

**THE FACTORS FOR BUDGET MALPRACTICE AMONG LOCAL
GOVERNMENT AUTHORITIES IN TANZANIA: THE CASE OF
MOROGORO MUNICIPAL COUNCIL, MOROGRO REGION,
TANZANIA.**

By

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**A Research Proposal Submitted In Partial Fulfillment of the Requirements for
Award of Masters in Science in Accounting and Finance (Msc A&F) Of Mzumbe
University**

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled **Factors Responsible for Budget Malpractice among Local Government Authorities in Tanzania: The Case of Morogoro Municipal Council, Morogoro Region, Tanzania**, in partial fulfillment of the requirements for the award of Master of Science Accounting and Finance (MSc A&F) in Mzumbe University.

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DEDICATION

This dissertation is dedicated to two groups of individuals, first to my parents who invested in my education. Second to My beloved daughter Precious Franck for her patience, sacrifice and understanding which were necessary for accomplishment of this challenging work.

LIST OF ACRONYMS AND ABBREVIATIONS

BOT	:	Bank of Tanzania
FB	:	Federal Budget
IMF	:	International Monetary Fund
LGAs	:	Local Government Authorities
MoF	:	Ministry of Finance
MMC	:	Morogoro Municipal Council
NASA	:	National Aeronautics and Space Administration
NDP	:	National Development Plan
PIB	:	Press Information Bureau
TZS	:	Tanzanian Shillings
USC	:	United States Congress

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ABSTRACT

Specific efforts to bring up changes that will lead LGAs, towards effective budget practice are, however, the most actual core demand from all of their day-to-day operations. By so doing, notably, the solution will be concrete. In such, this study was mainly aiming at identifying factors for budget malpractice in Local Government Authorities (LGAs) in Tanzania; the case of Morogoro Municipal Council (MMC), in Morogoro region, Tanzania. The methodology employed, had agglomerated a series of methods including; documentary review in gathering secondary data from various sources, while questionnaire and interview were used as specific instruments for gathering primary data from the field (sample size) of 80 respondents. Likewise, tables and figures, both illustrated by percentage, were specifically employed as instruments for presenting data, upon which further analytical/discussion steps were performed, from which; conclusion, and recommendations were drawn upon. Recognizably, specific objectives of the study were; to determine the consequence of fund misallocation on budget practice, to examine whether there is a tendency of lust for misappropriating budget allocated resources among public servants that cause budget malpractice at MMC, to determine whether there is low budget supervision that leads to budget malpractice, and to suggest ways to be adopted by LGAs in effectively using budgets.

Based on the findings, the study concluded that factors responsible for the actually ravaging problem of budget malpractice amongst LGAs in Tanzania were; misallocation of budgeted resources especially fund, tendency to misappropriate budget allocated funds by certain public servants, purchasing of non-budgeted items, inappropriate procurement procedure, corruption tendency, theft tendency, and so many others, excluding budget supervision. Based on these findings, particular suggestions were eventually drawn that, if and only if LGAs are to mitigate the problem of budget malpractice, certain ways would necessarily be adopted by them. In fact, theses had included issues like; improve budget supervisions, increase inventory management, increase financial controls, That is to say; much effort and zeal would be placed on

internal audit so that budget are appropriately managed and latter on well-practiced as well. Meanwhile, the study had recommended that, public servant would get rid of behaviours relating to safeguarding their personal interests and consequently result into fund misappropriating – the situation, which must always cause budget malpractice to occur most frequently.

CHAPTER ONE

INTRODUCTION AND BACK GROUND INFORMATION

1.0 Introduction

This chapter is mainly concerned with introducing the study in hand by presenting the background, statement of the problem, objectives of the study, limitation, and delimitation, and rationale of the study.

In every year and in every particular period; companies both private and parastatal companies prepare budget that project their future expense and income (Adrian, 2011). This means according to Chidambaram, (2008) that budget is prepared as a fundamental and basis for all income and expenses to be incurred, and obtained, in the coming times. In reality, the essence and motivation for adopting a budget is to get a direction about what need to be expensed with what amount of income generated or to be generated (Press Information Bureau, Government of India. 2003). However, many of nowadays' companies; ruling in parastatal ones, in Tanzania, like in any other nation, do prepare budget to foresee their future expense and income (Katundu, 2010). But, yet there is a concern to deeply understand the extent to which those budgets are practiced. The proposed study therefore, seeks to identify factors for budget mal-practice among government authorities in Tanzania.

1.1 Background of the Study

At one time or another as the study cycles back and forth in tracing budget historical background, there is no clear literature evidence specifying the real onset of budget adoption in the globe. Meanwhile certain evidences indicate that the preparation of budget has been in existence for years and years back (Cuomo, 2007). For instance in 1958 the United States Congress (USC) passed the Federal Budget (FB) detailing the amount of federal funding which was directly allotted to the National Aeronautics and Space Administration (NASA) (Bolden, 2012).

The same evidence precises that this phenomenon was done in each year over its past fifty year history (1958–2008) to operate aeronautics research, unmanned planetary and manned space exploration programs. (Bolden, 2012)

Similar reflection about lack of evidence about budget back ground applies in almost every nation where in Asia for instance, little evidence shows that the first Union budget of independent India was presented by R. K. Shanmukham Chetty on November 26, 1947 (Sabha, 2004). Thus, Chidambaram, (2008) précised that from this pace, India took the same trend and led to the naming of its budget as Union Budget of India. However, this kind of budget is referred to as the annual financial statement in article 112 of the constitution of India, and is the annual budget of the Republic of India, presented each year on the last working day of February by the finance minister of India in parliament (Press Information Bureau, Government of India, 2003). The budget has to be passed by the House before it can come into effect on April 1, the start of India's financial year. (Irby, 2007)

Unlike other nations and continents, budget back ground about Africa and especially Tanzania seems to some extent be very insufficient for clearly addressing the matter under concern. (Katundu, 2010). This means the available literatures are incapable of tracing necessitated back ground information to support the understanding about the topic in hand. But still even though, some of the available evidences point out that preparation of budget in Africa started many years back precisely since the Egyptian civilization (Yerubi, 1999). During that era, Egyptians prepared budgets for foreseeing the expenses and income to be incurred for different events and ceremonies. While the same source of evidence puts precision that budget in Egypt existed since Pharaoh era, and was then perepared and established just to allow the administration of that period to forecast all expenses incurred using the income generated. (Yerubi, 1999)

Further evidences show that the action of budget preparation took similar trend and tremendously spread around the whole continent of Africa since the colonialism era where colonialists had to put down budgets for directing their expenses and income in

their reigns (Katundu, 2010). In simple term, this evidence in fact, designates that the preparation of budget even in Tanzanian started since the era of colonialism. In this regards, colonialists after generated their revenues/income through various means they used to use, then had to establish budgets to guide the conduct of their activities in African nations ruling in Tanzania. The reason why Zamban'ge, (2001) indicates that since then, and after the independence, it is believed that Tanzania has since then been preparing a number of budget for its future expenses and revenues.

1.1.1 Tanzania at a Glance

Despite the fact that Tanzanian has become independent since 19961, but still like any other African nation, it seems apparently budgets preparation and practices were and are still dictated by so-called western nations using their accredited agencies such as World Bank, International Monetary Fund, and so many others. The aim of this action is nothing else rather than directing African nations on the whole way of appropriately, effectively utilizing their income and incurring reasonable expenses (Chidambaram, 2008). To illustrate this evidence, Bank of Tanzania, (2011) further precises that while the Tanzania minister for Finance & Economic Affairs, Mustafa Mkullo, was preparing to deliver the Government Budget for the 2011/12 financial year, two events were taking place. One: President Jakaya Kikwete was unveiling a new National Development Plan; and, two: the World Bank was issuing a new Country Assistance Strategy. Neither of these two contained anything that was radically different as to demand pride of place alongside the Budget... In which case there was need to use the budgetary opportunity to clear a few policy issues – lest they become stale. (BOT, 2011), (Ministry of Finance, 2008)

1.1.2 Back Ground of the Morogoro Municipal Council

Morogoro Municipality is the Headquarters of Morogoro Regional. It is one of the oldest towns in the history of Tanzania [by then Tanganyika].

In the 18th century, Arabs used Morogoro as a stop over and route for slave caravans from the Hinterland to the Coast before shipping them to the far-east through the Indian

Ocean. Its inception as a Township comes at the end of the 19th century when it had a population of about 3,000 people. At that time the missionaries developed interest in this little settlement with the aim of getting control of the already spreading slave trade. They built a Church and a few buildings at Kigurunyembe, only four kilometers from the present town centre. The place later was established to be Teachers' Training College which today is known as Morogoro Teachers' College. Based on this evidence; doubtlessly, budgets preparation and practice seem to have existed since its inception just to support a smooth running of municipal' activities with respect to income generated and expenses incurred at that period.

As a settlement, by then, the indigenous name of Morogoro town was "Bungo Dimwe". It was during this period of 19th century that the name Morogoro was invented. Also at that time Germans were busy converting Morogoro into a provincial headquarters of the Eastern province of German East Africa [later Tanganyika]. The majority of the indigenous population belonged to Luguru tribe. Although, initially the inhabitants were mainly of the Luguru tribe, the composition of the current population is getting more cosmopolitan due to the influx of workers, businessmen and fortune seekers from different regions of Tanzania, as well as from outside the country.

i) Vision of the Council

The vision of the Council represents development status the Council is aspiring to achieve for its people in a specified future. Key elements considered are, high standard of living and sustainable socio – economic development. Hence Morogoro Municipal Council aspires to have: "A community with a higher standard of living provided with a sound and quality sustainable socio – economic services by 2025"

ii) Mission Statement

The mission statement depicts the purpose of the existence of the institution. In other words, the mission statement of Morogoro Municipal Council addresses two major questions, first, what is the council business and secondly, who are key clients.

iii) Stakeholders Involvement:

In order to tape maximum cooperation and participation from various stakeholders' active involvement in formulating the mission is quite crucial. By doing so, a success in all development undertakings is guaranteed.

iv) Good Governance

Good governance is a paramount value that should be nurtured in public service. It creates an enabling environment for development. Thus Morogoro Municipal Council mission can be realized if principles and norms of good governance are adhered to.

Based on all back ground traces, the study seeks to explore factors responsible for budget malpractice among government local authorities, the case of Morogoro Municipal Council which is in Morogoro region. Such an activity will be performed through the review of various already built literatures which will label the appetence of its conduct.

1.2 Statement of the Problem

There is even no single entity that can operate without a budget. Because operating without a budget is like driving a car without a handle bar. This means doubtlessly according to Sabha, (2004) a budget is prepared just to allow any company meet future expenses and meanwhile determined the particular amount of income to be used (Reynolds, 2004). Also, budget is used as a toll detailing the amount of resources to be procured with its corresponding price and income in respect to revenues possessed or to be generated in the coming times and above all, as per resources allocation provided in the said budget Sabha, 2004).

But, in contrast, it has apparently become quite opposite and too common for several organizations ruling in parastatal ones to use the adopted budget without adhering to what is provided therein. This means, every item procured and every expenses incurred would go parallel with what is allocated in the budget. But, unknowingly, many local government authorities seem to not adhere to this reality.

Interestingly, every item procured and every expenditure incurred must be provided/allocated in the budget. However, the problem comes into being as most of government local authorities' budgets being used while not achieving even a reasonable percentage of what they should achieve. In contrast most of them are used to incur expenses and procure items which are not allocated in their respective budgets, meanwhile reasons still remain unknown. For instance, Dumbi, (2009) pointed out that almost 72% of almost all LGAs' budgets from many years in Tanzania are reported to achieve items and expenses out of their budgets allocations. In order to scrutinize the identified problem, the reason for why the proposed study needs to be undertaken as the way to be used in finding factors responsible for budget malpractice in government authorities which are still unknown.

Furthermore, the fact that most of local government authorities mal-use their budgets must be the consequence of certain abnormal behaviour characterized by financial resources misallocation whose factors need to be deeply known. In this regards, it is imperative to recognize that one of the most victims of such phenomenon is the Morogoro Municipal Council. To precise the existence of such a problem, it can be retained that MMC has since ten years back been in line to mal-use its budgets whose common characteristic is the procurement of certain items and incurring of expenditure which are not allocated by budget and which are not in parallel to the either available or intended revenues. Thus based on all these descriptions it is where emanates the appetency of the study in hand as it sought to identify factors responsible for budget malpractice among local government authorities in Tanzanian; the case of Morogoro Municipal Council.

1.3 Objectives of the Study

This study was guided by the four specific objectives constructed on the basis of the general one as follows.

1.3.1 General Objective

The general objective of this study was; to identify factors responsible for budget malpractice among local government authorities in Tanzania

1.3.2 Specific Objectives

Specific objectives of this study were as follows.

- a) To determine the consequences of fund misallocation on budget practice
- b) To examine whether there is a tendency of lust for misappropriating budget allocated resources among public servants that cause budget malpractice at MMC
- c) To determine whether there is low budget supervision that leads to budget malpractice
- d) To suggest ways to be adopted by LGAs in effectively using budgets

1.4 Research Questions

1.4.1 General Research Questions

The general research question of the study was; what are factors responsible for budget malpractice among local government authorities in Tanzania?

1.4.2 Specific Research Questions

The followings were the research questions constructed on the basis of the general one.

- a) What might be the consequences of fund misallocation on budget practice?
- b) Is there any tendency of lust for misappropriating budget allocated resources among public servants that cause budget mal-use at MMC?
- c) Can low budget supervision cause budget malpractice?
- d) What can be the ways to be adopted by LGAs in effectively using budgets?

1.5 Scope and Limitations of the Study

As far as this study was carried out for academic purpose, notably certain limitations were experienced by the researcher, of which on one way or another have limited this study to not cover the wider scope than it would be wished. And they have included the followings.

1.5.1 Scope of the Study

The scope of this study was Morogoro Municipal Council (MMC) which is in Morogoro Region. The choice about this scope was done based on several reasons among which the most common ones included; MMC was the scope which seemed to be too open, there was an aspect of easiness for the researcher to obtain reliable data and come out with relevant and valid findings. But also, because, researcher had good relation with MMC authorities who were expected to provide easy way for data collection.

1.5.2 Limitations of the Study

All what was addressed for this stage was nothing else rather than what the study foresaw as limitations that were likely to limit the successful achievement of the study. These were in several ways but most of them seem to be too practical as follows.

i) Time Limitation

Time was foreseen to be one of the major constraints based on the fact that the time accorded by the academic authority to cover the whole study seemed to be too condensed. The condensation of time came into effect as the researcher was at the same time be achieving other social-related activities, attending office, meanwhile striving to achieve the study in hand. This means, the time would be extended to allow the researcher to cover a huge number of items and scope so as to come out with findings relating to the whole universe. But even though, researcher was compelled to utilize the accorded time as well as scheduled to meet the provided dead line.

ii) Financial Limitation

Fund could not be eliminated from the list of constraints since it is scarce by nature. In this respect therefore, the study fore-saw fund as constraints as it would be desirable by any researcher to cover the whole universe but this may extensively be limited by fund being insufficient. The same reality applied to the study in hand, where it seemed the fund in possession would not allow the research to do so. Even though, it was inevitable that researcher had to use the available fund to make sure each and every thing was achieved as desirable as scheduled by academic authority.

1.6 Delimitation of the Study

Tanzania as any other nation has many municipal councils spread in all over the country. This wants to explicate that it would be too difficult and even undoable to cover all municipal councils taking into account the constraint mentioned before. Therefore, based on this argument, the reason why the study focused on a single area which is Morogoro Municipal Council. Ideally, focusing on such a single area had doubtlessly allowed the study to be achieved in a desirable manner.

1.7 Rationale of the Study

All today's occurring changes are nothing else rather than the consequence of many inquiries which have been conducted years and years back. This wants to say; any investigative activity has a rationale as it aims at finding solution to a particular problem or situation being faced or experienced by any entity, community, or even an organization. Thus, if this is the reality, in fact this study would be too rationale in the following scenarios.

To LGAs: At the end of the study, all public servants would be informed about the prominence of appropriately using budget.

It had also directed public servants on the proper ways to be taken if they were to achieve a high sense of effective budget practice.

To the government: Findings from this study were expected to help the government on how to put measure appropriately for the proper management of its funds

To the researcher: The study was too significant to the researcher as it had added knowledge about all matters relating to budget management and practice.

CHAPTER TWO LITERATURE REVIEW

2.0 Introduction

This chapter is mainly concerned with presenting the literature review, empirical literatures, and conceptual frame work of the study. More specifically, this chapter presents the theoretical literature review in which all key terms are defined and described, all theories relating to the study were reviewed. It also reviewed empirical literatures by reviewing all previously conducted studies to find the gap to be filled. And finally the chapter presents the conceptual frame work by drawing out assumptions as per study's comprehension.

2.1 Theoretical Literature Review

This section consists of reviewing theoretical literatures by defining and describing all key concepts, and reviewing all related theories to obtain opinions and ideas from various authors and writers.

2.1.1 Definitions of Key Terms

In this sub-section, the study defines and describes all key terms involved in the study in hand as follows.

i) Budget

The term budget has several connotations based on every discipline and author. This means accountant-and as well as other scientist from different disciplines such as finance, economics, etc-have put forwards different definitions of budget but altogether desiring to provide a real sense and meaning of the term.

In etymological point of view, a budget (from old French *baguette*, purse) is a financial plan and a list of all planned expenses and revenues. It is a plan for saving, borrowing and spending. (Raphael, 1998)

Murray, (2010) defines the term budget as a financial document used to project future income and expenses. The budgeting process may be carried out by individuals or by

companies to estimate whether the person/company can continue to operate with its projected income and expenses.

Brian, (2011) said, in Economics, a budget is an important concept in microeconomics, which uses a budget line to illustrate the trade-offs between two or more goods. In other terms, a budget is an organizational plan stated in monetary terms.

ii) The Concept of Budget Deficit

King, (202) on his turn describes the concept of budget deficit as the amount by which a government, company, or individual's spending exceeds its income over a particular period of time. also called deficit or deficit spending opposite of budget surplus.

Furthermore, Bernal, (2007) in the other hand explicates that a deficit is the amount by which a sum falls short of some reference amount. Likewise, Beranl, (2007) further precises that in economics, a deficit is a shortfall in revenue; in more specific cases it may refer to: government budget deficit , deficit spending, primary deficit, the pure deficit derived after deducting the interest payments, structural and cyclical deficit, parts of the public sector deficit, Income deficit, the difference between family income and the poverty threshold, Trade deficit, when the value of imports exceed the value of exports Balance of payments deficit, when the balance of payments is negative. (Arsen, 2012; Bernal, 2007)

iii) The Concept of Budget Malpractice

According to Arthur, and Sheffrin, (2003) the concept of budget malpractice is nothing else rather than any practice involving the inadequate use of the budget. To better explicate this scenario, Raphael, (1998) elaborated this by saying; budget malpractice connotes any abnormal behaviour manifested during any budget period characterized by; misallocation of budget resources, incurring expenses not stipulated in the budget, and sometimes misappropriating budget resources.

iv) Types of Budgets

In reality, type of budgets varies from one angle to another and based on context in hand. For instance, in marketing field, budget will be categorised as marketing budget in particular and vice versa in other fields. This implies that there is a variety of budgets. And the most common budget types include the following. (Bartle, 2001; Khan, Hildreth, 2002)

➤ Master budget

Master budget is the set of financial and operating budgets for a specific accounting period, usually the next fiscal or calendar year. Master budget is prepared quarterly or annually. The format of the master budget varies with business nature and size. (Bartle, 2001), (Khan, Hildreth, 2002)

➤ Operating budget

This is the budget for income statement elements such as revenues and expenses. operating budgets in fact, are used in daily operations and are the basis for financial budgets. Moreover, operating budgets include; sales, production, direct materials, direct labour, overhead, selling and administrative expenses, cost of goods manufactured, and cost of goods sold. (Bartle, 2001)

➤ Financial budget

Financial budget is the budget for balance sheet elements. In other words, financial budget deals with the expected assets, liabilities, and stockholders' equity. More precisely, financial budgets comprises of a budgeted income statement and balance sheet, cash budget, and capital expenditures budget. Budgeted income statement and budgeted balance sheet are also called pro forma financial statements. (Bartle, 2001; Khan, Hildreth, 2002)

➤ **Cash budget**

Cash budget is the budget for expected cash inflows and outflows during the specific period of time. Cash budget consists of four sections: receipts, disbursements, cash surplus or deficit, and financing section. The receipts section lists the beginning cash balance, cash collections from customers, and other receipts. The disbursements section shows all cash payments (characterized by purpose). The cash surplus (deficit) section provides the difference between cash receipts and cash disbursements. Finally, the financing section examines in detail expected borrowings and repayments during the period. (Bartle, 2001; Khan, Hildreth, 2002)

➤ **Static (fixed) budget**

Static (fixed) budget is the budget at the expected capacity level. Because static budget is fixed, it is usually used by stable companies. Also, this type of budget can be used by departments with operations independent from capacity levels. For example, operations of administrative and general marketing departments usually does not depend on the level of production and sales and is rather determined by the department's management; as the result, static budget can be used by such departments.

➤ **Flexible (expense) budget**

This is the budget at the actual capacity level. Because flexible budget is dynamic, it is commonly used by companies. Flexible budget is adjusted to the actual activity of the company. It can be easily prepared using a computerized spreadsheet (e.g., MS. Excel). At first, the relevant activity range is determined for the coming period. Next, costs that are expected be incurred over the relevant range are analyzed. These costs are then separated based on their cost behavior: fixed, variable, or mixed. Finally, the flexible budget for variable costs at different points throughout the relevant range is prepared. In other words, flexible budget matches expenses to specific revenue levels or activity levels. For example, utility costs can be tied to the number of machines in operation. (Frank et al, 2005)

➤ **Government budget**

The budget of a government is a summary or plan of the intended revenues and expenditures of that government to be undertaken within a particular period of time.

Based on various literatures reviewed, it is too acceptable that type of budgets are many and are categorized based on every one's consideration. This regains to remind that the list about types of budgets is not exhaustive in this enumeration. I.e. there are others which have not been enumerated among which include, production budget, business start-up budget, personal or family budget, capital expenditure budget, programme budget, and so many others based on context being referred to.

v) Who Prepares a Government Budget? A Review of Tanzanian Case

Budget for government is prepared by an accredited body or entity and this exercise varies from one nation to another. But for the case of Tanzania, Katundu, (2010) and MoF (2008), provide that in Tanzania, the preparation of budget in Tanzania is the task and responsibility of the Ministry of Finance. More precisely, the budget frame, often is formulated for a longer three-year time period in a document called the Budget Guidelines (BG) or Medium Term Expenditure Framework (MTEF). This is prepared by a Committee which comprises representatives from the Ministry of Finance, Planning Commission, Prime Minister's Office, Civil Service Department and Regional Administration and Local Government. (BOT, 2010), (Katundu, 2010)

vi) Why Budgeting?

The reason and motive for preparing or producing a budget may to some extent not be identical to all entities, but in most extended scenarios, motives may be similar or even identical. Moreover, according to Lancman, (2010) budget helps to aid the planning of actual operations by forcing managers to consider how the conditions might change and what steps should be taken now and by encouraging managers to consider problems before they arise.

It also helps co-ordinate the activities of the organization by compelling to examine relationships between own operation and those of different departments (King, 2011). Other essentials of budget include: to control resources, to communicate plans to various responsibility center managers, to motivate managers to strive to achieve budget goals, to evaluate the performance of managers, and to provide visibility into the company's performance (Lancman, 2010).

vii) Review of Budget Process: Tanzania at a Glance

The budget process is actually about the annual budget cycle events and activities. In Tanzanian, essentially it involves the determination of resources and their uses for attainment of government objectives (Katundu, 2010). A sound budget serves as a tool for economic and financial management and accountability and also serves as a mechanism for allocation resources among different needs and priorities as well as bringing economic stability and growth. The process in preparation of budget in Tanzanian comprises of steps like; budget formulation, scrutiny of budget proposals and dialogue, budget execution and budget Monitoring and Control.

These steps are well described in the following array.

➤ **Stage One: Budget Formulation:**

According to the MoF, (2008) the budget estimates are formulated in line with detailed macroeconomic forecasts on future growth, inflation and external sector (import) trends. Donor/Government Consultations assist the budget process by confirming donor financial commitment in the budget. These discussions take place between MoF/sectors and Development partners (BOT, 2010). Once the macro-policy and sectoral performance review and resource projections are completed, the government then formulates goals, objectives and budget priorities which should be achieved in the forthcoming financial year. The government has decided to focus on poverty reduction and so the PRS targets as reflected in the PRSP documents and progress reports become the basis of allocating resources. (MoF, 2008)

➤ **Stage Two: Scrutiny of Budget Proposals and Dialogue**

Under this step; there other several steps performed in consultation with various government accredited agencies enumerated as follows. (MoF, 2008)

The Inter Ministerial Technical Committee (IMTC)

This is a committee of all Permanent Secretaries which has a role to scrutinize budget proposals before they are finally approved by the cabinet. To facilitate the discussions, the MoF prepares a draft cabinet budget paper that covers the budget frame, the financial demands after dialogue with MDAs, the government priorities and financial implications. After a thorough review, IMTC. May require the MoF to make further technical improvements on the paper or put up recommendations for consideration by the Cabinet (MoF, 2008).

Cabinet approval of Estimates.

The Cabinet budget paper is then discussed by the cabinet after preliminary review by IMTC. The role of the cabinet is to deliberate on the budget cabinet paper and then approve government budget proposals for fiscal year in question before they are submitted to the legislature.

Parliamentary Sector Committees

The process of obtaining Parliamentary authorisation starts with discussions by Sector Committees; Preliminary briefs are provided by the Minister of Finance and the Minister for Planning and Privatization. MDA's detailed budgets are then submitted to Parliamentary committees for scrutiny one by one (MoF, 2008).

Public Debate and Authorisation

After the Estimates have been reviewed by the sector committees of the Parliament, they have to be tabled to parliament for debate and authorisation.

The major events during Parliamentary debate and authorization of the government include: First; presentation of a Public Speech on macroeconomic performance and

projections by the Minister for Planning and Privatization. Second; presentation of the government budget proposals to Parliament by the Minister for Finance through a budget speech. Third; parliamentary debates/discussions on sector estimates submitted by each minister responsible. Fourth; parliamentary approval of estimates by passing the Appropriation Bill. And fifth; parliamentary approval and passing the Finance Bill that empowers the Minister for Finance to raise the money and finance the budget (MoF, 2008).

➤ **Stage Three: Budget Execution**

Budget execution is an important stage of the budget process as it is at this stage that actual revenue collections and service delivery takes place. Execution of the budget therefore is about the collection and accounting for revenue, provision of services through the recurrent budget and implementation of development projects. The key documents used during implementation of the budget are Revenue and Expenditure estimates books, action and cash flow plans and budget memorandum. Main activities are:- Release of funds by the MoF, Collection and accounting for revenue collections by TRA and other MDAs. The Ministry of Finance publishes quarterly Budget Execution Reports to maintain transparency on actual use of public funds in line with the budget estimates approved by Parliament.

➤ **Stage Four: Budget Monitoring and Control**

Budget monitoring, control and evaluation are necessary for closer supervision of work programmes and projects. This involves a continuous monitoring of the plans and budget in order to identify achievements and bottlenecks. Basically, monitoring, control and evaluation focuses on:- Accountability to ascertain appropriateness of expenditure and revenue and their conformity to the authorities through financial reports. Management assistance for providing management with information on performance (MoF, 2008).

2.1.2 Review of Theories Relating to Budget/Finance

This section reviews all theories relating to budget all finance. This is just to get an insight into all opinions and ideas expressed by other authors and writers about the topic in hand.

i) Budget-as-a-Financial Model Theory

Bartle, (2001) pointed out that the first school of thought believes that financial models, if properly constructed, can be used to predict the future. Jason, (2012) and (Bartle, 2001) indicate that the focus is on variables, inputs and outputs, drivers and the like. Investments of time and money are devoted to perfecting these models, which are typically held in some type of financial spreadsheet application. According to this theory, a budget is a fundamental tool for an event director to predict with reasonable accuracy whether the event will result in a profit, a loss or will break-even (Bartle, 2001). This theory provides also that a budget can also be used as a pricing tool. According to this theory likewise, there are two basic approaches or philosophies when it comes to budgeting. One approach is telling you on mathematical models, and the other on people (Raphael, 1998; Robinson, 2007).

ii) Classic Budget Theory

Budget theory is the academic study of political and social motivations behind government and civil society budgeting. Budget theory was a central topic during the Progressive Era and was much discussed in municipal bureaus and other academic and quasi-academic facilities of that time such as the nascent Brookings Institution. The theory in particular provides that the act of budgeting is by no means a staid, dispiriting task. Desai, Khan and Paloma, (2010), Dreth, et al, (2011) explicate that scholars of this theory and other practitioners show that budgeting is an institutional process, an incremental decision-making tool, and when correctly applied becomes a tribute to managerial and administrative efficiency. Taken together, scholars of this theory have put forwards that there is an unusually coherent conceptual foundation for budgeting as a legitimate field of study, which demonstrate yet again that in its current state the field

is truly eclectic but compartmentalized for scrutinizing any entity's financial, expenditure, and income future life. (Dreht; Priya, Rohngit, & Qharstiung, 2008).

ii) The Content of Normative Budget Theory

Theory in budgeting, like much of public administration, has been of two kinds, descriptive and normative (Rubin, 1990). However, descriptive theory is based on close observation or participation in public sector activities. Theorists of this thought describe trends, sequences of events, and infer causes, paying attention to local variations as well as uniformities across cases. Whereas, normative theory-advice-may be based on a much narrower range of observations than descriptive theory and its proposed solutions may be based on values rather than observations. If the explanatory power of the descriptive theory is too weak, or if the advice of normative theory is not adopted by public officials or is adopted and abandoned because it does not work, the gap between theory and practice may become unacceptably wide. An examination of the gap between budget theory and practice requires separate examination of the success over time of normative and descriptive budget theory.

2.2 Empirical Literature Review

It should imperatively be noted and remembered that all what was currently experienced in terms of changes, events, and even other phenomena are doubtlessly born of many inquiries which have been conducted for years and years back. This regains to say; today, the universe is full of products which are the results of findings. So, the reason why particular focus would be put to find what needs to be found now and vice versa. Therefore, if this is the reality, this study needs to review previously undertaken studies so that the gap is known and meanwhile determine where to go and where to turn around. It seems many studies about the topic have been conducted if not in Tanzanian, that means in other part of the world whose findings will necessarily address the emergency of this study in the following array.

2.2.1 Review of Studies about USA

A study by Gate, (2007) on the effectiveness of budget was conducted in the USA. The study in talk mainly reviewed the execution of US executive budget and strived to find the extent to which all allocated resources and expenditures were achieved (Gate, 2007). In fact, one of the main findings of this study stipulate that the executive budget in USA was a financial innovation designed to empower city mayors and city managers with the capacity to implement needed policy reforms in the Progressive Era. However, the study revealed that executive budget has since then been capable of achieving what was desired. As the result, since that time, the executive budget has become a tool by which the president of the United States has been able to substantively shape policy and draw power to the president from Congress, which was originally charged with holding the purse (and still is constitutionally, as there is no federal-legislative authority to change the constitution outside the amendment process or for congress to legislate away their authority) (Gate, 2007). Findings of this study provide huge testimony as to what extent budget was established and used as well as effectively.

Another study was conducted by Abrospan, (2009) which was mainly aiming at finding out the environment potential for the effective implementation of budget allocated resources in the USA. This study reviewed budgets of almost ten years from 2000 to 2010 in striving to find the extent to which they were used. More precisely, the study was a desk research which used documentary review as tool for deeply findings reliable data and information. In fact, one of the main findings show that the will from people to incur expenses and meanwhile using the allocated revenues were the main causal for why budgets were well practiced in a period of ten years. Moreover, the same study précised that with the will and readiness of people to practice budget as well as needed, remain the core aspect and factor for why budgets were successfully utilized in a decade. The study therefore, concluded that the environment for effective budget use was based on the will from people to do so. This can be related to the case under study where it can be addressed that if public servants in govern authorities are will to use budget as well as

required, doubtlessly, all allocated resources and expenditure will necessarily be realised in a successful manner (Prakhash, 2009).

2.2.2 Review of Study from India

In India, Bardhuai, (2010) assessed the budget performances of five years from 2001 to 2006 in one Public Building Agency. In this assessment, Bardhuai, (2010) was aiming at knowing whether all budgets for the year 2001 up to 2006 were performed effectively or otherwise. In fact, this assessment was all about spotting the whole behaviour manifested by budget users as being neither favourable nor the other way. Findings precisely, indicate that budget for the fiscal year of 2001 and 2002 and for the fiscal years of 2005 and 2006 were not successfully performed. One of the reasons for such failure included the misallocation of fund in which some of the activities were performed whose expenditures and resources allocation were unspecified in the budgets. On the same line, Bardhuai, (2010) précised that the budgets for the fiscal years of 2002/2003, 2003/2004, and 2004/2005 were successfully used because all the allocations in terms of resources and revenues were as well as quantified achieved. Thus, based on these findings, the study concluded that budget performance of the mentioned five fiscal years in the building agency was at 60% successful. This percentage was calculated based on five years as the maximum average basis.

2.2.2 Review of Study from Tanzania

One of the most interesting studies conducted in Tanzania and relating to the topic is that of (Kageshoka, 2009). The main concern of the study was to find out: procurement process performance vis-à-vis budget stipulation in Tanzanian public agencies. This study in fact used Tanzanian Revenue Authority head office, as the case study. Main tools used in gathering information for the study included questionnaire and documentary review. One of the findings indicates that almost 54% of all what were procured in the budget consecutive years from 2007 and 2009 were not allocated in the budget of the said years. This doubtlessly is the evidence that budget practice for the consecutive years from 2007 and 2009 at TRA was not successful. The study then

concluded that procurement process was undertaken with no correlation to what was stipulated in the budget. Moreover, the study concluded also that the effect of such a phenomenon is the diversion of funds characterized by incurring expenses and procuring items which are not provided in the budget (Kageshoka, 2009).

2.2.3 Research Gap

Based on all empirical studies, the reality is that, it seems apparently that there is insufficient literature providing evidence on studies about budget in Tanzania. Meanwhile, all reviewed studies from both abroad and Tanzanian seemed to have concentrated on addressing issues which are different from the focus of the actual study. Because, all reviewed studies have touched areas relating to budget like how can budget be termed effective, when can procurement process be termed to have been implemented in regards to budget, and so on, but could not address factors responsible for budget mal-practice and mainly in taking Tanzania as the case. Ideally, Tanzania has been reported to be one of the most victimized nations in which budget malpractices ravage majority of its local authorities. With such an explication therefore, a deep investigative activity needs to be performed so as to find solution for the said problem. So, the emergency of the study in hand comes into effect since further findings are in need to identify factors responsible for budget mal-practice in Tanzania as the way to rectify the problem being addressed. Meanwhile no matter how researchable the concern is, but such an activity will be rendered possible by simply dragging some of the most victimized local agencies, amongst which include Morogoro Municipal Council as the real case representativeness.

2.3 Conceptual Frame Work

From all angles of literatures reviewed about budgeting, there was a single and common image connoting the comprehension about the main topic which was all about the setting of the expenditure with respect to the organization's core function which is responsible for the overall functionality of the firm. This wants to indicate that all assumptions made

in this order are based on the entire comprehension about factors responsible for budget malpractice.

2.3.1 Consequence of fund misallocation on budget practice

Budgeting is the setting and allocation of the capital which is then used in the proper way to achieve the set or designated targets of the firm (Kageshoka, 2009), (Esther, 2011). The study therefore assumes that if and only if all resources allocated are achieved accordingly, budget would necessarily be termed well practiced. In contrast, majority of budget in Tanzanian are not used as established as responsibly. For, Esther, (2011) describes that budgeting needs to be very much focused and clearly prepared that cover all of the financial constraints in that sense that any of the investment that would be planned in the future will cover the financial targets of the firm, its viability should be in due course of the firm's overall strategic financial plan, the routine and daily occurring expenses will have their proportionate allocation that if any investment will be in its way that will not hurt any of the scheduled existing expenses of the firm. The study further assumes that budgeting needs to be done in a proper and meaningful way that it covers all the financial targets of the company, these targets needs to be achieved so as to be called the successful budgeting.

2.3.2 Whether a Tendency of Lust for misappropriating Budget allocated Resources among Public Servants can cause Budget Malpractice at MMC or Otherwise

On the other hand, Dumbi, (2009) provides that some just don't want to see what the budget reveals to them. You may know your budget is tight, or even worse, you may think there isn't enough money to cover bills each month (Cuomo, 2007). That fear paralyzes you, and you decide that taking no action is better than facing reality. In other words, some of budget users end up misappropriating budget resources, the situation of which in turn, causes budget mal-practice.

Based on this argument, the study assumes that lust for income misappropriating is an abnormal behavior whose effect must necessarily result into budget mal-practice

characterised by incurring expenses, and procuring items which are not stipulated in the budget.

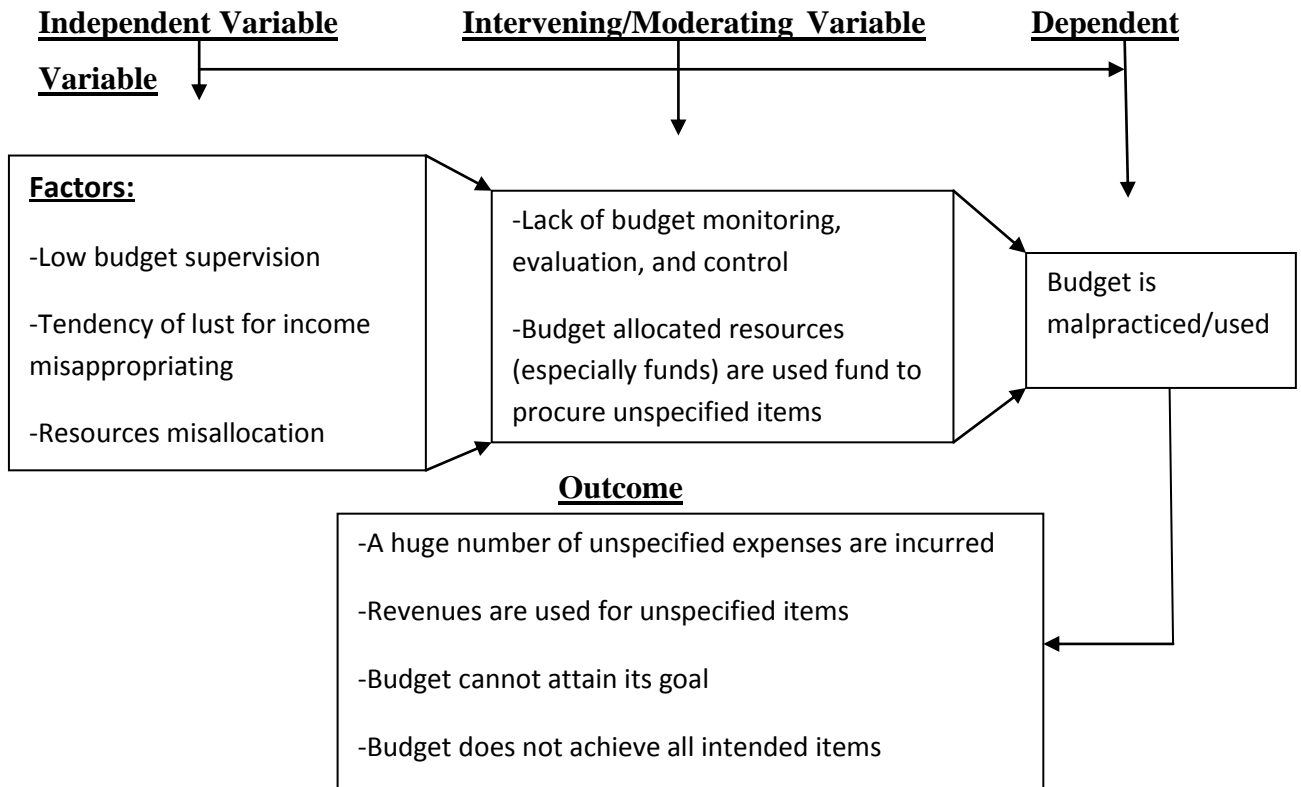
2.3.3 Can Budget Supervision lead to Budget Malpractice?

Majority of reviewed literatures have provided tremendous evidences as to why this study assumes that supervision is a crucial action when managing or using budget. The reason for such an assumption is based on the fact that according to (Desai, Khan, and Paloma, 2010) supervision, once effectively performed, can extremely prevent, and even detect any abnormal budget-related behaviour. In this respect, the study also assumes that supervision is the only tool which can be used to effectively allow an effective budget mal-practice in the sense that through supervision, measures like; control, monitoring, evaluations, etc can be undertaken and enable a nice budget practice. The reason why this study put forward this line saying; budget supervision needs to be effectively performed so as in turn effectively place an acceptable budget practice.

2.3.4 Ways to be Adopted by LGAs in Effectively Using Budgets

Any abnormal behaviour must have its remedy which might be used as a key catalyst for its solution. Thus, literatures have provided numerous evidences that budget malpractice in local government authorities has reached its extreme level. So, the study assumes that in order to get rid of budget mal-practice problem certain measures ought to be taken. One of the ways this study put forwards in advance in terms of assumption include among others; placing a frequent follow-up that would closely monitor and evaluate budget performance. This means the study assumes that supervision activity which may include, monitoring, evaluation, and above all follow-up to direct the whole budget practice and consequently mitigate the so-called abnormal behaviors which is budget mal-practice in particular.

Figure 2.1: Research Model



Source: Research Own Construct, 2012

Figure 2.1 above connotes that budget malpractice is a result of several factors that have taken place. In this order, descriptions provided in the figure want to explicate that factors like; low supervision, tendency of lust for misappropriating budget allocated income, and resources misallocation are assumed to be factors responsible for budget malpractice. In the other hand, such factors' extended effect leads to situations like; lack of budget monitoring, and control, use of budget resources especially fund to procure items which are not provided in the budget and in turn cause budget malpractice to take place. This network does not end up from this stage, rather it goes further into various results where a huge number of unspecified items are procured, huge number of expenses is incurred, budget cannot attain its goals, and above all; budget must lose its direction for all.

➤ **Variables Description**

Variables of this study were of two major types, both supported and illustrated by moderating one. Variables of the include; factors responsible for budget malpractice whose further effect caused actions like; lack of supervision, abnormal budget-related behaviours characterized by resources allocation, misuse of funds and son. From the effect of these moderating variables which were the further effect of the independent ones, consequently lead to extended scenario and that is the budget malpractice which took place as the result.

Independent Variable

Independent variables of this study include all assumed factors such as; Low budget supervision, tendency of lust for income misappropriating, resources misallocation, etc. Their independency comes into being due to their influence they place in making a certain aspect in terms of budget malpractice to take place. In this regard, the mentioned factors' effect go further and lead to the occurring of further results such as; lack of budget monitoring, evaluation, and control, budget allocated resources (especially funds) are used fund to procure unspecified items, and in turn, budget malpractice takes place.

Dependent variable

Dependent variable of this study is nothing else rather than budget malpractice. The dependability of this variable is noticed as it is extensively the consequence of a certain action to have taken place. This means; when the mentioned factors occur and further cause moderating variables to occur, consequently, the effect from this is the budget malpractice. In the same scenario, budget malpractice takes place when there was the occurrence of low budget supervision, lust for misappropriating resources, etc.

The meaning here is that, LGAs need to place particular measures which can be used as ways to be adopted if they are to mitigate the bad phenomenon of budget malpractice that ravages most of their budgets.

➤ **Relationship between Variables**

Based on the entire assumption drawn in this study; it imperative to recognize that there is a strong relationship between variables of the study in hand. Their strong relationship exists as there is an influence from one variable which is independent one causing a certain result into another one which is budget malpractice. In simple words; their relationship is in terms of the influence played by independent variable (factors responsible for budget malpractice) and in turn stand as causal action for why dependent variable (budget malpractice) comes into life. Moreover, this relationship is so strong as the result of a intense support and illustration provided by the intervening variable which facilitate and extend the possibility of the effect into the other.

2.4 Hypotheses

The statement of hypotheses for his study is performed based on the whole comprehension about the phenomenon being described. This means, ideally, based on the way this study assumes the way some of the said factors are responsible for budget malpractice in Tanzania.

H1. Fund misallocation may lead to budget malpractice

H2. A tendency of lust for misappropriating budget allocated resources among public servants must cause budget malpractice at MMC

H3. Low budget supervision leads to budget malpractice

H4. Adopting appropriate measure can lead LGAs to effectively use budgets

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology to be used in the entire process. In this respect, the chapter presents the research design, target area, population, sample size and sampling procedure, data collection techniques, data analysis procedure, and variables and their relationship.

3.1 Research Design

This study utilized descriptive case study design. The choice about this kind of research design was made simply based on several reasons amongst which one included; the study on factors for budget malpractice was carried out using a case study area which is MMC. A case as argued by Kothari (2004) is an in-depth study rather than breadth that is; it places more emphasis on full analysis of a limited number of events or conditions. The case study involved careful and complete observation of a social unit, the MMC (Katherine, 2003). The researcher used case study as an in-depth study to collect data in the entire municipal council. Budget malpractice starts from the point when a need from user is misplaced and consequently gets intense desire to mal-use the budget allocated resources. In addition, the study will include all information that will narrate reasons for such unacceptable phenomenon during the budget period at the MMC.

3.2 Target Area of the Study

The study was conducted in Morogoro town where the identified case is located.

Morogoro Municipality is about 195 kilometers to the west of Dar es Salaam and is situated on the lower slopes of Uluguru Mountains whose peak is about 1,600 feet above sea level. It lies at the crossings of longitudes 37.0 East of the Greenwich Meridian and latitude 4.49 South of Equator.

Morogoro Municipality has a total land area of 531 sq.kms. According to Population and Housing census of 2010, the population of the Municipality was 304,943 population. (National Bureau of Statistics, 2008)

3.3 Population, Sample Size and Sampling Procedure

According to Saunders, (2007) both empirical studies are conducted to answer or elucidate certain existing research question commonly viewed as problem faced by any community. Based on that fact, that is why issues like; population, sample size and their corresponding techniques for gathering data need to be chalked out. In such, they are described in the following array.

3.3.1 Target Population

According to Saunders et al (2007) population of any study include all full set of cases from which a sample is taken. To illustrate the above information in most precise manner; all workers at the Morogoro Municipal Council constituted a significant population/universe for this study. In the same regard, it should be remembered that, identifying population was a significant step as it stands as foundation for sample sizing all those cases you want them to appear in any study.

3.3.2 Sample Size

The sample size of this study was taken from all workers at MMC as mentioned earlier. More precisely, the study needed eighty respondents from all departments. This means every department was demanded to provide ten respondents who are expected to provide reliable information which had enabled the study to tackle the problem in concern more accurately. More precisely, the subdivision was made in such way that a full representativeness was achieved and consequently found what was expected by the study.

3.3.3 Sampling Procedure

The kind of information required to accomplish the study in hand seems to be too critical as this would require workers to reveal their behavior regarding the practice of the budget. This consideration called for the reason for why this study had used purposive sampling technique. The choice about this sampling procedure was done based on several reasons among which included; the study had demanded to study only

respondents who were found convenient for some reasons or other. Since, it seemed in advance, some of the respondents would go reluctant in providing open information. Another reason was that because, MMC had many employees to the extent it would be too tough to study the whole number of them. So, using haphazard sampling procedure would favourably allow the researcher to select sample haphazardly continuously until the required sample size was reached and such a process was performed based on the consideration provided in the following manner.

Table 3.1: Summary about Distribution of Respondents

S/No	Department	DataCollection Technique		Total
		Inter view	Questionnaire	
01	Administration and Human resource department	2	8	10
02	Finance and Trade	2	8	10
03	Health and Social Welfare	2	9	10
04	Primary Education and Vocational Training	2	9	10
05	Secondary Education	2	8	10
06	Town Planning, Works & Environment	2	8	10
07	Community Development and Social Welfare	2	9	10
08	Agriculture, Livestock and Cooperatives	2	9	10
Total		16	64	80

Source: Researcher's Own Construct, 2012

3.4 Data Collection Techniques

Since some of the needed information required expressions in both oral and written manner, the study had used both questions in the form of questionnaire and interview while supported by documentary review in collecting data from the field/MMC as being necessitating both primary as well as secondary data.

3.4.1 Questionnaire

Hair, Anderson, & Tatham, (1998) explained that questionnaire is a kind of data collection technique which can be used in a private individual study, research workers, and so on to allow the collection of data takes place in a precise manner. In simple words, this study had necessitated respondents to provide responses in their own time they felt very conducive either at their home, office, or even at their rest places. In this regards, questionnaire was distributed to all respondents who were selected on the basis of the procedure mentioned before. The process had involved the distribution and afterwards, they were submitted back by respondents for further steps of accomplishing the study. More precisely, questionnaire was used to collect data which would necessarily suggest ways to be adopted by MMC in addressing the appropriate use of budget, and had also collected data that assessed the consequence of resources misallocation on budget practice.

3.4.2 Interview

Based on early observation that the study would demand a direct interaction with respondents, necessarily, there was a need to intentionally use unstructured interview in which researcher had undergone a face-to-face questioning where respondents were given almost full liberty to express response from the question asked by researcher. In this process, research gave lead questions and meanwhile recording the response. The intention of this process would be to allow the study to gather data that would assess whether there was any tendency of misappropriating budget allocated resources that lead to budget malpractice. Similarly, interview was used to gather data that would reveal the reality about role of supervision on the use of budget.

3.4.3 Documentary Review

Documentary review was the kind of data collection technique used to collect both primary as well as secondary data. In this study particularly, documentary review was utilized simply to collect secondary data which was done by reviewing different sources of information such as; archives, news papers, books, materials, speeches, reports, etc.

For, documentary review technique involves reviewing all of these kinds of information sources. In other side of comprehension, documentary review may also includes (documentary) non-written materials, such as video and video recording, and so on, drawings, TV programmes, etc. Documentary can also be used to generate statistical measures and empirical literature such as the consequence of resources misallocation on budget practice. (Cooper & Chinder, 2001). Moreover, documentary review is used mainly in collecting data which have provided ways to illustrate, describe and likewise explicate various aspects, concepts in the preceding chapters of the proposal.

3.5 Types of Data

This study necessitated both secondary as well as primary data. The reason for such a consideration was based on the logic that secondary data would provide support for better comparison of facts from primary data so that a consensus in hand to clearly understand the reality about the matter under concern.

3.5.1 Secondary Data

To better understand the intervention of this kind of data, Denzin, and Lincoln, (2007) pointed out that secondary data are useful not only to find information to solve research problem, but also to better understand and explain research problem. Thus, secondary data had included all those data which were collected from different sources such as; libraries, journals, news papers, magazines, articles, etc. moreover, such data have been used in illustrating all information provided in preceding chapters using documentary review kind of data collection technique.

3.5.2 Primary Data

Marshna-Piekkari, and Welch, (2004) specify that primary data are useful in any study as they are collected to enable the accomplishment of particular study while using relevant and reliable information provided from direct intervention of respondents. Primary data in this regard, will involve all those data to be collected for the first time by the researcher of which have not been collected by anyone anywhere. In more

precised manner, these kinds of data will be largely collected using questionnaire and interview

3.6 Data Presentation and Analysis Plan

During the analysis of data, the process was undertaken using graph, tables, and charts meanwhile certain procedures were followed to ensure all data are collected and analysed accordingly.

3.6.1 Procedure to be Undertaken in Analyzing Data

In the assortment of analyzing data, in the first instance, distribution and meeting respondents for interview and questionnaire process and consulting various documents indifferent literature sources, were performed as the first step in trying to obtain necessary data and information from respondents.

Afterwards, collection of responses from the interview and questionnaire and other particular information were undertaken and were followed by presentation and analysis of the data/information gathered from the field of which would have to yield the result known as findings for this study.

3.6.3 Data analysis Techniques

Throughout the line of analyzing data and all other information to be obtained from the field, certain predetermined methods like; graphs from Excel, tables from SPSS, percentage from Word Processing, etc., were utilized to ensure they are presented accordingly as they were gathered from the field.

Therefore; this means, tables and graphs (pie charts) had constituted proper methods through which all data gathered from the field were presented and summarized which would probably be supplemented by percentages to be performed by accredited machines and programmes, as mentioned above.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.0 Introduction

This chapter deals with the presentation of findings derived from the study on the factors for budget malpractice amongst Local Government Authorities (LGAs) in Tanzania; the case of Morogoro Municipal Council. Findings gathered from the field were presented in such a way that a clear picture in terms of what was expected to provide awareness about the said factors responsible for the actually ravaging budget malpractice in Tanzania Local Government Authorities, is in place as well.

Summary about Collection of Data from the Field

Initially, the study had proposed to gather data from the sample size of eighty respondents from eight different departments at Morogoro Municipal Council (MMC). Every department was intended to provide maximum 10 participants in the study; notably; 2 for interview and 8 for questionnaire. That means all departments had to participate in either of the method of data collection used thereon. Therefore, based on this scenario, it should be imperative to note in advance that the study had considered the 64 total number of respondents who participated in questionnaire process as hundred percent basis in calculating, presenting and making illustration of facts in terms of responses gathered from respondents using questionnaire. Similarly, 16 total numbers of all respondents who were interviewed, constituted 100% base, when making illustration and presentation of findings gathered on the basis of interview as well.

4.1 Respondents' Characteristics

In the initial stage of presenting findings, the study intended to find information relating to different respondent characteristics. The aim of this focus was done just to find the extent to which the studied respondents were well informed about the topic dealt with or otherwise.

Because, respondents' characteristics-related information had encompassed aspect like; educational level, gender, age, experience, and many other related elements. This was

obvious since, altogether were intentionally searched in order to find how-well every respondent, separately, had reliable information for why this study could rely on to later on draw conclusion and recommendations. Specifically, respondents' characteristics were identified as follows.

4.1.1 Age variation amongst MMC employees

In this stage, the study was interested to find the age variation amongst employees working with MMC. This was so significant in the sense that, much was needed to be determined as to whether MMC as a govern-owned company was sensitive in employing people with different age categories or otherwise. Thus, in order to find the reality about this matter, respondents were asked, each, to mention his/her age individually. And results showed that, out of all 64 respondents who responded to the questionnaire, 29.68% mentioned that they were between 36 and 45 years old, and 25% others said, they were between 46 and 55 years. Likewise, another 28.12% mentioned that they were between 26 and 35 years, while, 12.5% mentioned to be between 18 and 25 years, and finally, the remaining 4.68% said, they were between 56 and above years.

Table 4.1: Age Variation among MMC employees

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 18 and 25 years	8	12.5	12.5	12.5
	Between 26 and 35 years	18	28.12	28.12	40.62
	Between 36 and above 45 years	19	29.68	29.68	70.3
	Between 46 and 55 years	16	25	25	95.3
	Between 55 and above years	3	4.68	5	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

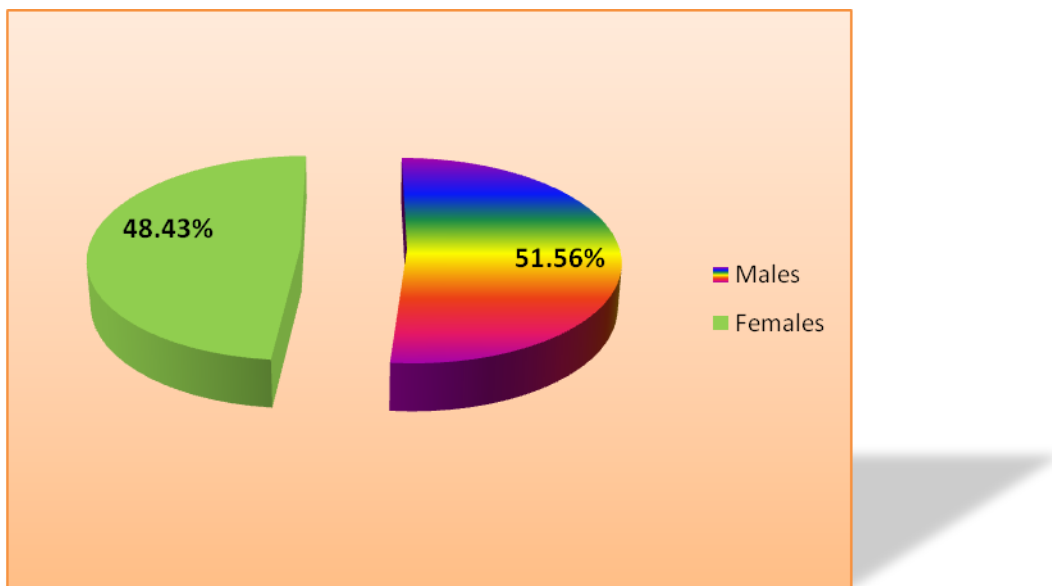
Findings presented in table 4.1 above showed that majority (29.68) of respondents who responded to the questionnaire were between 36 and 45 years of age. But, meanwhile, the same findings in table 4.1 indicated that, almost all generations are involved in the

running of MMC day-to-day activities. This was found true based on the fact that, every age categorizations provided in the questionnaire was ticked by a certain particular number of respondents.

4.1.2 Sex variation among the respondents

In this respect, the study wanted to simply find whether MMC is a free-from-bias (or equal-employment-opportunity) employer or otherwise. This means, all what could had been identified through findings, would necessarily have been step to explain the position MMC as being an equal-employment-opportunity employer or otherwise. Therefore, respondent were asked, each, separately to mention sex from a set of questions. And out of 64 respondents who responded to the questionnaire, 51.56% were males, and other 48.43% were females.

Figure 4.1: Sex variation amongst respondents from MMC



Source: Research data, 2013

Based on the findings presented in figure 4.1 above, the study established that, truly, MMC is a free-from-gender biasness employer. This was so notified, based on the

reason that, there was a very slight difference in terms of percentage found between males and females working with MMC.

4.1.3 Respondents' levels of education

Another aspect studied by the study in finding respondents' characteristics was the variation in terms of levels of education. This element was very much significant in the sense that; education was perceived as one of the extensive key indicator about someone ability to perceive, judge, and even describe any matter being dealt with. In this regards, the study wanted to find whether majority of employees working with MMC had reliable information about the matter under concern, and all information they had provided was either reliable or otherwise – on which the study could totally completely rely on. Respondents were studied by being required, each, to state his/her highest level of education, whose results are presented in table 4.2.

Results about levels of education provided by respondents showed that, 50% of 64 respondents were at least postgraduate diploma holders; while 21.87% other mentioned that they had Advanced Diploma/Bachelor Degree, and 15.62% mentioned, secondary education, while the remaining 12.5% had primary level of education.

Table 4.2: Respondents' levels of education

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post graduate Diploma and above	32	50	50	50
	Advance Diploma/Bachelor	14	21.87	21.87	71.87
	Secondary Education	10	15.62	15.62	87.49
	Primary Education	8	12.5	12.5	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

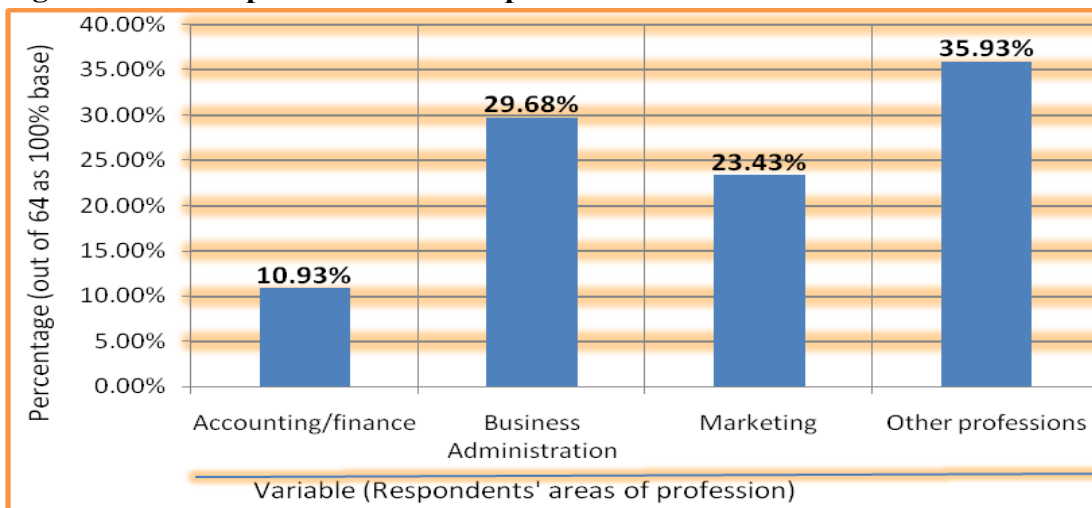
Findings presented in table 4.2 above show that; majority of employees working with MMC had post graduate and above level of education. This was so mentioned, simply

because, majority (50%) of respondents who responded to the questionnaire had been ready to reveal out that information relating to their level of education, and upon which the study relied as the reality about the matter being dealt with. So, the study established that, respondents were very much well informed about the matter dealt with and had reliable information about the practice of budget at MMC.

4.1.3 Respondents areas of profession

Furthermore, the study searched for the information relating to respondents' areas of professions. This was so searched, simply to find different professions possessed by employees working with MMC. This kind of information was useful for this study, because, areas of expertise would necessarily be used as the basis to know the level of someone in knowing the practice of budget in their company. Thus, 10.93% mentioned that they possessed accounting/finance profession, while (19) 29.68% others said, they had business administration profession, wherein, (15) 23.43% are from marketing profession, and (23) 35.93% mentioned that they were of other areas of professions. Results are presented in figure 4.2.

Figure 4.2: Respondents' areas of professionalism



Source: Research data, 2013

Based on the findings presented in figure 4.2 above, the study found that, various areas of expertise are involved in the running of MMC's day-to-day activities. This was so

mentioned because, many areas were mentioned by a good number of respondents who responded to the questionnaire.

4.1.4 Employees' experience in working with MMC

Another elements used in findings respondents' characteristics was the experience/duration spent by every employees at MMC. This aspect was extensively important as it would help to determine the extent to which employees are very much familiar with the practice of budget in their company. In other words, it means, experience is undoubtedly the key aspect, upon which an individual employee might be well-informed about any matter in the said organization. However, respondents were required each, to mention the time spent while working with MMC. And results from this concern showed that majority with 34.37% of them mentioned that they have been working with MMC for more than 10 years; while another 29.68% mentioned that they have been in MMC for 5 years. Similarly, another 29.68% others said, 10 years, and 4.68% said, between two and five years, whereas, the remaining others 1.56% said, one year. These results were presented in table 4.3.

Table 4.3: Respondents' work experience with MMC

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 10 years	22	34.37	34.37	34.37
	5 years	19	29.68	29.68	63.05
	10 years	19	29.68	29.68	93.73
	Between 2 and 5 years	3	4.68	4.68	98.41
	1 year	1	1.56	1.56	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Findings presented in table 4.3 above led the study to find that, (34.37%) of respondents who responded to the questionnaire had extended experience with MMC. In reverse, that means, they had extended experience concerning the whole process of

budget practice at MMC. For, findings showed that majority of employees had worked with MMC for more than ten years, while others for 5 and ten years. These durations were enough for anyone to possess intense information about budget practice at MMC.

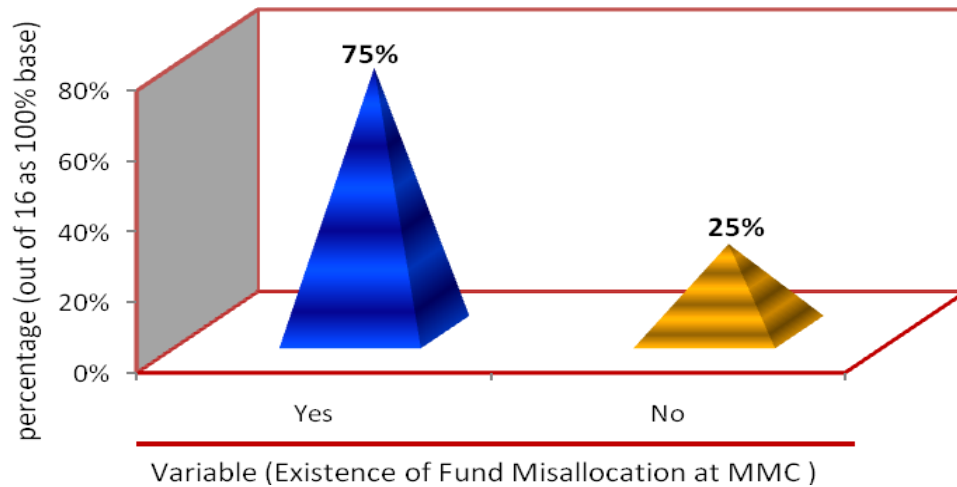
4.2 The Consequence of Fund Misallocation on Budget Practice

In this stage, the study was interested to specifically determining the consequences of fund misallocation on budget practice at MMC. The target here was that; the study wanted to obtain precise evidence as to whether misallocation of fund can be one of the factors for budget malpractice or otherwise. Therefore, several aspects were used by the study in findings the logic about this point of view, of which were presented in the following sequence.

4.2.1 The Existence of Fund Misallocation at MMC

The focus in here was that; the study wanted to first of all find whether the problem of fund misallocation existed at MMC or otherwise. This was so searched based on the fact that, it would be fruitless to investigate on an aspect which does not exist. In such, respondents were intentionally asked to reveal out through oral expression and from everyone's experience at MMC, whether he/she had ever seen, or been informed that certain funds were used out of budget allocation. Therefore, 75% of all respondents involved in the interview said, yes, whereas 25% said, no, they have never been informed or heard that certain funds were misused in their work place.

Figure 4.3: Whether there is a misconduct relating to fund misallocation at MMC



Source: Research data, 2013

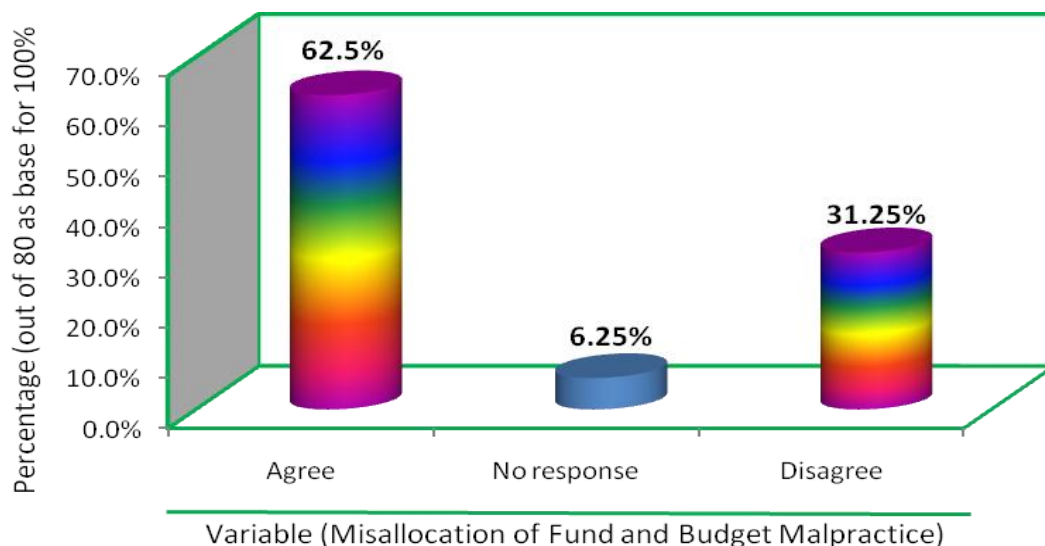
Findings presented in figure 4.3 denote that, the problem of fund misallocation exists at MMC. This was so mentioned based on the majority of respondent interviewed, who indicated that they have already heard about the occurrence of the said misconduct in their work place, which was MMC. Based on the same findings in figure 4.3, this study therefore established that misallocation of fund has been existed and undertaken by some of the public servants working with MMC.

4.2.2 Can Misallocation of Funds cause Budget Malpractice?

Through this aspect study wanted to find the exactness about consequence from fund misallocation on the budget practice. To better explicate this scenario, it is important to retain that in case findings would confirm that fund misallocation can cause budget to be malpracticed, notably, it would be arguable to recognise that fund misallocation can really cause budget malpractice. This was addressed, simply, because the study believed that under extended circumstances, misallocation of funds cannot allow budget to be appropriately practice, but in reverse will tend to cause the other side of effect.

In order to specifically ascertain the viability of this phenomenon, respondents were asked to either agree or disagree on whether misallocating fund can or not cause budget malpractice to occur. Thus, out of 64 respondents involved in the questionnaire, 40 of them which make 62.5% have agreed, while others 20 of them which make 31.25% have disagreed and said, misallocation of fund cannot cause the aspect of budget malpractice to take place, and 4 others which make 6.25% did not respond to this question for unknown reason.

Figure 4.4: Whether misallocation can cause budget malpractice or otherwise



Source: Research data, 2013

Findings presented in figure 4.4 showed that majority (62.5%) of respondents who responded to the questionnaire said; fund misallocation can undoubtedly cause budget malpractice to occur in any organisation. Thus, based on the same findings presented in figure 4.3, the study established that misallocation of fund is one of factors/causes for budget malpractice in several organisations, including MMC specifically.

During the interview process, a similar query was addressed to respondents, which was requiring them to either accept or deny given the fact that when fund is misallocated, (used out of budget) can this phenomenon lead to budget malpractice? And how? In fact, respondent were of several different views amongst which the most commons taken from them included the followings.

..... It is extensively true, concrete, and even common that that when fund is misallocated, there is a huge likelihood of budget malpractice which might take place at any time within a budget period. And this phenomenon can undoubtedly highly cause such malpractice to occur since, the purchased item is not allocated in the budget – and consequently there will be a confusion if determining the extent to which how well budget was used or otherwise. Because, budget mal-practice is a phenomenon characterized mostly by misallocation of fund. However, it is under this scenario, the way misallocation of fund can result into budget malpractice in any firm

Truly, information gathered from interview and presented above, had extended the connotation about the consequence which might be derived from fund misallocation on budget malpractice. Moreover, finding indicated that most of common views from majority of respondents interviewed showed a high consideration on negative side of consequence from misallocation of fund towards budget malpractice. Thus, based on the same findings, this study found that, it is quite obvious that there is a negative consequence from misallocation of fund on the practice of budget. In simple words; the findings wanted to show that misallocating fund is greatly one of the bases for most budget malpractice taking place in different government authorities in Tanzania.

4.2.3 Whether there is any Consequence from purchasing Non-Budgeted Item on Budget Practice?

Purchasing an item, which is not allocated in the budget, is quite the misallocation of fund. So, the study here, wanted to find whether there might be any direct consequence which could be derived from purchasing an item not allocated in the budget and the way up budget malpractice can take place as the relative consequence.

Therefore, based on every one's understanding, respondents were asked to state whether there is any consequence in case there is a decision made of purchasing an item which is not allocated in the budget. Results about this concern showed that 81.25% of respondents who responded to the questionnaire said, yes, while other 15.62% said, no, and only 3.12% others said, they could not know whether there is any consequence in case a decision was made to purchase an item which is not stipulated in the budget.

Table 4.4: Whether there is any consequence from purchasing a non-budgeted item on budget practice

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	52	81.25	81.25	81.25
	No	10	15.62	15.62	86.87
	Cannot know	2	3.12	3.12	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Based on the findings presented in table 4.4 above, it was obviously found that there is a huge consequence from purchasing an item which is not allocated in the budget of any company. This study established this fact simply because a good number (81.25%) of respondents who responded to the questionnaire had massively said yes; it is true that there a consequence from that phenomenon. However, it is quite true up to here that; the process of purchasing items either for the company or for other reason, would inevitably go parallel with what it was provided in the on-going budget and not otherwise.

Likewise, the study strived to obtain further exactness about the above presented findings by searching for extended evidence.

In that process, respondents were interviewed to explain the way there can be a consequences of purchases made out of budget allocation on budget practice, and whether such a phenomenon can result into budget malpractice effect or otherwise. Very interestingly, respondents had been of several opinions and each of them was showing the consequence based on the way he/she understood the whole matter addressed to them, the experience possessed concerning budget malpractice and relative factors at MMC. But, even though, some of their views were very

..... The normality about any budget is that, the whole procurement process is known. I.e. every expenditure to be incurred, and every item needed to be purchased must be well stipulated in the budget and known by every user. But also, the intention of any budget is nothing else rather than achieving all what the organization intends to do meet in terms of expenditure, resources utilization, earnings, etc. with regard to resources capacity and available revenues as being available. Nevertheless, when a non-budgeted item is purchased, the consequence from this is that, budget will lose its direction and there will be a probability of not achieving what was intended by the organisation, and above all, the long survival of that organization will be uncertain. For, budget should be used as a fundamental whenever carrying any procurement-related activity. But, different from this, notably, the budget malpractice will likely tend to occur

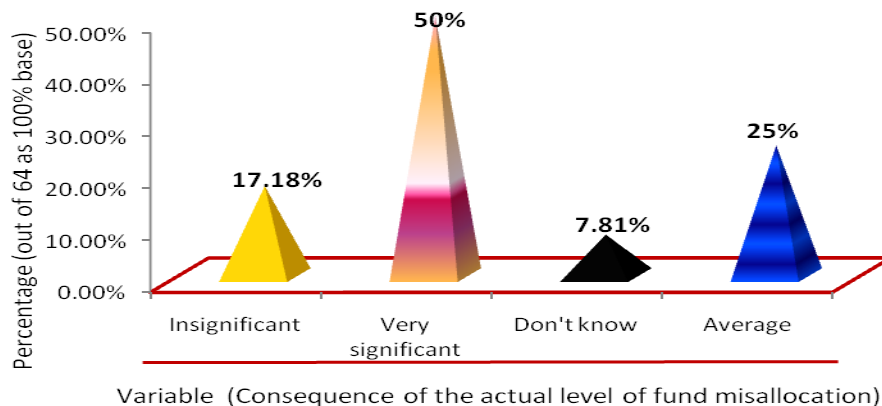
Findings from interview presented in terms citation above put more emphasis about the possible consequence which might be derived whenever a decision is made to procure an item, which is not stipulated in the budget. Therefore, based on the findings above, the study established that there is a huge consequence form fund misallocation on budget practice. More specifically, consequence found from the findings above connoted mainly the negative side – the practice of budget from all angles will be inappropriately practiced. This was so found, simply, because, most of common arguments from majority (82%) of interviewees has shown the accurateness of this fact.

4.2.4 The Level of Fund Misallocation's Consequence in causing Budget Malpractice

It should be remembered that, the study used this aspect simply to exactly find the extent to which respondents at MMC perceived the prevalence of consequence from fund misallocation on budget malpractice. The consideration placed by the study here was, whenever something is said about purchasing non-budgeted item that is undoubtedly what was looked for concerning misallocation of fund. In other words, one of the elements used by this study in describing the misallocation of fund, was the purchasing on non-budgeted item – upon which, precise consequence on budgeted malpractice could necessarily identified.

The process of finding specific logic about this concern was performed by asking respondents to rank the graveness of consequence that might be derived from purchasing an item which was not allocated in the budget, on the occurrence of budget malpractice in LGAs. The aim of this query was just to find views from respondents as they had intense experience and information about the matter dealt with, so that the study could establish clear understanding and later on, draw conclusion. More precisely, response from respondents showed that 50% said, the rank is very significant/high, while other 25% said, average, and 7.81% said, don't know. Contrarily; 17.18% said, insignificant.

Figure 4.5: Respondents' view about the rank of consequence from purchasing a non-budgeted item and budget practice



Source: Research data, 2013

Based on findings in figure 4.5, it was then found that majority of respondents had ranked the consequence from purchasing a non-budgeted item as very significant/high. Hence, based on the findings in figure 4.5 the study then established that there is a very huge consequence which must be derived from purchasing non-budgeted item on the whole budget practice in any organisation. This was found very true, because, respondents were found more experienced in matter relating to budgeted practice and had reliable information. But also, they were ready to reveal out the hereunder found findings. So, it is evident that, purchasing an item which is not allocated in the budget has negative effect on the practice of budget as a whole.

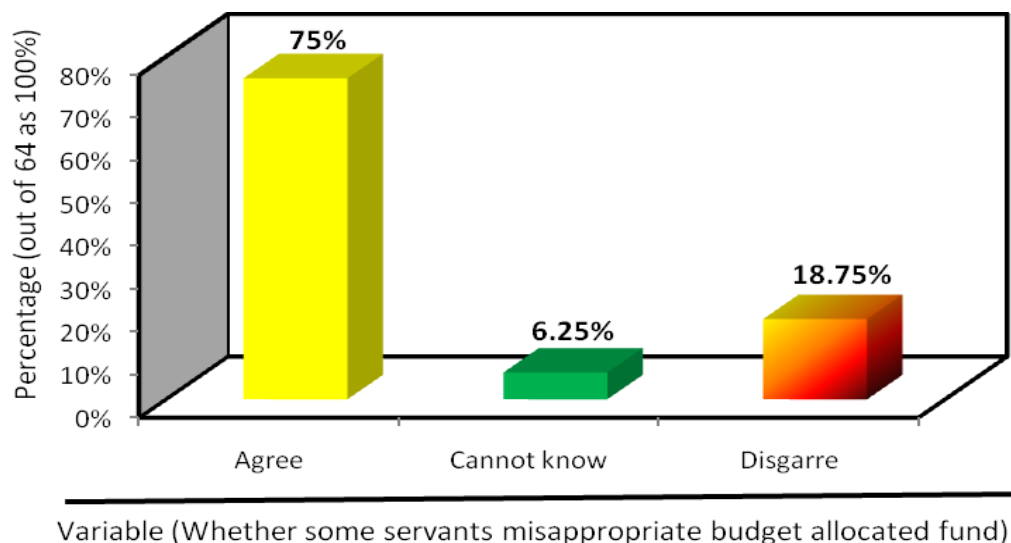
4.3 Is there any Tendency of Lust for Misappropriating Budget allocated Resources from Public Servants that caused Budget Malpractice at MMC?

The study was also interested to specifically examine whether there is a tendency of lust for misappropriating budget allocated resources among public servants that causes the prevalence of budget malpractice at MMC. This element was used by the study, just to find whether it was one of the factors responsible for budget malpractice ravaging many LGAs in Tanzania. In this regard, the study believed that when public servant tend to misappropriate fund, the result will be; budget malpractice at all. Because, everyone will tend to protect his/her won interest, without caring of securing firm's resources and in turn, budget will automatically be malpractice. This is true in the sense that misappropriating fund cannot allow budget to be practiced as it was planned, since most of expenses will be incurred in focus of fulfilling personal needs and not organisational ones.

In order to exactly find the logic about this concern, respondents were required from everyone's experience to either agree or disagree that there are some of their fellow workers who often tend to misappropriate company's fund. This question was addressed to respondents with the aim to ascertain whether lust for misappropriating fund existed and was one of the factors for why budget malpractice occurred in LGAs in Tanzania respectively.

Thus, results indicated that 75% of respondents had agreed, while 18.75% others had disagreed, and 6.25% said, some of their fellow workers company's misappropriated fund

Figure 4.6: Whether there are some of servants who often tend to misappropriate company's fund



Source: Research data, 2013

Findings in figure 4.6 stipulate that truly, there are some of the public servant in LGAs who often tend to misappropriate company's fund. This was so mentioned based on the same findings wherein majority of respondents had been ready to reveal out this aspect. Therefore, if that is the case, it was arguable that if budget malpractice occurred at MMC is caused to some extent by the tendency from some of the public servants who often tend to misappropriate their company's fund. In sample words; it means, one of the factors responsible for budget malpractice was the tendency from some of the public servant who tended to misappropriate budget allocated funds.

The same question was addressed to respondents during the interview so that to get further evidence about the accuracy of the already-presented findings. In such, respondents were asked to state whether or not there were some people in their company, who had the tendency to misappropriate fund. Very precisely, results from this concern were not very different from the preceding ones. For, 75% said yes, while 25% said no. Ideally, these results testified that some people have tendency to misappropriate company's fund – the situation which in turn must always result into budget malpractice since most of servant will tend to meet their interest inappropriately and above all, the whole company's focus will not be met as well.

4.3.1 Reason for why some of the public servants tend to misappropriate LGAs' resources

The study wanted to find specific reason for why some public servants tend to misappropriate their company's resources, especially money. Because, if budget is misused, that means certain underlying reasons are from within individual servants and consequently end up misappropriating company's fund. Thus, in order to find the logic underpinning this aspect, respondents were asked to indicate from a set of item what, could be the reason for misappropriating company's assets especially fund by employee. Directly, results showed that 32.81% of 64 respondents who responded to the questionnaire, mentioned lust after money, while another 32.81% mentioned, that they want to protect one's interest, and 20.31% said, they have the tendency of misappropriating fund. Similarly, 14.06% mentioned that they had tended to go corrupt, whereas, none of them mentioned other reasons for why most servants tended to misappropriate LGAs' funds. These results were presented in the following table 4.5.

Table 4.5: Reason for which some of the public servants decided to misappropriate company's funds

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lust after money	21	32.81	32.81	32.81
	Protect one's interest	21	32.81	32.81	65.62
	Tendency to misappropriate fund	13	20.31	20.31	85.93
	Tendency to go corrupt	9	14.06	14.06	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Tendency to protect individual interests, lust after money, tendency to misappropriate fund, tendency for corruption are key reasons pushing most of public servant in the LGAs to misappropriate budget allocated fund. This was so mentioned in reference to the findings presented in table 4.5, wherein it was found that almost all respondents were ready and open to reveal out this logic. So, the study found that; reasons for which servants tend to misappropriate their company's funds included; lust after money, protect individual interest, tendency for corruption, etc. based on the same findings in table 4.5, the study also established that lust after money, protecting one's interest are one of the key factors for why there are several cases relating to budget malpractice amongst LGAs in Tanzania.

Similarly, respondents were interviewed to explain what they thought was the reason, for why some of workers, might tend to misappropriate fund in their company. This concern raised a lot of discussions from respondents from which they mentioned many reason but most of common ones from them were as follows.

... The real situation if public companies is that, many people have exaggerated lust for money so that they achieve their needs in a very short time, immediately after getting employed in public sector. The reason why it has become common that, just after a short moment of employment an individual servant must own a lot of assets which are incompatible with his/her salary. But again, many public servants have become victims of corruption – something, which they think by so doing, would give them an easy way to rapidly go worth. And that is why there are several cases relating to budget malpractice amongst local government agencies in Tanzania ...

Based on the above presented findings collected through interview process, it was further found that, reason for which most of public servants tend to misappropriate budget allocated funds included; intense desire to wealth within a short period after getting employment in the public sector. For, findings stipulate that many public servants have lust to money as the easy way for them to become rich rapidly. Thus, obviously, this is inevitably one of the factors for abuse of the allocated budget. As the consequence from this phenomenon, that is why most of budgets in LGAs are malpracticed therein.

4.3.2 Whether Lust after Money; Desire for Fund Misappropriation, and Corruption Tendency are Factors for Budget malpractice in LGAs or Otherwise

So long as much needed to be investigated concerning factors responsible for budget malpractice, the study in this stage wanted to get more evidence whether it was true when everyone might argue that; lust after money, tendency to go corrupt, fund misappropriation, were one of the factors for why the problem of budget malpractice was ravaging majority of LGAs in Tanzania. Under this scenario, the study believed that; if these elements were found true basis for budget malpractice, then, it would immediately be arguable to term them as responsible factors for the problem dealt with.

In finding the reality about this aspect, a direct query was addressed to respondents, requiring them to specify whether the three elements were the reasons for budgets mal-practiced.

Very positively, 87.5% of all respondents involved in the study said, yes, while 6.25% said, no, and another 6.25% did not respond to this question for unknown reason.

Table 4.6: Have lust after money; desire for fund misappropriation, and corruption tendency been one of the factors for budget malpractice in LGAs?

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	56	87.5	87.5	87.5
	No	4	6.25	6.25	93.75
	No response	4	6.25	6.25	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Findings presented in table 4.6 denote that truly, lust after money, desire to misappropriate budget allocated fund, tendency for corruption; are one of the most factors for budget malpractices in many LGAs. This was so mentioned based on the reason that majority of respondents were ready to mention this logic and upon which this study leaned on the reality governing the matter under concern

Furthermore, the study strived to get further exactitude about the way the above mentioned elements were one of the causes from budget malpractices in LGAs. In this regards, this study searched for information by which respondents were asked to state from everyone's experience, from a given list of items to indicate what he/she thought could be other reasons for why most of their company's budgets allocated funds were misused.

Then, 37.5% said, fund mal-use, while another 34.37% said, desire to misappropriate fund, and 17.18% said, theft tendency, and 10.93% said, others, like; corruption, inappropriate procurement procedure, etc.

Table 4.7: Whether there were other reasons for why budget malpractice took place in LGAs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fund mal-use	24	37.5	37.5	37.5
	Desire for misappropriating fund	22	34.37	34.37	71.87
	Theft tendency	11	17.18	17.18	89.05
	Others (corruption, inappropriate procurement procedure, etc.)	7	10.93	10.93	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Based on findings presented in table 4.7 above, this study found that apart from the three previous found elements, still there were other factors which were found as responsible for the occurred budget malpractice in LGAs. This was so mentioned simply based on the reason that majority of respondents had mentioned them as being; fund mal-use, desire to misappropriate fund, theft tendency and several others. Therefore, this study then realised that budget malpractices in LGAs are caused by several factors among which include' fund ma-use, theft tendency, desire to misappropriate budget allocated fund from some of the public servants.

4.4 Is there Low Budget Supervision that leads to Budget Malpractice in LGAs?

Furthermore, this study was specifically aiming at determining whether there is low budget supervision that leads to budget malpractice.

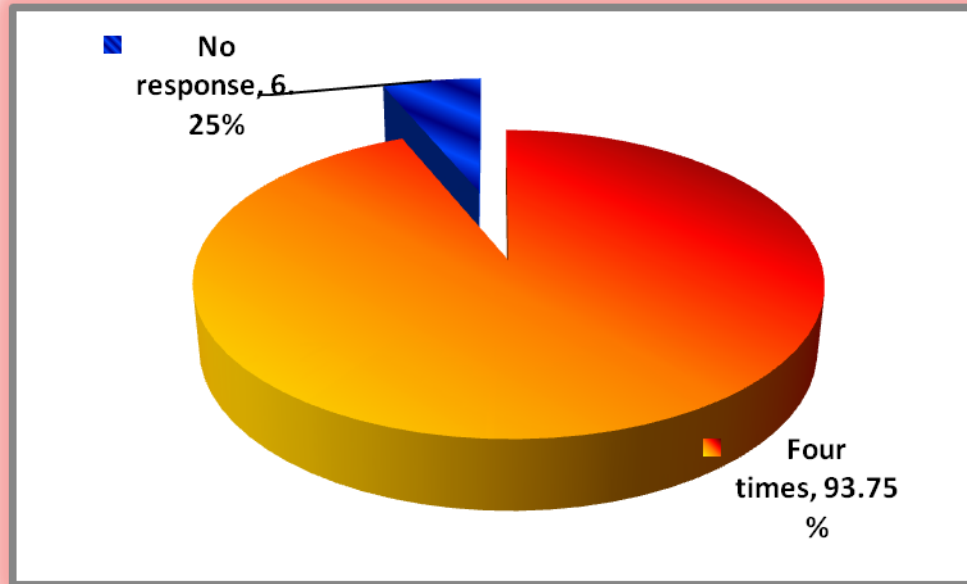
This element was intentionally used by the study to specifically find whether budget supervision was one of the factors responsible for budget malpractice which was tackled

by the study. In this respect, the study was on the view that budget supervision is a key and necessary basis for either the well or mal practice of budget in any entity, including LGAs in particular. To better illustrate this fact, it should be remembered that once, findings would have showed that budget supervision was low, notably, something would have been said that budget practice was inappropriate. But also, this phenomenon would have been termed as one of the factors for budget malpractice ravaging many LGAs in the country.

4.4.1 How Often Budget Evaluation is carried out in a Year

In this stage, the study wanted to exactly find how often budget was evaluated in a year. This was so done, just to find the extent to which there was a budget supervision sufficient to allow the appropriate budget practice in LGAs. Because, budget supervision is significant tool that can successfully help most of LGAs get rid of budget malpractice problem being hereunder addressed. In find the reality about this point of view, respondents were asked to state, how many times the process of budget evaluation is undertaken in a budget year. Then, out of 64 respondents, 93.75% said, the budget evaluation process is carried four times in a budget year, whereas, unknowingly, 6.25% did not respond to this question.

Figure 4.7: The prevalence of budget evaluation in a budget year



Source: Research data, 2013

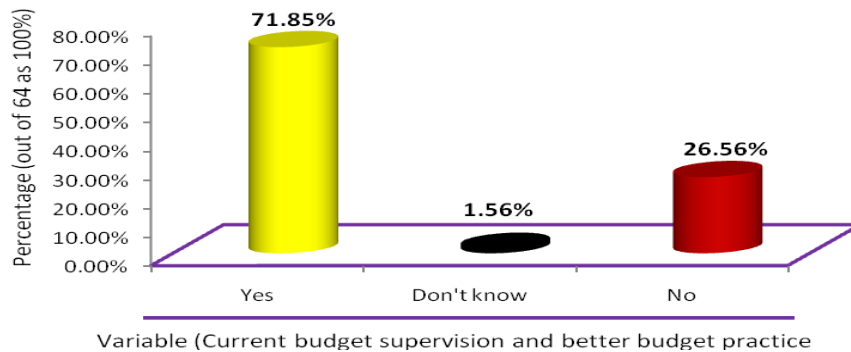
Budget evaluation at MMC is carried out four times in a specific budget year. This was found exact, since majority of respondents who responded to the questionnaire have been ready to put precision that budget evaluation is often carried out four times per year. Therefore, based on these findings, the study found that there is favourable budget supervision at MMC. For, four times evaluations in a year are sufficient to allow the effective budget supervision to be in place in any firm.

4.4.2 Whether the Current Budget Supervision is Sufficient to maintain Effective Budget Practice or Otherwise

The study was focusing on finding whether the currently prevalence supervision was sufficient in maintaining effective budget practice. In this respect, the study believed that budget supervision could be one of the critical aspect in maintain effective budget practice. In other words, it implies effective budget practice must significantly depend on the effective supervision.

That means these two phenomena have influential-influenced action between themselves – where, the former is the caused effect, whose ineffective or effective occurrence might extensively be the result of certain predetermined actions form the latter. Respondents were addressed a question which was asking them to state from everyone’s experience whether they thought budget supervisions performed at MMC were sufficient to maintain better budget practices or otherwise. And results showed that 71.85% said, yes; while 26.56% said, no; and only 1.56% said, they don’t know.

Figure 4.8: Whether the current budget supervisions are sufficient to maintain better budget practice in LGAs



Source: Research data, 2013

Findings presented in figure 4.8 above connote that the level of current budget supervision is enough to maintain better budget practice at in LGAs. This was so found based on the evidences from the findings presented above where majority of respondents who responded to the question had massively accepted that current budget supervisions are sufficient to maintain better and even effective budget practice in LGAs. Based on these findings, the study then established that the currently carried out budget supervisions are really enough to make LGAS maintain effective budget practice.

4.4.3 Are Current Budget Supervisions Able to Prevent the Prevalence of Budget Malpractice in LGAs?

The study in this regard was interested to find whether it was possibly from the current supervision to prevent the currently occurring budget malpractice in LGAs, in Tanzania. This was useful in determining the way budget supervisions are one of the factors which might lead to budget malpractice at any moment, depending on the prevalence as well. So, during the interview process, interviewees were asked to put precision whether the budget supervision being performed now, was sufficient to prevent budget malpractice effect or otherwise. Therefore, responses from interviewed respondents show that 62.5% of them said yes, while 25% others said, no, and finally 12.5% said they were not sure.

Table 4.8: Whether current budget supervision are able to prevent the prevalence of budget malpractice in LGAs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	62.5	62.5	62.5
	No	4	25	25	87.5
	Not sure	2	12.5	12.5	100.0
	Total	16	100.0	100.0	

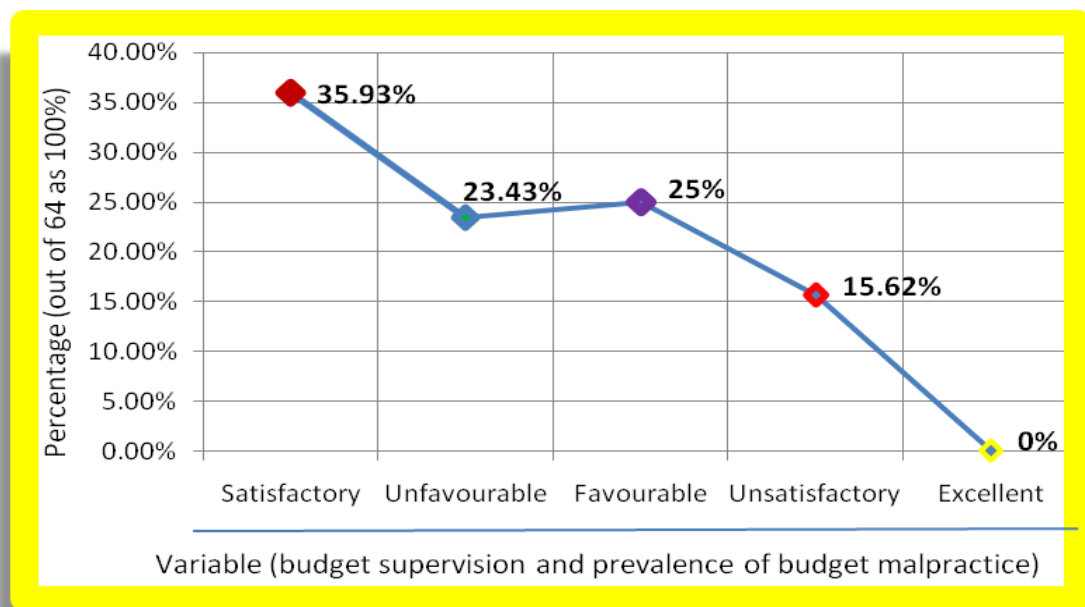
Source: Research data, 2013

Findings presented in table 4.8 connote that majority of interviewed respondents had agreed that current budget supervisions are enough to prevent the prevalence/occurrence of budget malpractice problems ravaging most of LGAs in Tanzania. Based on these findings, the study then established that, current budget supervisions carried out in most LGAs could be used appropriately to prevent the happening of budget malpractice and in turn allow LGAs to meet their goals as well as planned.

Similarly, another similar question was addressed to respondents, which was intentionally requiring them to assess current budget supervision at MMC vis-à-vis the practice of budget.

Thus, from a set of assertions given to them, out of 64 respondents 35.93% said, satisfactory, while other 23.43% said, unfavourable, meanwhile 25% mentioned, favourable, whereas another 15.62% mentioned unsatisfactory, and none said, the current budget supervision was excellent in preventing the prevalence of budget malpractice.

Figure 4.9: Assessment on the current budget supervision at MMC vis-à-vis the budget practice



Source: Research data, 2013

In fact, findings in figure 4.9 show that majority (35.93%) of respondents who responded to the questionnaire believed that current budget supervision carried in LGAs are able to prevent the prevalence of budget malpractice occurring in their entities. Thus, based on these evidences, the study then established that current supervision are better and can be used to consent the effective budget practice in LGAs.

4.4.4 Whether the Actual Supervisions are one of the Factors for Budget Malpractice in LGAs?

This study wanted also to get further evidence from respondents, as people with intense knowledge, information and experience about factors causing budget malpractice in their entities. In this regard, the study was intending to find whether the actual ravaging problem of malpractice, is on one way or another, the effect of the actually carried out budget supervisions around LGAs. In reference to preceding responses, respondents were asked to either agree or disagree that the actual supervision is one of the factors causing budget malpractice that took place in their company. Results from this concern showed that 87.5% had disagreed, while 6.25% had agreed, and another 6.25% had strongly disagreed on the fact the currently experienced budget malpractices are the result of actual budget supervision.

Table 4.9: Whether actual budget supervisions are the causes for current budget malpractice in LGAs or otherwise

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	56	87.5	87.5	87.5
	Agree	4	6.25	6.25	93.75
	Strongly disagreed	4	6.25	6.25	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Findings in table 4.9 connote that actual budget supervisions are not the real causes for the budget malpractices in LGAs. This was so found, simply based on the findings where majority (87.5%) of respondents had disagreed that, if many LGAs are experiencing budget malpractices, it is not due to current supervision as either being low or anyhow. So, the study established that budget supervisions were not one of the factors for budget malpractice

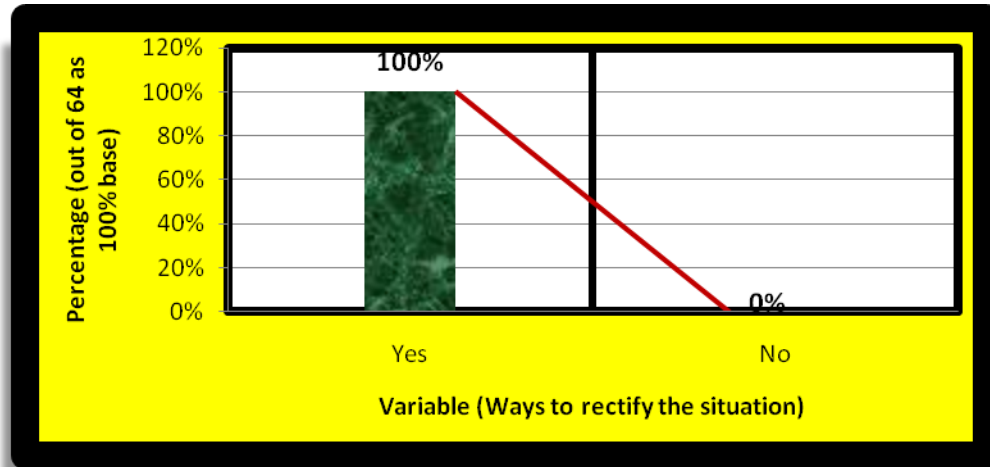
4.5 The appropriate ways LGAs can adopt for effective execution of budgets?

Finally, the study was interested to specifically furnish suggestions about ways to be adopted by LGAs in effectively using budgets. This was so focused, just because the study believed that from all angles of the topic dealt with, many evidences were already in testifying the existence of the problem of budget malpractice in amongst LGAs in Tanzania. Thus, based on these factual evidences, the study then strived to find ways through which, once adopted, LGAs could successfully get rid of the said problem ravaging the use of their resources in general as this must always be the result of budget malpractice.

4.5.1 Are there Ways LGAs can adopt in rectifying the Situation of Budget Malpractice?

By extensively leaning on respondents, the study wanted to first of all find whether it was possible for LGAs to rectify the problem of budget malpractice or otherwise. In this respect, respondents were asked to provide their views on whether they think there can be some ways which government agencies can adopt if they were to rectify the problem of budget malpractice. Thus, results indicated that all 64 respondents who participated in the questionnaire process said, yes it is possible, and ways are there, which LGAs can adopt in rectifying the situation of budget malpractice.

Figure 2.10: Whether there are ways that LGAs can adopt in rectifying the problem of budget malpractice



Source: Research data, 2013

Ways to rectify the problem of budget malpractice are available, because respondents have all massively confirmed the exactness of this situation. The study then found true that there are specific ways which can be adopted by the LGAs is they are to get rid of budget malpractice they are currently experiencing.

In the mean focus, a similar question was raised during the interview, of which was specifically asking respondents to clarify whether it is or not possible for MMC to rectify the problem of malpractice if any. Thus, like in the preceding part of findings, all 16 interviewed respondents said yes, it is possible for LGAs including MMC to rectify the problem of budget malpractice very effectively. Perhaps, one important issue up to this stage was to know, the specific ways or strategies which could be used by LGAs if they were to rectify the said problem. In this link, much was expected to be obtained from respondents who were expected to suggest those ways as people with intense experience, knowledge, and even information relating to budget practice in LGAs. And very responsively, respondents had been of the following suggested as presented in the following sections

4.5.2 Appropriate way for rectifying the problem of budget malpractice in LGAs

The study was focusing to find particular ways that can be used by LGAs in getting rid of budget malpractice problem. Interestingly, all information concerning this aspect was searched based on respondents' views as they were believed to possess much of information, awareness, and even notion relating to budget practice – as because they also work with LGA. So, they were asked to specify from a set of assertions, to indicate the appropriate way that could be used by Local Government Agencies in rectifying the problem of budget malpractice in Tanzania. Results showed that there was a balanced position from respondents' responses, because, 25% of them said, frequent budget supervision, while (17); 26.56% said, increase inventory control, and other (16) 25% said, financial control, and finally 23.43% others said, others like; intensify internal audit practice, improve budget supervision.

Table 4.10: Respondents' suggestions about ways for rectifying the problem of budget malpractice in LGAs

Variable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Frequent budget supervision	16	25	25	25
	Increase inventory control	17	26.56	26.56	51.56
	Practice financial control	16	25	25	76.56
	Others (like; Intensify internal audit, improve budget supervisions, etc.)	15	23.43	23.43	100.0
	Total	64	100.0	100.0	

Source: Research data, 2013

Based on the findings in table 4.10, it was true that respondents had suggested ways like; frequent budget supervisions, increase inventory control, practice financial control, intensify internal audit, improve budget supervision as appropriate for rectifying the problem of budget malpractice in LGAs.

Hence, based on these findings, the study then established that improved and frequent budget supervisions, increase inventory and financial control, etc might the key catalyst in rectifying the problem of budget malpractice in LGAs.

Likewise, during the interview process, the similar query was addressed to respondents, which was intentionally asking them to state from everyone's experience proper ways they thought, once MMC adopts, can significantly rectify and prevent the occurrence of malpractice problem. Thus, many responses had been provided by respondents based on everyone's experience and opinions, but some of them were very critical and common in addressing the matter dealt with. Theses had included the followings

Notably; when talking of any aspects relating to budget practice, nothing can be effective in rectifying this situation rather than practicing effective internal audit. Because, internal audit's concerns are based on preventing the occurrence of any error, fraud, etc. plus detecting and evaluating each and every issues achieved within a certain financial period. In this respect, internal audit needs to be seriously effectively practiced since through its intervention, all misconducts relating to any resources misuse must be detected and later on, the actor will be known and charged thereon. Because, again whenever something is being said about budget supervision, inventory control and relative activities, are all one of the key tasks of internal audit practice

So, it was found evident that internal audit might be the real way LGAs can use if and only if they are to get rid of the problem being meant hereunder. But also, it should be imperative to note that, based on the findings above, notably, still issues like budget supervision, inventory management, financial control remained critical and significant tool for rectifying the situation, since they are all part of the so-called internal audit practice.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter deals with the discussion of findings by mainly basing on the whole way they were presented in the preceding chapter. This was done as the mere way towards obtaining what it was expected from this study. For, much was expected to be obtained, which would clearly identify factors responsible for budget malpractice in Local Government Authorities in Tanzania.

5.1 The Consequence of Fund Misallocation on Budget Practice

Firstly, the study was specifically aiming at determining the consequences of fund misallocation on budget practice at MMC. The target here was that; the study wanted to obtain precise evidence as to whether misallocation of fund was one of the factors for budget malpractice taking place in the LGAs in Tanzania. In order to find exact reality about this matter of concern, several aspects were used through which the study found that up to the meantime of this study, still the problem of fund misallocation existed at MMC. This was so mentioned based on the findings presented from which most of evidence had revealed out the accurateness of this scenario. The reason why, the study had also established that misallocation of fund has been existing and was certainly the action of some of the public servants working with any LGAs including MMC in particular. Hence, by more focusing on the core concern of this aspect, and mainly based on what was revealed by findings presented this study then realised that misallocation can undoubtedly cause budget malpractice to occur in any organisation. And the reason why this study further realised that misallocation of fund was one of the factors/causes responsible for budget malpractice in several organisations, including MMC specifically.

Similarly, information gathered and presented had extended the connotation about the consequence which might be derived from fund misallocation on budget malpractice. Moreover, finding indicated that in most common circumstances, there was a high consideration shown by findings there is a negative side of consequence from

misallocation of fund towards budget malpractice. Thus, based on the same findings, and in parallel view, this study then found that, it was quite obvious that there is a negative consequence from misallocation of fund on the practice of budget. In simple words; the study realised that misallocating fund is greatly one of the bases for most budget malpractice taking place in different government authorities in Tanzania.

The study also found from findings that; there was a huge consequence from purchasing an item which is not allocated in the budget of any company. Based on this fact, the study then realised that; the process of purchasing items either for the company or for other reason, would inevitably go parallel with what it was provided in the on-going budget and not otherwise. Because; most of findings presented had put more emphasis about the possible consequence which might be derived whenever a decision is made to procure an item, which was not stipulated in the budget. Therefore, based on the findings the study then realised that there is a huge consequence from fund misallocation on budget practice. More specifically, the consequence found in here is nothing else, rather the negative side as the practice of budget from all angles will be inappropriately practiced. All these facts were found true, since, in further stance, findings went to the extent of revealing out by ranking the consequence from purchasing a non-budgeted item as very significant/high. The reason why this study also emphasised that there is a very huge consequence which must be derived from purchasing non-budgeted item on the whole budget practice in any organisation.

5.2 Whether there is any tendency of Lust for Misappropriating Budget allocated Resources from Servants that caused Budget Malpractice to happen in LGAs

Secondly; this study was also aiming at specifically examining whether there was a tendency of lust for misappropriating budget allocated resources among public servants that caused the prevalence of budget malpractice at MMC.

This element was used by the study, just to find whether it was one of the factors responsible for budget malpractice ravaging many LGAs in Tanzania. In this regard, the study believed that when public servant tend to misappropriate fund, the result will be;

budget malpractice at all. Because, everyone will tend to protect own interest, without caring of securing firm's resources and in turn, budget will automatically be malpractice. This was also found true in the sense that misappropriating fund could allow budget to be practiced as it was planned, since most of expenses will be incurred in focus of fulfilling personal needs and not organisational ones. Hence, findings about this aspect had provided several evidences. In such, findings presented showed that there are some of the public servants in LGAs who often tend to misappropriate company's fund. The reason why based on this evidence, it was arguable that if budget malpractice occurred at MMC was to some extent caused by the tendency from some of the public servants who often tend to misappropriate their company's fund. Resultantly, this study in turn, realised the same arena that; one of the factors responsible for budget malpractice was the tendency from some of the public servant who tended to misappropriate budget allocated funds. And this situation in turn must always result into budget malpractice since most of servant will tend to meet their interest inappropriately and above all, the whole company's focus will not be met as well.

Findings also showed that tendency to protect individual interests; lust after money, tendency to misappropriate fund, tendency for corruption were key reasons pushing most of public servant in the LGAs to misappropriate budget allocated fund. So, the study further realised that; reasons for which servants tend to misappropriate their company's funds included; lust after money, protect individual interest, tendency for corruption, etc. And the reason why this study had also realised that issues like; lust after money, protecting one's interest were one of the key factors for why there are several cases relating to budget malpractice amongst LGAs in Tanzania.

Based on the same findings, it was further found that, reason for which most of public servants tend to misappropriate budget allocated funds included largely; intense desire of going worth within a short period just after getting employment in the public sector. For, findings stipulate that many public servants have lust for money as the easy way for them to become rich rapidly. Thus, obviously, this is inevitably one of the factors for

why they in turn tend to misuse their allocated budget. As the consequence from this phenomenon, that is why most of budgets in LGAs are mal-practiced therein. Likewise, the study found that apart from the three previous found elements, still there were other factors which were found as responsible for the occurred budget malpractice in LGAs. These had included issues like; fund mal-use, desire to misappropriate fund, theft tendency and several others. And undoubtedly, these other elements were also considered as other factors responsible for budget malpractices in LGAs.

5.3 Whether Low Budget Supervisions were the Causes for Budget Malpractice at MMC

Thirdly; this study was again specifically aiming at determining whether there was low budget supervision that led to budget malpractice in LGAs. This element was intentionally used by the study to specifically find whether budget supervision was one of the factors responsible for budget malpractice which was tackled by the study. In this respect, the study was on the view that budget supervision is a key and necessary basis for either the well or mal practice of budget in any entity, including LGAs in particular. Findings presented showed that budget evaluation at MMC is carried out four times in a specific budget year. Therefore, based on these findings, the study found that there were favourable budget supervisions at MMC. For, four times evaluations in a year were found sufficient to allow the effective budget supervision to be in place in any firm.

Similarly, findings had shown that; the level of current budget supervision was enough to maintain better budget practice at in LGAs. Thus, based on these findings, the study then put forwards that the currently carried out budget supervisions are really enough to make LGAS maintain effective budget practice.

For, in most cases, findings hade showed that; current budget supervisions are enough even for preventing the prevalence/occurrence of budget malpractice problems ravaging most of LGAs in Tanzania. Based on these findings, the reason why this study then put forwards that budget supervisions carried out in most LGAs could be used appropriately to prevent the happening of budget malpractice and in turn allow LGAs to meet their

goals as well as planned. Because, respondents seemed to hold a belief that current budget supervision carried in LGAs are able to prevent the prevalence of budget malpractice occurring in their entities. So, this means they are better and could be used to consent the effective budget practice in LGAs. Based on these evidences from findings, this study then provide that; the actual budget supervisions are not the real causes for the currently experienced budget malpractices in LGAs. That is why this study had also concluded that; nothing should be blamed on the current budget supervisions, rather to other already-identified factors. This means on the other hand that; there are other specific factors responsible for the current experienced budget malpractice problem around LGAs and not supervisions, at all.

5.4 Suggestions about Ways for rectifying the Problem of Budget malpractice

Finally, the study specifically aiming at furnishing suggestions about ways to be adopted by LGAs in effectively using budgets. This was so focused, just because the study believed that from all angles of the topic dealt with, many evidences were already in place, which was testifying the existence of the problem of budget malpractice in amongst LGAs in Tanzania. Thus, based on these factual evidences, the study then strived to find ways through which, once adopted, LGAs could successfully get rid of the said problem ravaging the use of their resources in general as this must always be the result of budget malpractice.

Findings presented had exactly specified that ways to rectify the problem of budget malpractice are available and have meanwhile testified the exactness of this situation.

The study then put forward that if and only if LGAs are to get rid of budget malpractice they are currently experiencing, they should adopt ways like; frequent budget supervisions, increase inventory control, practice financial control, intensify internal audit, improve budget supervision as appropriate for rectifying the problem of budget malpractice in LGAs. The reason why this study had specifically addressed that improved and frequent budget supervisions, increase inventory and financial control, etc

might be the key catalyst and successful ways in rectifying the problem of budget malpractice in LGAs. Hence, notably; issues like budget supervision, inventory management, financial control remained critical and significant tool for rectifying the situation, since they are all part of the so-called internal audit practice.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.0 Introduction

In this chapter, the whole study is then summarised, concluded and thereafter, relative recommendations are drawn out based on the whole picture derived from the findings obtained from the study on the factors responsible for budget malpractice in Local Government Authorities (LGAs) in Tanzania.

6.1 Summary of the Study

Specific efforts to bring up changes that will lead LGAs, and MMC in particular, towards effective budget practice are, however, the most actual core demand from all angles of the said entities' operations. This phenomenon will comfortably bring in the emphasis by LGAs in giving solution to the identified problem as the mere way towards getting rid of the actually ravaging problem of budget malpractice. More precisely, this study was mainly aiming at identifying factors for budget malpractice in Local Government Authorities (LGAs) in Tanzania; the case of Morogoro Municipal Council (MMC), in Morogoro region, Tanzania.

The methodology employed, had agglomerated a series of methods including; documentary review in gathering secondary data from various literature sources, while questionnaire and interview were particularly used as instruments for gathering primary data from the field (sample size) of 80 respondents. Likewise, tables and figures, both illustrated by percentage rate, were specifically employed as instruments for presenting data, upon which further analytical/discussion steps were performed, and finally; latter on, conclusion, and recommendations were drawn upon.

The presented and discussed findings obtained through this study provided that factors responsible for the actually ravaging problem of budget malpractice amongst LGAs in Tanzania were; misallocation of budgeted resources especially fund, tendency to

misappropriate budget allocated funds by certain public servants, purchasing of non-budgeted items, inappropriate procurement procedure, corruption tendency, theft tendency, and so many others. Nevertheless, one of the factors assumed by the study as inclusive amongst these ones, was eventually excluded from the list of all those which were found responsible – that was budget supervision, of which was found as being as in good position as well performed and did not negatively affect the whole budget practices. Based on these findings, particular suggestions were thereon, provided by respondents where it was indicated that; if and only if LGAs are to mitigate the problem of budget malpractice, certain ways would necessarily be adopted by them. In fact, these had included issues like; improve budget supervisions, increase inventory management, increase financial controls, etc. – as all these were perceived to be the core focuses of the internal audit tasks. That is to say; much effort and zeal would be placed on internal audit so that budget are appropriately managed and latter on well-practiced as well.

6.2 Conclusion

The utmost part of the whole conclusion about this study had sorely relied on the entire picture obtained through findings. This implies that, much of consideration in drawing conclusion was leaned on the whole discussion and description about each aspect involved in the study. Thus, based on these facts, this study was concluded as follows.

Much about the consequences of fund misallocation on budget practice at MMC was presented from which it was found that the problem of fund misallocation existed at MMC. This was so mentioned based on the findings presented from which most of evidence had revealed out the accurateness of this scenario.

Based on this evidence, this study then concluded that misallocation of fund has been existing, and was certainly the action of some of the public servants working with any LGAs including MMC in particular. Hence, by more focusing on the core concern of this aspect, and mainly based on what was revealed out by findings presented this study

then realised that misallocation can undoubtedly cause budget malpractice to occur in any organisation. If so, the study then concluded that misallocation of fund was one of the factors/causes responsible for budget malpractice in several LGAs including MMC in particular. For, there was a high consideration shown by findings that; there is a negative side of consequence from misallocation of fund towards budget malpractice. Therefore, based on these evidences, misallocating fund was greatly one of the bases for most budget malpractice taking place in different government authorities in Tanzania. Furthermore, the consequence derived from misallocation of funds was emphasized by the tendency from purchasing items which were not allocated in the budget of the said companies. Based on this fact, the study had provided that; the process of purchasing items either for the company or for other reasons would inevitably go parallel with what it was provided in the on-going budget and not otherwise. Something, which was different for the case dealt with. Based on these findings, the study further concluded there is a huge negative consequence form fund misallocation and from purchasing non-budgeted items of which have acted as one of the factors responsible for budget malpractice in most LGAs including MMC in particular.

Findings about whether there was a tendency of lust for misappropriating budget allocated resources among public servants that caused the prevalence of budget malpractice at MMC were likewise abundantly obtained, present and discussed. And more directly, findings showed that; there are some of the public servants in LGAs who often tend to misappropriate company's fund. The reason why based on this evidence, it was concluded by the study that; if budget malpractice occurred at MMC was to some extent caused by the tendency from some of the public servants who often tended to misappropriate their company's funds.

The reason why the study had upon, concluded that; one of the factors responsible for budget malpractice in LGAs was the tendency from some of the public servant who tended to misappropriate budget allocated funds. And this situation in turn must always result into budget malpractice since most of servant will tend to meet their interest inappropriately and above all, the whole company's focus will not be met as well. For,

in similar consideration, findings also showed that tendency to protect individual interests, lust after money, tendency to misappropriate fund, tendency for corruption were key reasons pushing most of public servant in the LGAs to misappropriate budget allocated fund. In such the study also concluded further that; issues like; lust after money, protecting one's interest were one of the key factors for why there are several cases relating to budget malpractices amongst LGAs in Tanzania.

Even though, the study found that apart from the three previous found elements, still there were other factors which were found as responsible for the occurred budget malpractice in LGAs. These had included issues like; fund mal-use, desire to misappropriate fund, theft tendency and several others. And undoubtedly, these other elements were also considered as other factors responsible for budget malpractices in LGAs.

Likewise, findings about whether there was low budget supervision that led to budget malpractice in LGAs had showed unique evidence that; budget evaluation at MMC is carried out four times in a specific budget year. The same findings specified that; there were favourable budget supervisions at MMC. For, four times evaluations in a year were found sufficient to allow the effective budget supervision to be in place in any firm. Thus, based on these findings, the study then concluded that; the level of current budget supervision was enough to maintain better budget practice at in LGAs. the reason why this study had then put forwards that the currently carried out budget supervisions were really enough to make LGAS maintain effective budget practice.

For, in most cases, findings hade showed that; current budget supervisions are enough even for preventing the prevalence/occurrence of budget malpractice problems ravaging most of LGAs in Tanzania.

Given the fact that budget supervisions carried out were enough to maintain effective budget practice, this means, notably, budget supervisions LGAs could be performed appropriately to prevent the happening of budget malpractice and in turn, allow LGAs to

meet their goals as well as planned. Thus, this study further concluded that; current budget supervision carried in LGAs were able to prevent the prevalence of budget malpractice occurring in their entities. And in turn, the study concluded that; the actual budget supervisions are not amongst the real factors for the currently experienced budget malpractices in LGAs. And that is why this study had also mentioned that; nothing should be blamed on the current budget supervisions, rather to other already-identified factors – the situation which in turn, called for the arguments that; there are other specific factors responsible for the current experienced budget malpractice problem around LGAs and not supervisions, at all.

So long as much of findings have specified the prevalence of budget malpractices existed amongst; notably, solution to get rid of the problem would be more central than any other task in this process. In this regards, the study used views and opinions from respondents in furnishing suggestions about ways to be adopted by LGAs in effectively using budgets. This was so focused, just because the study believed that from all angles of the topic dealt with, many evidences were already in place – altogether, were testifying the existence of the said problem amongst LGAs in Tanzania. However, through suggestions from respondents, the study then concluded that there specific ways through which, once adopted, LGAs could successfully get rid of the said problem ravaging the use of their resources in general as this must always be the result of budget malpractice. Ways suggested included amongst others; LGAs would practice; frequent budget supervisions, increase inventory control, practice financial control, intensify internal audit, and so on.

That is why this study had emphasized that; improved and frequent budget supervisions, increase inventory and financial control, etc might be the key catalyst and successful ways in rectifying the problem of budget malpractice in LGAs – since all these are all known to be part of the so-called internal audit practice. Because, internal audit is believably an accredited instruments through which every practice relating to budget as well all other relative aspects to resources utilization must be effectively and appropriately performed.

6.3 Recommendation

Based on the findings and conclusion, there were, however significant descriptions that budget malpractices are experienced by most of LGAs in Tanzania. In parallel view, recommendation had been drawn in relation to both what was found as well to what would be done so that budget malpractices go absent from most of LGAs, including Morogoro Municipal Council (MMC) in particular.

Notably, findings showed that a lot of misconducts which had been factors for budget malpractice related to inappropriate internal audit which was partly performed to secure the company's resources. In this end, therefore, all LGAs are hereunder recommended to place more emphasis on the practice of internal audit. The said internal audit would be performed by assigning to it, full mandate. I.e. since internal audit's core tasks involve; detection, evaluation, prevention of the occurring errors, much need to be focused on it so that at the end; every resources is utilized accordingly, and above all, the budget practice will be effectively used.

Likewise, findings have shown much that public servants have been showing the sense of safeguarding their personal needs/interest, while ignoring to protect those of the company as serving all – this situation has been resulting into theft, lust after money, corruption as everyone tend to misappropriate budget allocated fund, and above all, caused budget malpractice to take place in there.

Therefore, public servants are herein recommended to show the spirit of patriotism and not otherwise. Because, by so doing, will allow them to act as patriots to the extent they will not tend to misappropriate their firm's resources and in turn achieve effective budget practice as this must be desirable by everyone in there.

6.4 Area for Further Studies

Completeness about this study was that; much was done by restricting the study to focus on a single area (case study) due to certain early-mentioned limitations, such as fund,

time, and so on. However, perhaps, there might be a lot of other issues relative to this one, which could not be touched due to the said limitation, plus other reasons. Therefore, other studies are hereunder recommended to touch either similar or different area of knowledge. For, by so doing, this study believes that there might be either new facts or contradicting facts which might come into being and extend or contradict what have been found by the actual one. For instance, knowledge area like; role of internal audit of the effective budget practice, and so many others, would be important in expanding the scope of knowledge pertaining to budget practice in any other organisations like; NGOs, and many others.

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**QUESTIONNAIRE
MZUMBE UNIVERSITY**

Dear respondent:

This study seeks to investigate factors for budget malpractice amongst Local Government Authorities in Tanzania. The case of Morogoro Municipal Council, Morogoro Region, Tanzania. This is done in partial fulfillment of the requirements for the award of Master of Science in Accounting and Finance of Mzumbe University. For, in final year, every student is required to conduct a study of his/her interest and come up with solution to rectify the problem identified and being faced by any community.

In such, your support is greatly needed and the reason why you are hereby asked to fill in this questionnaire and return it to the researcher. Meanwhile you are in advanced ensured that whatever information you are providing will be guarded with high confidence and no any part of it will be taken out of concealment. However, in case you may have any other advice, query or suggestion concerning this study, please you are hereby kindly asked to contact Ms Rehema (the researcher) using the following addresses.

Mobile:

Email:

Postal address:

INSTRUCTIONS:

Please, you are asked to put a tick (✓) to the answer you find correct, and circle where your asked to do so. Also, explain or indicate by writing where you are asked to do so.

SEGMENT ONE

GENERAL INFORMATION OF RESPONDENTS

Question 01: Your age falls in which among the followings categories

- a) Between 18 and 25 years []
- b) Between 26 and 35 years []
- c) Between 36 years 45 []
- d) Between 46 and 55 years []
- e) Between 56 and above years []

Question 02: Your sex is:

- a) Male []
- b) Female []

Question 03: Which among the followings is your highest level of education?

- a) Primary Education []
- b) Secondary Education []
- c) Advanced Diploma/Bachelor Degree []
- d) Postgraduate or above []

Question 04: Which among the following is your area of expertise?

- a) Accounting /Finance []
- b) Business Administration []
- c) Marketing []
- d) Other [] If other, please indicate here:

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Question 05: For how long have you been working with Morogoro Municipal Council?

- a) One year []
- b) Between 2 to 5 years []
- c) More than 5 years []
- d) Ten years []
- e) More than ten years []

SEGMENT TWO

THE CONSEQUENCE OF FUND MISALLOCATION ON BUDGET PRACTICE

Question 06: Do you agree or disagree that misallocating fund can cause budget malpractice?

- a) I disagree []
- b) I agree []
- c) I strongly agree []
- d) I strongly disagree []
- e) I am not sure []

Question 07: Do you think there is any consequence in case there is a decision made of purchasing an item which is not allocated in the budget?

- a) Yes []
- b) No []
- c) I cannot know []

Question 08: if your response in question 07 above is, yes, how do you rank the following consequences from purchasing an item which was not allocated in the budget?

- a) Very significant/high []
- b) Significant []
- c) Average []
- d) Insignificant/low []
- e) Any other consequence [] If other, please, mention here:
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SEGMENT THREE

MISAPPROPRIATING BUDGET ALLOCATED RESOURCES AND BUDGET MALPRACTICE

Question 09: From your own experience at MMC, do you agree or disagree that there are some of your fellow workers who often tend to misappropriate company's fund?

- a) No []
- b) Yes []
- c) I cannot know []

Question 10: What among the following items, do you think can be the reason for why most of your fellow workers tend to misappropriate company's assets especially fund?

- a) Lust after money []
- b) Protecting one's interest []
- c) Misappropriating fund []
- d) Corruption tendency []
- e) Other []
- f) If other, please, mention here:

Question 11: Based on your answer in question 09 above, do you think that is one of the reasons for why budgets in your company have been always mal-practiced?

- a) Yes
- b) Now

Question 12: From your experience, what among the following items you think can be other reasons for why most of your budgets' allocated funds have been misused?

- a) Fund mal-use
- b) Desire to misappropriate fund
- c) Theft tendency
- d) Others If other, please, explain here:

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SEGMENT FOUR
BUDGET SUPERVISION AND BUDGET PRACTICE

Question 13: How often the process of budget evaluation is undertaken in a budget year?

- a) Once
- b) Twice
- c) Thrice
- d) Four times

Question 14: From your experience at MMC, do you think budget supervisions performed are sufficient to maintain a better budget practice?

- a) Yes []
- b) No []

Question 15: How would you assess budget supervisions at MMC?

- a) Unfavourable []
- b) favourable []
- c) Excellent []
- d) Unsatisfactory []
- e) Satisfactory []

Question 16: Based on your assessment in question 15 above, do you agree or disagree that the actual supervision is one of the factors causing budget malpractice to take place in your company?

- a) I agree
- b) I disagree
- c) I strongly agree
- d) I strongly disagree

SEGMENT FIVE

WAYS TO BE ADOPTED BY LGAS IN USING BUDGETS

Question 17: Do you think there can be some ways which government agencies can adopt if they are to rectify the problem of budget malpractice?

- a) Yes []
- b) No []

Question 18: If your answer in question 17 is yes, which among the following items you think can be the appropriate way that can be used by Local Government Agencies in rectifying the problem of budget malpractice in Tanzania?

- a) Frequent budget supervision []
- b) Financial control []
- c) Practice inventory management []
- d) There are other ways [] If others, please mention here:

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Question 19: A part from what you have mentioned in question 19 above, do you have any other ways in terms of strategy you think can be appropriate for Local Government Agencies to adopt so that they get rid of budget malpractice problem?

- a) Yes []
- b) No []

Question 20: If your answer in question 19 above is yes, then, please suggest any other strategy in the blank space below

I thank you for your constructive cooperation!!!!!!

APPENDIX II:

GUIDING QUESTIONS FOR INTERVIEW

1. From your experience at MMC, have you ever seen, or been informed that certain funds were used out of budget allocation?
2. In case fund is misallocated, (used out of budget) can this phenomenon lead to budget malpractice? How?
3. Since you have been working with MMC, have ever heard, or seen any item purchased, which was not allocated in the budget?
4. How do you find the consequence of purchasing an item out of budget allocation, can it result into budget malpractice effect?

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5. Do people in your company, have the tendency to misappropriate fund?
6. Have you ever heard any issues raised by finance department that there are some of people in your company who have the tendency of misappropriating fund
7. What do you think can be the reason, for why some of workers, might tend to misappropriate fund in your company?
8. If someone misappropriate fund, can this phenomenon result into budget malpractice?

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9. From your experience at MMC, do you think the budget supervision being performed, is sufficient to prevent budget malpractice effect?
10. Why can actual supervision be termed one of the factors for budget malpractice?
11. Based on the current budget supervision in your company, do you think it should be maintain, improved, or even restructured so that it effectively mitigate the budget malpractice, which might or is occur(ing)?

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12. Is there any possibility for MMC to rectify the problem of malpractice if any?
13. From your experience, what are proper ways you think, once MMC adopts, can significantly rectify and prevent the occurrence of malpractice problem?
14. Would you have more suggestions pertaining to ways that can be adopted by MMC for it to mitigate the problem of budget malpractice?

Thanks for your participation!!!!!!!!!!