist managers in managing their department can be strong motivational device by providing a challenge and major concern is the impact of participative budgetary on outcome variables such as job performance and employee effort.

5.4.2 Presence of budget committees

This section wanted the respondents' opinion on the presence of Budget committees with respect to power in the effectiveness of the budget. What is the role of budget committee in the whole process of budgetary? The result from the study table 4.9 showed that 25% agreed the presence of budget committees and their effectiveness while 75% said there are no budget committees that are strong and effective. Hence it is only in SAUT Main campus and JUCO, all other colleges and canters do not have proper Budget committee or if present not effective. According to researcher this is where the problem comes when it reaches the time of preparation, implementation and evaluation. When the question was imposed as to whether the budget committees are in place some respondent failed to say yes or no they left the question unanswered (blank). If the presence of budget committees is questionable and in some cases it is not present then the authenticity and effectiveness of the budget process is also questionable. One can deduct from here that there is a problem in the effectiveness of the budget process with respect to the role of budget committee in budget process.

According to ACCA Financial Management and Control (2006), the budget committee is a coordinating body in the preparation and administration of budgets. Also as written by Saleemi (1990), it consists of the chief executive who is a chairman, departmental heads, and the budget officer who is responsible for the effective operations of the budget committee. Form Sharma and Gupta (2003), its

functions are to advice upon matters of policy with regard to production and sales revenues, also to deal with accounting procedures and statistics, to give proper consideration to financial requirements, then to supervise the final preparation of the budget, then to review individual budget estimates, further to suggest revision and lastly to review individual preparation of the budget.

5.4.3 Effectiveness of the office of Internal Audit

The motive behind this section was to find from respondents views on the effectiveness of the office of internal auditor who will be acting as a watch dog to the effectiveness of budget process. The study revealed that SAUT Main Campus and JUCO have the office of internal auditor though not strong represented by 25%. But the situation is worse in other colleges and canter where the office is not effective represented by 75% as shown in table 4.10 hence it is the work of the DP/PFA, bursar and vote holders to see on the effectiveness of the budget process without an eye of internal auditor. The researcher deduced that where the office of internal audit is not effective then it is also a place where failure in the effectiveness of budgetary process lies.

5.4.4 Doing external Audit irregularly

In establishing this requirement the study wanted to know if external auditing is taking place annually and the motive behind was to check why should there be failure in the effectiveness of budgetary process. The report from SAUT finance and planning committee (2017/2018) showed that private universities in Tanzania, SAUT being the case study 100% said has no practice of doing external audit annually even though external audit is mandatory by law. Most of the external audits as shown in table 4.11 are done in the request of donors. External audit must be done annually as required by law. External among other roles checking the budget implementation is the key activity during auditing during the financial year. It is from the budget where can determine the allocation of resources and their utilisation.

This is also to researcher is the source of failure to effectiveness of budgetary process in private universities. External audit could be a means to challenge the management on abiding to the budgetary process. It should not taken as option to be conducted.

5.4.5 Mechanism on budgetary control

The logic behind this section was to inquire the respondents' views on budgetary control if can be the cause of failure to effectiveness of budgetary process.

The study through table 4.12 showed that 78 percent did not answer this question, and 22 percents said in order to have mechanism on budgetary control private universities should abide to vote accounts allocation.

Researcher noted that their answers came as advice and not as what is happening in the university. Where the mechanism on budgetary control is missing can also be the source for failure in the effectiveness of budgetary process.

Flamholtz, (2012) argued that the process of exercising control in an organization is significantly more complex than conventional managerial accounting theory suggests. Flamholtz also argued that budgeting and even an accounting system cannot be viewed as a control system per se; rather, they must be seen as a part of a carefully designed total system of organizational control. If the linkages between budgeting or an accounting measurement system and the other essential prerequisites of a control system are not adequate, then the system may not fulfil its intended functions.

5.4.6 Feedback on budgeting process

The study in this section wanted the respondents' understanding whether there is feedback in budgeting process. The study showed that 100% of respondent said that the concept of feedback on budgetary process is not existing because all said no on the question do you have feedback mechanism as an essential element in budgeting process as shown in table 4.13

Researcher concludes that if all respondents said the feedback on the budgeting process is not in place, while reflecting on the importance of feedback on budgetary

process the end result is that there must be a failure in the effectiveness of budgetary process.

5.4.7 Sources of Revenue

In inquiry of sources of Revenue, the aim of the study was to establish the respondents view on what are their present sources of revenue.

The result from the study showed that seventy percent (70%) of the respondents said the source of revenue is from students' fees twenty one percent (21%) on other generating income and nine (9%) on donation as the table 4.14 shows.

The respondents revealed that the major source of revenue is Tuition fee and some minimal generating activities. Some respondents from JUCO, MARUCO and SFUCHAS added that they receive a small contribution from donors. They went further saying that these sources are not reliable on their cash flows and so make the running of the budget to be very difficult hence failure to the effectiveness of the budget implementation .

5.4.8 Government Support

The study wanted to establish if private universities get subsidies from the government as their counterpart public universities do. The study revealed that nothing is provided by government to private universities to supplement their budget. Private universities pay salaries and all other running costs. Due to this private universities fail in their implementation of budgets this leads to budget deficit as well. The study result showed 100% said private universities in Tanzania do not get government support in running their costs as the table 4.14 shows.

According to Samuelson, (1954) and Alesina et al, (1999) education is public good and it is a right of every citizen. Government has responsibility to provide it to all its citizens. Private universities are just helping hands to the government. Government should not look private universities as competitors to public universities.

5.4.9 Why do budget processes fail to be effective?

This section wanted the respondents' knowledge and views on why the budgetary processes fail to be effective in private universities.

The result from the study as shown in table 14.16 show the respondents' views on causes for budgetary process failure; the result showed that 56% said over dependence of one source is the reason for failure of budgetary process because the source itself is not reliable. Seventeen percent (17%) said the failure comes from poor forecasting. Thirteen percent (13%) said cash flows from the sources of income delays the allocation of funds to activities budgeted. Twelve percent (12%) said the reason is due to students' enrolments is dwindling in private universities while running cost are shooting up hence they disturb the equilibrium of the budget. Two percent (2%) said inflation is the source budget failure..

Diamond, (2003) puts that, budgetary process reform is involved in moving from traditional centralized input oriented systems to more modern devolved performance, based on systems focusing on the constraints of limited managerial capacity. Budget needs multiple sources of income that will be interrelated to each other. Minimal sources of income do frustrate the budget implantation if these sources are not ewll reliable. Abernethy & Brownnell, (1999) said strategic change is a complex construct, with a multiple dimension. University exists in a changing environment and struggle with organizational problems faced by other organizations. University could change their management accounting system because of different internal and external factors. Covalleski & Dirsmith (1988) examined how budget practices were modified during periods of organizational decline and how actors were able to create and enforce institutional pressures and identified those participants involved in the change process. Modell, (2002) said it is important to be aware of the existing organizational routines and their influence on organization practices before changes were implemented. Before change is introduced there is need to understand how institution operations are structured so that resistance is reduced.

Private universities in Tanzania to the great extent depend on a single source of income and this is tuition fee as shown on table 14.16 tuition fees contributes the 95% of a total annual revenue collection.

5.5 Alternative financing strategy to close the budget deficit gap.

The Third objective of this study was to search for successful alternative financing strategy to close the budget deficit gap. This study on the search for alternative sources of financing was not meant to replace the existing models on responding to budget deficit in private universities in Tanzania but to complement them. Through interview and questionnaire this Study inquired respondents' views if private universities do experience budget deficits, reasons for budget deficits in private universities in Tanzania. If their current sources of revenue could be enough to solve the deficits. This study went further looking for new options to address the budget deficit and what should be improved to attain sustainable budgeting system so as to close the budget gap.

5.5.1 The extent of existence and persistence of budget deficit in private universities in Tanzania

The study under this section wanted to find from the respondents' view on the reality of this phenomenon that the private universities in Tanzania do experience budget deficit. The result showed that with exception of SFUCHAS and JUCO the remaining colleges and the SAUT main campus do experience budget deficit as shown in the table 4.18 when looking to the findings we can see the actual collection is less than proposed collection hence the deficit.

5.5.2 Reasons for budget deficit in private universities in Tanzania

This section wanted to know why there is budget deficit in private universities in Tanzania while through experience private institutions are known for their smartness in abiding to the laws and are very keen in their performances. The study revealed that 100% of respondents said the Government is bias in supporting universities in Tanzania. Nothing is received from the government as subsidies to private universities, as it does to public universities. Table 4.14 reveals this situation. Hence

private universities have to shoulder all running cost from little they receive from students' fees. On students' enrolment the study found that, public universities have opened up the doors by admitting a large number of students. Students are attracted to be admitted to public university compared to private universities. Due to this attractiveness most of students prefer to go to public universities while leaving private universities with few numbers of students.

Stereo type source of revenue –tuition fee has been the cancer for the private universities in Tanzania that leads to budget deficit. Table 4.19 shows dependence of single source of revenue tuition fee constitute 56%; this single source of revenue has been killing the budgets in private universities in Tanzania. Together with the above reasons the study went further showing that Inflation 2%, Poor forecasting 17%, and Cash flows from source of income 13%, students' enrolment 12% are also reason for budget deficit in private universities in Tanzania.

Bamiro, (2012) explored the reasons contributing to budget deficit in private universities. The study revealed that the deficit is largely due to declining students' enrolment following intense competition from other Universities and colleges. The goals of enrolment typically include efforts to increase the number of new students, plans to diversify the student body, efforts to retain more students, and a desire to enrol more high-ability students or students with special talents

Hossler, (2002) and Eisner (1989) found that private universities are not aggressive enough in looking for other sources of income other than tuition fee. Eisner (1989) critically examined on the dependence of one source of income generating with no means of financial options such as internally generated revenues, government grants or subsidies. The study revealed that there are serious problems in depending on one source of income. Efforts are needed to have several sources of income to sustain their budgets.

Another strand of literature examines on process that leads the budgets deficit in private universities and revealed that poor personnel in account departments to implement budget, un professional budget committees' members, failure to adhere to

budget votes and misallocation of funds have direct contribution to budget deficit in private universities (Eisner, 1989)

Budget processes, viewed both theoretically and empirically can be the outcomes of bottom-up and top-down budget processes. It is often presumed that a top-down budget process leads to an imposed budget than a bottom-up budget process (Ehrhart et al, 2007). Budget process if not well performed and maintained can be the source of budget deficit. (Hagen 1996, and Ehrhart et al 2007)

5.5.3 Available options to address the budget deficit.

The study in this section requested the respondents' opinion what are the new options in addressing the budget deficit. The study result showed 16% insisted that much effort should be concentrated on effective collection where effort was not much employed. Five percent (5%) insisted on reducing unnecessary expenditures and increase collections, forty five (45%) Percent insisted on improving new generating income activities by employing short courses, conducting seminars, and expansion of research and consultancy activities as among the core functions of any university. Seventeen Percent (17%) insisted on realistic budgets, twelve percent on strategies and budget control. Four Percent (4%) insisted on keen planning by considering internal and external environments. To undertake proper financial feasibility studies by strengthening accountability and professionalism. Lastly 8% insisted on forming strong and effective budget committees. As shown in table 4.20. Private universities in Tanzania should look these aspects and put them to their midis and practise them vigorously.

5.5.4 Enhancing budgeting system toward closing the budget gap

The study through both interview and questionnaire inquired respondents from their best knowledge to give their view on what should be improved to attain sustainable budgeting system so as to close the budget gap. The motive behind this inquiry was to see if their current sources of revenue and their means on budget process have proved failure and caused budget gap for consecutive five years; what should be

done or improved in order to have sustainable budgeting with the aim of closing the budget gap.

The study results as shown in table 4.21 revealed that, 23% of respondents insisted on procedures for budgeting should be followed from stage of formulation, budget presentation, implementation with various revisions of budgeting and actual performance to reflect on the budget. Ten percent (10%) insisted on formulation of active budget committee and 7% insisted on strengthening internal control and evaluation to be consistently done would be a means in solving budget deficit. Furthermore 9% insisted on looking for external donors, private universities should seek external donors who will be willing to inject to the universities. Six percent (6%) said private universities should be aggressive in fund raising both locally and internationally but they should be very keen on cost for fund raising should not exceed the revenue received. Twenty percent (20%) said private universities through their organs should face the government with the aim of requesting the government on cost sharing as it does in Health service where there is Private and government partnership, government could pay salaries to workers and the private universities could concentrate on other running costs. As it is for Health, Education is also public good and it should be provided by the government, whereby private universities are just helping hands to government. Twenty five percent (25%) insisted on creating the spirit of investments on shares and small industries. The study revealed that respondents opened their eyes and thought outside the box by advising the private universities to start thinking on investments. They requested the private universities to invest on shares in the reputable companies which pay high dividend. Balances in their bank accounts should not be left in the banks but rather invested on shares. Investments also should be done in establishing small and medium industries. Investing in farming activities, forestry and minerals was also recommended. Instead of keeping money in the bank under fixed deposit private universities should withdraw that money and borrow a certain amount in the bank for the viable investments.

The study also saw that there is conflicting demand on the courses offered by the private universities. In one way or other private universities receives few students in respective courses. They recommended that private universities should evaluate

themselves by applying SWOT analysis techniques, whereby strength and opportunity should be their criteria in establishing courses and faculties depending on their environment; this in turn will attract students' enrolment.

Together with physical investments, universities have got the added value (strength and opportunity). This added value is that Universities are the centre for brains. Private universities should use their Academic staffs and Administrative staffs (the brains) in investing in research and consultancy activities whereby from these activities income will flow to universities.

CHAPTER SIX

SUMMARY, CONCLUSION AND POLCY RECCOMENDATIONS

6.1 Introduction

This chapter aims at concluding the whole work undertaken in this study. Chapter one gave base for the whole this study, it dealt with the background of the topic, the problem statement and the objectives of the topic. In chapter two relevant literatures were reviewed and finally the conceptual framework of the research was given. Chapter three highlighted on the research methodologies which were applied in this study. In chapter four the research findings were presented and analyzed. In this chapter five discussions was done in depth and linked with the findings by other researcher on the similar topic elsewhere. It is therefore the intention of this chapter to summarise the whole work, to give a sound conclusion and giving recommendation on both improvement of the revealed problems and the areas for further research.

6.2 Summary

This study focused on responding to budget deficit: search for sustainable financing option in private universities in Tanzania, a case study of St. Augustine University of Tanzania. The study gives an overview of the private university and the budget process have adopted. The study looked at some of the factors that influence budget process, ineffectiveness of budget process and alternative financing option in private universities in Tanzania which included budget preparation, budget implementation, budget participation budget communication, budget control and evaluation with reference to budget deficit, and lastly search for alternative sustainable financing options was dealt upon.

To achieve the objectives of the study, primary data were collected by use of questionnaires and interviews while secondary data were obtained from source documents. The questions had both open and closed end questions. The close end

questions provided more structured responses and interview questions provided more information not covered in the questionnaire. The respondents constituted VC, Principals of the colleges, DVCAF, DP/PFA, DP/ARC, Bursars, Internal Auditors, External Auditor, chief planning officer, Members of budget committee, Deans of students, Estate managers, Humana resource officers, Procurement officers and Accounts personnel involved in budget preparation. The data was collected exhaustively to get as much information from staffs that have experience in the preparation and implementation of budget at private university in Tanzania. Data relating to budget deficit, aspects of the budget process and alternative financing options were collected, presented analysed with the help of computer excel and discussed.

The study examined the effectiveness of the budgetary process in private universities in Tanzania. Trying to see the aspects like position, experience, professionalism and procedures if have impact as far as the effectiveness of budgetary process is concerned in private universities in Tanzania. The study revealed that, most of top management did not take accounting and finance during their studies. They work through experience but not as professional in finance and accounting. Internal auditors and accounts department play great role to rectify this gap due to their professionalism in accounting and finance. Due to this professionalism syndrome of top management, effectiveness of the budget is questionable in the sense that it is centred in accounts and finance opinion and willing.

The study also examined the reasons budgetary process in private universities in Tanzania has failed to work effectively. Here the areas of concentration were on participants in the budget process, mechanism on budgetary control, presence of budget committees, professionalism in budgeting process, feedback on budgeting process, sources of revenue, Government support and where does the budget process fail. Study revealed that in private universities budgets are prepared and it is participatory but there is weakness in as far as budget committees, mechanism of budget control and feedback in budgeting. On the sources of revenue the study revealed that private universities depend on single source and do not get any government financial support.

Furthermore the study dealt on searching for successful alternative financing strategy to close the budget deficit gap. This study on the search for alternative sources of financing was not meant to replace the existing models on responding to budget deficit in private universities in Tanzania but to complement them. Through interview and questionnaire this Study inquired respondents' views if private universities do experience budget deficits, reasons for budget deficits in private universities in Tanzania. If their current sources of revenue could be enough to solve the deficits. This study went further looking for new options to address the budget deficit and what should be improved to attain sustainable budgeting system so as to close the budget gap. The study revealed that private universities in Tanzania do experience budget deficit due to shortage of fund as a result of over dependency of single source –tuition fee, poor forecasting, low rate of students' enrolment, cash flow from sources of income and inflation. On current sources of revenue the study revealed that are not enough to solve the budget deficit.

On searching for new options to address the budget deficit and what should be improved to attain sustainable budgeting system so as to close the budget gap. The study revealed that effective revenue collection, reducing unnecessary expenditure, creating new generating activities such as research and consultancy, having realistic budget, budget control, analysing internal and external environment and forming strong and active committees will be new options to address the budget deficit. Improving budget processes, searching for external and internal donors, strengthening fund raising activities, searching government financial support, and creating the spirit of investments will improved to attain sustainable budgeting system so as to close the budget gap.

6.3 Conclusions

The study concludes by revealing that private universities in Tanzania do experience budget deficit which is due to budget process, availability of fund and economic factors.

The study further concludes that private universities in Tanzania face various challenges in preparation and implementation of budget due to expertise and,

experience and budget committees in budget process. The study also revealed that major challenge faced by private universities in Tanzania are over dependence of single source of revenue mainly tuition fees, low rate of students enrolment and uncertainty of cash flow.

On searching for new options to address the budget deficit the study revealed that effective revenue collection, reducing unnecessary expenditure, creating new generating activities such as research and consultancy, having realistic and budget control, analysing internal and external environment and forming strong and active committees will be new options to address the budget deficit

On what should be improved to attain sustainable budgeting system so as to close the budget gap. The study revealed that improving budget processes, searching for external and internal donors, strengthening fund raising activities, searching government financial support, and creating the spirit of investments will improve to attain sustainable budgeting system so as to close the budget gap.

6.4 Policy Recommendations

The study recommends that for St. Augustine university of Tanzania to curb challenges in Budget deficit by following proper budget processes and this can only be attained if alternative sustainable financing options are well put in place. There is need for procedures and guidelines in the allocation of funds and operational implementation policies. For successful budget process, it requires the university to train its staff on the process involved in budget process and key factors they should take into account when making budget proposals. A budget process that is well understood proves to be practical and will be good for planning hence reduce budget deficit during implementation. A detailed action plan need to be identified and the programmes to be undertaken in the training. One format should be adopted and should be circulated to functional managers who are in charge of departmental operation.

There seems to be existence of a budget committee but not strong and active. The budget committee needs to be more vibrant in their role and not only be convened when budget time comes. The budget committee should understand the user department needs and challenges they face. Before adjusting user request communication should be circulated to functional managers to justify their budget before it is amended.

Most of respondents on this study agreed that budget is used as a tool to forecast the future and good for planning. Furthermore disagreement existed with regards to the budget as motivating factor for the employees' efficiency. Some of the respondents were very critical about budget process; over dependence of one source of revenue, poor forecasting and uncertainty to students' enrolment are the key factors to budget deficit in private universities in Tanzania. The remedies for the above syndrome, private universities should look outside the box by searching sustainable financing options.

6.5 Limitations of the study

The study is an academic research, a partial fulfilment of a master degree. Hence findings of this study should be considered in this context. In addition, the researcher could not get responses from all stake holders of the University but from sample size meant for the study. Hence the contribution from other workers was not included. Further to this, the finding of this study comprises of single private university a case study (SAUT) which may be more or less applicable to other private universities elsewhere in the world.

6.6 Suggestion for further research

This study focused on responding to the budget deficit: search for sustainable financing options in private universities in Tanzania a case study of St. Augustine University of Tanzania. A similar study on budget deficit should be undertaken focusing on other private universities in Tanzania or to the rest of the world. This will help to discover if the findings will be similar or different to this study.

Another study on budget deficit can be carried out in comparing and contrasting factors influencing budget deficit in public universities and private Universities.

A further study can be carried out on budget deficit in relation to management issues with the objective of examining the contribution of management to the budget deficit in private universities.

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APPENDICES

APPENDIX: I

LETTER TO RESPONDENTS

MZUMBE UNIVERSITY
P.O BOX 1
MZUMBE
TANZANIA

Dear Respondent(s)

I am a student at MZUMBE UNIVERSITY undertaking Post Graduate Degree in Masters of Science in Accounting and Finance.

I am carrying out research on **Responding to the budget deficit in private universities in Tanzania: Search for sustainable financing options**. This is partial fulfilment of award of a Master Degree (Masters of Science in Accounting and Finance). The motive behind this research is to uncover the current problems of budget deficit in private higher education private universities in Tanzania and search for sustainable financing options.

I am hereby requesting for your contribution and assistance toward the success of this research. Please read questions attentively and answer them while giving comments wherever possible and necessary.

All information obtained from the questionnaires will be treated as private and confidential.

Your cooperation is highly valued

Yours sincerely,

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Mng'ani D.S Claud

QUESTIONNAIRES

1. Name of university.....
2. Which position are you holding in the university.....
3. For how long have you been holding that position?
4. Does your university prepare an annual Budget?
 - (i) Yes ()
 - (ii) No ()
5. When do you start annual budget preparation and the ending day.....
6. Is your budget preparation and implementation participatory
 - (i) Yes ()
 - (ii) No ()
7. If yes who participate in budget process?[who are involved ?
 - (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)
8. Do you have mechanisms for budgetary control
 - (i) Yes ()

(ii) No ()

9. What are these mechanisms for budgetary control

(i)

(ii)

(iii)

(iv)

10. Do you have budget committee

(i) Yes ()

(ii) No ()

11. If yes

(i) How many are they?

(ii) Their Composition with regards to their profession

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12. Do you have feedback mechanisms as an essential element in budget?

(i) Yes ()

(ii) No ()

13. What are the Sources of your revenue

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14. What is the proportion of government grant in the percentage in your overall budget?

- (i) 0 % ()
- (ii) Above 25% ()
- (iii) 50% ()
- (iv) 100% ()

15. Have you experienced problems in whole process of budgeting

- (i) Yes ()
- (ii) No ()

16. Where exactly problems lies

- (i) During the formulation of the budget? ()
- (ii) During the implementation of the budget? ()
- (iii) During evaluation and control of the budget? ()

17. Have you experienced budget deficit?

- (i) Yes ()
- (ii) No ()

18. What is the trend of Budget performance in five years based on Proposed Budget and Actual budget? (Please provide figures/ Amount)

REVENUE BUDGET

2012/2013	Proposed Budget	Actual Budget
2013/2014	Proposed Budget	Actual Budget
2014/2015	Proposed Budget	Actual Budget
2015/2016	Proposed Budget	Actual Budget
2016/2017	Proposed Budget	Actual Budget

EXPENDITURE BUDGET

2012/2013	Proposed Budget	Actual Budget
2013/2014	Proposed Budget	Actual Budget
2014/2015	Proposed Budget	Actual Budget
2015/2016	Proposed Budget	Actual Budget
2016/2017	Proposed Budget	Actual Budget

19. Through your experience and position in this university what are the causes for Budget deficit [Tick one or more if applicable]

- (i) Over dependence of one source of revenue ()
- (ii) Forecasting ()
- (iii) Cash flows from sources of income ()
- (iv) Students enrolment ()
- (v) Inflation ()

20. What is the contribution or proportion of students' tuition fee on the overall budget?

- (i) Less than 25% ()
- (ii) 50 % ()
- (iii) Above 50% ()
- (iv) 100 % ()

21. Do you think your current sources of income are enough to solve the deficit

- (i) Yes ()

(ii) No ()

22. If No what are the new options to address the budget deficit?

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23. What should be improved to attain sustainable budgeting system so as to close the budget gap.....