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The Impact of Financial Accountability and Procurement Practices on Budget Performance in Public Sector of Tanzania

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Abstract:

Globally, in public sector organisations, budget performance is acting as the centre of the government's ability to put forward more efficiency and effectiveness in the production of goods and services provision to all citizens. The study analysed the impact of, stakeholder engagement, feedback mechanisms, internal control and transparency on budget performance, which was measured by budget variance analysis (BVA). Also, the study determined the impact of procurement planning, supplier selection process, procurement contract management and tendering process on budget performance. The explanatory research design was applied to select a sample of 270 respondents from 30 government institutions. Self-administered questionnaire was used to collect data. Descriptive and inferential statistics particularly regression model were used for data analysis. The findings of descriptive statistics demonstrate that, to a greater degree there is financial accountability in public sector institutions, whereby transparency contributed more followed by internal control, feedback mechanism and stakeholder engagement. Similarly, the study found that best procurement practices were implemented whereby tendering process is highly adhered followed by contract management, procurement planning and supplier selection process. Furthermore, regression model indicate that transparency, internal control and stakeholder engagement positively impact budget performance in public sector. Also, tendering process and procurement planning were found to have positive and highly significant impact on budget performance. On the contrary, feedback mechanism, procurement contract management and supplier selection process were found to have non-significant impact on budget performance. Based on the findings, it implies that financial accountability and procurement practices are great contributors of budget performance.

Keywords:

Contract Management, Accountability, Stakeholder Engagement, Transparency

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Introduction

Worldwide, the attention to the budget performance in public sector has risen than ever before. Many countries have reformed their budgeting process yearning for good budget performance. According to the European Commission (2020), public spending is a major concern for many countries as it the main source of funding critical services like education and healthcare, motivating economic growth. In public sector, budget performance is of the essence as it can improve government's ability to deliver quality goods and services to all citizens (Hyera, 2019). Higher budget performance in public sector is an indication that resources are utilised efficiently and leads to higher development of a country and its people (Kakai & Mokono, 2022). Also, budget performance helps to confirm whether the planned activities are implemented effectively without any discrepancies.

Success of budget implementation or utilisation determines the positive performance of budget in organisations. Poor budget implementation in public sector of developing countries can be caused by factors such as poor planning, fraudulent, lack of adequate professional knowledge, delay in passage of budget and late release of fund (Olaoye, Ogbebor & Elelu, 2021). The failure to utilise budget effectively might cause inefficiencies such as non-compliant with financial rules, diversion or misallocation of funds and wasteful spending that can lead to detrimental effects on budget performance (Hyera, 2019). And poor budget performance can cause financial instability, projects delay or abandonment, infrastructural deterioration and ineffective service delivery, which undermine public trust to the government, economic development and standard of living (Bulama et al., 2023; Igboke & Raj, 2023).

In essence, financial accountability and best procurement practices are tools for achieving good budget performance (Kakai & Mokono, 2022). David (2022) argued that since procurement is the largest part of budgetary expenditure accounting for 60-70% of budgets in developing countries, thus the procurement practices employed to acquire goods and services could have a huge impact on budgetary performance in public sector. Value for money is a principle used as a form of good budget management in procurement process. The realization of the value for money principle is believed to be able to improve budget performance. Value for money is based on three main factors: economy, efficiency and effectiveness. The effectiveness part of value for money is the most important in budget implementation (Mandl et al., 2008). Best procurement practices lead to cost reductions, improved efficiency and alignment with objectives. Thus, meeting the proper quantity, quality, and timing criteria, plus sourcing from the most fitting and suitable supplier with favourable terms is essential for budget performance.

Financial accountability is essential as it fosters transparency, internal control, feedback and stakeholder engagement that help improve budget performance in public sector (Olaoye et al., 2021)). Financial accountability makes sure funds are used effectively and help public sector manage financial resources

responsibly (Kakai & Mokono, 2022). Financial accountability operates under the principle that budget should be people-oriented and is supposed to actively answer to their aspirations and objectives for an enhanced wellbeing. The planning and utilization of budget in public sector should pay attention to public opinion, making sure it is aligned with the public interests (Abegaz, 2024). The community demands that the public entities be able to manage and utilize budget in an accountable and transparent way. To record good budget performance public entities have to make sure that budget and its implementation is known to the public, contain their opinions and involves them in every step to make sure that budget utilization fulfils people's priorities (Pratolo et al., 2019).

The internal controls is important for budget performance as it ensures that budget utilisation is in accordance to applicable financial laws and regulations and that has been undertaken on a value for money principle. Effective internal control reduces the occurrence of inefficiencies such as such as non-compliant with financial rules, frauds, diversion of funds and wasteful spending (Anggraini et al., 2021). The feedback (reporting) mechanism is to ensure that people are aware of the budgetary process. Feedback mechanism requires public sector entities to report and disclose all financial information and associated activities to the public and receive people's opinions so that budget utilization activities can be improved (Abbasov, 2025). Feedback can provide insights that can be used to improve budgetary processes by making necessary adjustments. Stakeholder forums are formal channels for feedback that can help gather opinions and foster long term trust from the public.

In Tanzania, there have been budget underperformance in the public sector leading to financial instability, projects delay, infrastructural deterioration, ineffective service delivery, poor public trust to the government and inadequate economic development (Hyera, 2019). The Controller and Auditor General (CAG) has issues qualified opinions to many public entities due to presence of inconsistencies and evidence of fraudulent activities in budget implementation (Kessy, 2022). The deficiencies in budget performance are exacerbated by the fact that most of monies designated for public entities in Tanzania are at all times retained by the central government, which restrict budget performance by disbursement of inadequate funds and delays (Kaswalalah & Ruhinduka, 2022). Furthermore, challenges regarding to budget performance in public sector consist of unrealistic revenue forecasts, corruption, lack of transparency and limited revenue collection to meet budget goals (Hyera, 2019; Kaswalalah & Ruhinduka, 2022; Kessy, 2022).

Recognizing the importance of budget performance for sustainable economic development, the government of United Republic of Tanzania (URT) established financial accountability framework to be used by every public entities to ensure that budget implementation is carried out transparently by engaging stakeholders, and in compliance with the rules and regulations to ensure the highest budget performance. In similar vein, it becomes essential for procurement activities to be conducted efficiently

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using best procurement practices. Despite the importance of budget performance and its connection to financial accountability and procurement practices, to date, no study in Tanzania that has attempted to evaluate the impact of financial accountability and procurement practices on budget performance in public sector. This contention suggests the existence of a gap in literature and knowledge in Tanzanian context.

Empirical studies elsewhere show that financial accountability and procurement practices have significant impacts on budget performance in public sector (Abbasov, 2025; Eton et al., 2023; Igboke & Raj, 2023; Nyambori, et al., 2023). Thus, the main objective of this study is to analyse the impact of financial accountability and procurement practices on budget performance in Tanzania's public sector. Specifically, the study determined the impact of accountability elements: transparency, feedback mechanism, internal control and stakeholder engagement on budget performance, and the impact of procurement practices namely procurement planning, supplier selection process, tendering process and contract management on budget performance. The budget performance was measured by budget variance.

Literature Review

Theoretical Literature Review

Theory of Financial Control and Agency Theory guides this study to explain how financial accountability and best procurement practices can improve budget performance in public sector.

Theory of Financial Control

George P. Marsh established the theory of Financial Control in 1864 and was recently developed by Östman (2007). Mainly, the theory of financial control places a natural focus on the organisation from a number of latitudinal areas. The first centre of attention of the theory is on individuals (in this case the public servants) and what jobs they carry out for their institutions (in this case public entities). The subsequent focus of this theory is on how the institutions are structured (bureaucratization) and the interrelationships amongst the various structures. The third focus of theory is on the internal control system in the institutions (public sector) and the procedures and rules established to guarantee its success. Based on this theory, these three features work jointly to make sure institutions functions in an efficient and effective manner. Thus, the theory of Financial Control gives an assurance to the leaders of public entities that effective financial management can be attained when institution has competent staffs, appropriate rules and regulations, policies, and processes that guide how job tasks are performed by the employees toward fulfilling planned objectives. Also, the theory puts forward the importance of control mechanism to ensure that the utilisation of resources (financial resources in this case) is on the required track and is in accordance to the planned budget. The theory is relevant to this study because

it highlights the role of good governance principles such as compliance to rules and regulations, transparency, establishment of regular reporting and feedback mechanism that provide stakeholders a platform for communication and engagement in the realization of effective budget implementation. The theory swuggests that if these aspects are absent in public sector, corruption, irresponsibility and inefficiencies sets in, which leads to lower budget performance.

Agency Theory

Agency theory provide clarification of conflicting between two contracting parties namely, the one that delegates a task to be performed (principal) and the other who undertakes the task (agent). Each party in the contract possesses different goals, resulting into outcomes that may be in conflict. The Agency Theory aim at managing the conflict into an equilibrium that maximizes the value of the entity (Jensen & Meckling, 2019). In this respect, the government/public is the principal and civil servants in the procurement departments are the agents. The formulation of best procurement practices is application of agency theory to keep procurement staff aligned to the rules and regulations aiming at attaining the set objectives through proper budget utilisation, and by doing so mitigate conflict of interest between the two parts. Based on these explanations, the Agency theory is relevant in examining the effect of procurement practices on budget performance in public sector. The procurement practices are established to guide the activities of agents, which are their obligations to principal; and measure of their performance. Thus, the Agency theory enshrines the obligation of public entities to realise the value for public money and ultimately improve service delivery to the public. This supports public entities to make informed decisions and ensure that financial resources are used effectively to realise good budget performance. Therefore, this study draws its theoretical perspectives from theory of Financial Control and Agency Theory. The theories are suitable for analysing the impact of financial accountability and procurement practices on budget performance.

Empirical Literature Review

Financial Accountability and Budget Performance

Financial accountability is a hallmark of budget performance. Financial accountability sets the conducive environment for proper utilisation of government budget. It is the foundation of transparency, feedback or reporting mechanism, internal controls and stakeholder engagement (Abbasov, 2025). Transparency means an openness that is real, comprehensive, and provides space for all levels of society to actively participate in the process of managing public resources (Igboke & Raj, 2023). Participatory budgeting fosters transparency and accountability and helps in reducing financial mismanagement, inefficiencies and corruption in public sector. According to Adewale & Akinlo (2019) efficient budget performance is an indication that public accountability exist. Nyambori, et al. (2023) found that strengthening accountability

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is essential to achieving efficiency in budgeting process. Pratolo et al. (2019) reported that accountability and transparency have positive and significant impact on local government performance with value for money-based budget performance through usage of information technology, and Eton et al. (2023) found that budget implementation in Uganda depends on transparency and stakeholder participation in budgetary process, and also, the study revealed that financial reporting is understood as the foremost mechanism for discharging financial accountability. Ratih & Ratnawati (2023) reported positive and significant effects of transparency on the performance of the budget with a value for money concept in Indonesian public sector. In addition, Anggraini et al. (2021) demonstrated that accountability did not affect budget performance with the concept of value for money, but transparency and supervision were found to have effects on budget performance with the idea of value for money. Thus, the following hypotheses were proposed:

***H_1**: There is no positive impact of financial transparency on budget performance in public sector of Tanzania*

***H_2**: There is no positive impact of feedback (reporting) mechanism on budget performance in public sector of Tanzania*

***H_3**: There is no positive impact of internal controls on budget performance in public sector of Tanzania*

***H_4**: There is no positive impact of stakeholder engagement on budget performance in public sector of Tanzania*

Procurement Practices and Budget Performance

Public procurement process offer a critical function in the public sector, for the reason that the major portion of public spending occurs in the course of the public procurement process. According to Katamuna et al. (2025), effective public procurement process ensures the people obtain the value for their money since they guarantee cost effective, on time and quality service delivery. Abegaz, (2024) posit that, public procurement process can be effective or not depending on how procurement practices such as planning, supplier selection, contract management and tendering processes are carried out. Empirical study of Kabega et al. (2016) examined the effect of procurement practices on performance of public projects in Rwanda. The authors reported positive and significant correlations procurement planning, tendering system and contract management with construction of Bugesera District Office In Rwanda. In Ethiopia, Abegaz (2024) found that procure practices namely procurement planning, supplier selection process, procurement contract management, and procurement staff competency had significant positive influence on performance of projects. In Kenya, Kakai & Mokono (2022) analysed effect of budget allocation and procurement practices on budget utilization process, and found that both budget allocation and procurement process possessed positive and significant impact on budget

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utilization in the Judiciary system. In Tanzania, Ramadhani & Athumani, (2020) determined the impact of budget on the performance of procurement functions in public sectors, and revealed that insufficient budget, appropriate use of ICT infrastructure, ICT related competence of procurement personnel and compliance to procedures and guidelines of public procurement have positive effect on performance of procurement functions. Katamuna et al. (2025) found that supplier qualification screening and competitive bidding improve project performance by assisting delivery of right goods and services at a right timely and cost efficiency. Based on the literature review, the following hypotheses were proposed:

H_5: *There is no positive impact of procurement planning on budget performance in public sector of Tanzania.*

H_6: *There is no positive impact of supplier selection process on budget performance in public sector of Tanzania*

H_7: *There is no positive impact of procurement contract management on budget performance in public sector of Tanzania*

H_8: *There is no positive impact of tendering process on budget performance in public sector of Tanzania*

Budget Performance

Budget performance concept is a budgeting system that give emphasis to efforts to achieve intended objectives from planned costs or input allocations (Nalo, 2020). It is the actual implementation of the budget and application of funds to the planned activities (Carmen-Mihaela et al., 2010; Hyera, 2019). There are various budget performance metrics that are differentiated by a very thin line into effectiveness and efficiency (Goncharuk, 2018). Effectiveness of budget performance measure of how well the management utilises the allocated budget to fulfil the planned goals through appropriate and accepted course of action (Hyera, 2019). Indicators such as budget compliance rate, budget variance and expenditure ratio are considered to measure effectiveness of budget performance (Ruparelia, 2023). The budget compliance rate essentially indicates how closely actual spending aligned with planned budget, whereas the budget variance compares the actual budget to the planned budget so that overspending can be detected (Sorochuk et al., 2023). On the other hand, efficiency is a measure that focuses on cost of fulfilling set objectives in which end results is product or service cost (Omollo, 2018). Ghigiu (2024) considered Cost Performance Index (CPI) as an indicator of efficiency in budget implementation. It is used to understand the efficiency of money spent in relation to the percentage completion of the project.

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Conceptual Framework

The Theory of Financial Control and Agency theory are utilised in this research to illustrate the association between the financial accountability and procurement practices as independent variables with budget performance as dependent variable. The elements of financial accountability, which include transparency, feedback (reporting) mechanism, internal control and stakeholder engagement have been reported by previous studies to possess positive impact on budget variance analysis as indicator of budget performance (Anggraini et al., 2021; Eton et al., 2023; Nyambori, et al., 2023; Pratolo et al., 2019; Ratih & Ratnawati, 2023). Similarly, Abegaz (2024), Kabega et al. (2016), Kakai and Mokono (2022) and Katamuna et al. (2025) have evidenced that procurement practices such as procurement planning, supplier selection process, procurement contract management and tendering process have a positive influence on performance of public through effective budget implementation.

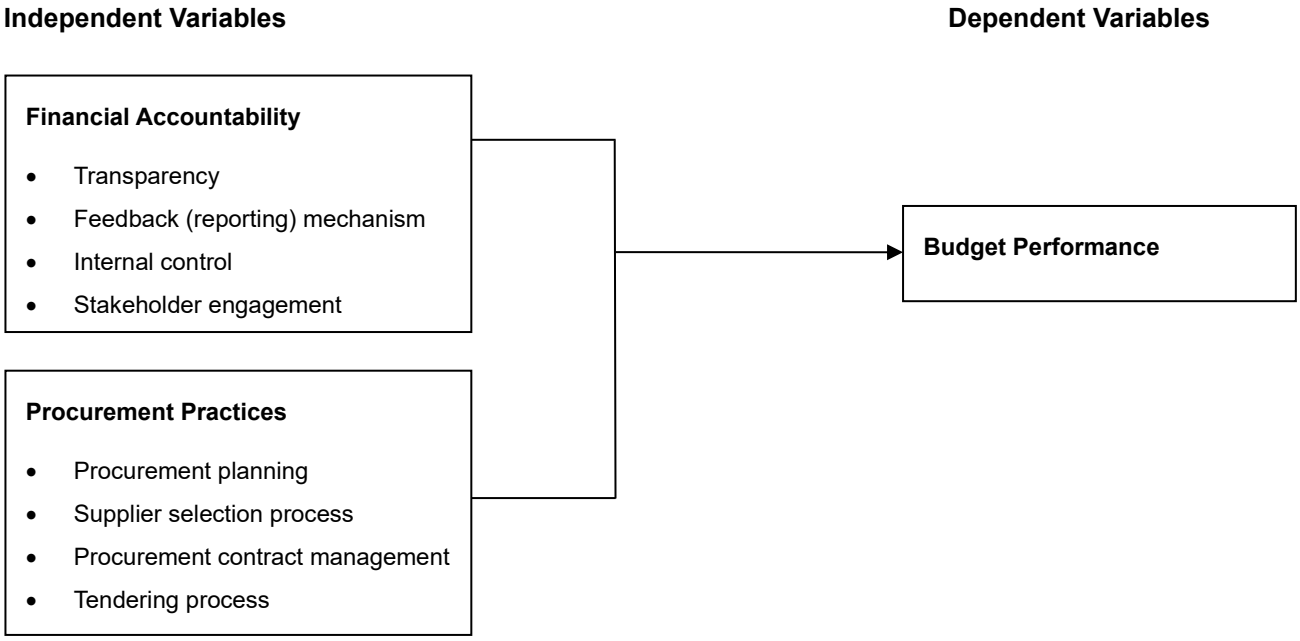


Figure 1: Conceptual Framework for Budget Performance (Source: Constructed by Researcher based on Literature Review)

Research Methods

Research Approach and Design

The study followed pure quantitative approach by adopting an explanatory research design. This approach provides thorough understanding of the causal-effect relationships between financial accountability, procurement practices and budget performance, putting light on the critical role of financial accountability, procurement practices in maintaining efficient budget utilisation in public sector.

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Thus, the explanatory design was applied in this study since it can help in estimation of the impact of financial accountability and procurement practices on budget performance.

Population and Sampling

The study was conducted in the 30 public agencies of Tanzania. The target population for this study consisted of 909 staffs in selected public entities. These staffs included procurement officers, accounting officers, planning officers, legal officers and administrative officers. These officers were targeted since have the ability to provide appropriate data and helpful insights to attain the research objectives because they are the ones responsible with budget utilisation. The study applied probabilistic sampling namely randomly sampling. The 30 public agencies were selected at random from the list of all public agencies in Tanzania, which are 680 (URT, 2020). Thereafter, the simple random technique was applied to select nine (9) staffs from every selected public agency working in the identified departments. A sample size was estimated using Yamane formula, and is 270 respondents, which, according to Creswell (2014), is a statistically optimum, which accordingly allows findings to be generalized to the whole population and ensures correct conclusions to be drawn.

Data Collection and Analysis

This study applied both primary and secondary data. Primary data was collected from the selected respondents using self administered questionnaire. The response rate is 100%, meaning all filled questionnaires were usable. The questions were basically on five points Likert scale. This type of questions were used because they simplify data collection and are easy to code and enter into data analysis software. The collected data was analysed using descriptive statistics such as frequencies, mean and standard deviation; and inferential statistics make use of multiple linear regression technique. The budget performance is measured by budget variance, which compares the actual budget spend to the allocated budget (Ruparelia, 2023). The negative budget variance rate means under-spending (project is using/has used less than what was planned) and vice versa is overspending. The data on expenditure and total allocated budget on different development projects and current expenditure were obtained from accounting, planning and procurement departments of surveyed public entities for financial year 2004/2025.

During data analysis all independent variables were transformed from categorical five point Likert scale (in ordinal scale) to numerical scale obtained from the mean score of statements in every variable. The process entails two steps. The first step was to create a new single variable from the items of every variable. Then a mean of a new variable was calculated. This mean score is the overall mean score of the items in the variable. Then, this overall mean was used as an independent variable in the regression model. For a variable ‘transparency’, all five items are used to create a new variable, and named TRP

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for transparency. Also, single variables were created from items of feedback mechanism, internal control, stakeholder engagement, procurement planning, supplier selection process, procurement contract management and tendering process one at a time. Then, mean scores of each of created variables were computed. These mean scores are the overall mean scores of the items of every variable. Then, the mean scores are entered into regression model as independent variables; feedback mechanism (FBM), internal control (INC), stakeholder engagement (STE), procurement planning (PRP), supplier selection process (SSP), procurement contract management (PCM) and tendering process (TNP).

Prior to data analysis, econometric diagnostic tests of data were undertaken. Tolerance and Variance Inflation Factor (VIF) in Table 10 and Table 13 indicate there was no multicollinearity problem. The ANOVA results in Table 8 and Table 11 show that the models are significant (F (4, 265) = 27.9705, p (.0000) and (F (4, 265) = 123.8210, p (.0000) respectively, and it means that data fitted well in estimated regression models. Thus, there were neither violations of assumptions guiding multiple linear regression nor econometrical violation of any kind. The multiple linear regression techniques was then performed to analyse their impact on budget performance.

Model Specification

Regression models were used to estimate the impact of financial accountability on budget performance; and the impact of procurement practices on budget performance in public sector respectively. The models are specified as Model 1 and Model 2 as follows:

Model 1:

$$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \ldots\ldots\ldots\

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Model 2:

The linear regression equation (2) below was applied in this study to estimate effect of procurement practices on budget performance.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ ..... (2)

Where;

Y = Budget performance (budget variance rate)

X_1 = Procurement planning

X_2 = Supplier selection process

X_3 = Procurement contract management

X_4 = Tendering process

β_0 = Intercept (Constant)

$\beta_1 – \beta_4$= Coefficient of determination of independent variables

ε = Error term for the model

Operationalisation of Variables

In this study, two constructs with 8 independent variables were hypothesized to affect the dependent variables; budget performance. The variables are summarised in Table 1.

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Construct	Variable	Variable Type	Expected Sign	Measurement	Comments	Source
Dependent variable						
Budget performance	Budget variance	Scale: Continuous	+	Budget variance rate = ((Actual expenses- allocated budget for the project during the period) / allocated budget for the project during the period)	Compares the actual budget spend to the allocated budget	Ruparelia, (2023)
			Independent variables			
Financial accountability	Transparency	Categorical	+	Ordinal: **5 Point Likert Scale:**		Abbasov, (2025); Kakai & Mokono (2022)
	Feedback (reporting) mechanism	Categorical	+	Ordinal: **5 Point Likert Scale**		Igboke & Raj (2023)
	Internal control	Categorical	+	Ordinal: **5 Point Likert Scale**		Bulama et al. (2023);)
	Stakeholder engagement	Categorical	+	Ordinal:		Abbasov (2025); Eton et al. (2023)

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Procurement practices	Procurement planning	Categorical	+	**5 Point Likert Scale**	Abegaz (2024); Adamu et al. (2021)
	Supplier selection process	Categorical	+	Ordinal:	Abegaz (2024); Amenya et al. (2022)
	Procurement contract management	Categorical	+	**5 Point Likert Scale**	Adamu et al. (2021); Amenya et al. (2022)
	Tendering process	Categorical	+	Ordinal:	Amenya et al. (2022); Kabega et al. (2016)

Table 1: Measurement of Dependent and Independent Variables of the Study

Results and Discussion

Demographic Features of Respondents

Table 2 demonstrate the distribution of demographic features of respondents that were surveyed. The results illustrate that 58.15% (n=157) of selected respondents were males and 41.85% (n=113) were females. This finding suggests that male employees are more than female employees in public sector entities. The difference is not much, which means that public entities are equal opportunity employers. Furthermore, findings regarding to respondent's age show that 40.0% (n=108) of respondents had the age range of 31–40 years followed by the respondents within the age range of 41-50 years who comprised of 27.41% (n=74). The highest age group (51-60 years) comprised only 11.11% (n=30) of respondents. The average age was recorded at 38 years, where the lowest was 23 years old and the highest was 59 years.

Variable/parameter	**Measurement**	**Frequency**	**Percentage**
Sex	Male	157	58.15
	Female	113	41.85

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Age	21-30 Years	58	21.50
	31-40 Years	108	40.00
	41-50 Years	74	27.41
	51+ Years	30	11.11
Work experience	<3 Years	61	22.60
	3-5 Years	82	30.40
	6-10 Years	86	31.85
	10-20 Years	31	11.48
	20+ Years	10	3.70
Education	Primary	6	2.22
	Secondary	8	2.96
	Certificate/Diploma	24	8.88
	Bachelor	140	51.85
	Masters	60	22.22
	PhD	32	11.85

Table 2: Demographic Features of Respondents (n=270)

In addition, results in Table 2 show that most of respondents 31.85% (n=86) possess experience of 6-10 years working in public sector, followed by those with experience of 3-5 years who were 30.40% (n=82). The implication of the finding is that staffs of public entities have high experience in their jobs. Thus, data that they provided this study is considered to be accurate. Additionally, respondents were enquired about the level of education they possess. The findings in Table 2 demonstrate that most of respondents said they have bachelor degree 51.85% (n=140) followed with those with Masters degree who were 22.22% (n=60). The results suggest that public entities comprises of personnel with higher education. Therefore, given their level of education, knowledge and skills it is without doubt that they provided this study with relevant data and information.

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Descriptive Results

Transparency

The results in Table 3 point out that, all items of variable transparency have mean greater than 4 (M>4.00), which according to five point Likert theory is in the range of strongly agree. The statements have small dispersal which fall not far from the mean of the data set, on average. This implies that staffs of public entities were very happy to report that there is transparency during budgeting process and budget implementation, and this done in order to increase budget performance. Accordingly, the overall mean of transparency is 4.16 (SD=0.6364; Range 1-5) signifying that there is very high level of transparency during budget implementation in Tanzanian public entities. These results put forward that, to a great extent the public entities are transparent in the whole budget process so as to improve scrutiny of financial resources. This is in accordance to Public Financial Management and Accountability (PFMA) reforms that promotes accountability in budget process that ranges from formulation, implementation, monitoring and control. Through PFMA reforms public entities involves stakeholders in priority identification and decision making so that the budget reflect the need of the people but also the government commitment to the people. The findings corroborates with Anggraini et al. (2021) who found that there is participation of public in budget process, and this is important for budget performance. Moreover, Asukile and Mbogo (2022), and Nyambori, et al. (2023) revealed that there is good to high level of transparency of budget process in public entities.

S/No.	Items	N	Min.	Max.	Mean	Std. Deviation
1	There is transparency in the whole budget process to improve scrutiny of financial resources.	270	1	5	4.15	0.5542
2	There is regular communication between public entities and stakeholders (the public) during budgetary process	270	2	5	4.32	0.6029
3	The public is involved in decision making process	270	1	5	4.09	0.6902
4	Meetings between management and stakeholders are regularly held to discuss budget issues	270	2	5	4.27	0.5506

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5	There is reporting and feedback mechanism to share information between management of public entities and citizens	270	1	5	4.01	0.7842
Overall		**270**	**1**	**5**	**4.16**	**0.6364**

Table 3: Mean and Standard Deviation for Transparency (n=270)

Feedback (Reporting) Mechanism

Table 4 illustrate that the mean scores of all items of feedback mechanism has values bigger than 3 (M>3.00) suggesting that respondents agreed about all items. The item 'suggestion box is installed at the customer waiting/reception area for collecting opinions of citizens/stakeholders' has the highest mean of 3.31 (SD=0.9750; Range 1-5) while the lowest mean score is on item 'public entities have created a mechanism that allow for stakeholders and management to interact regularly" with mean of 3.16(SD=1.1634, Range 1-4). The overall mean score of feedback mechanism is 3.22 (SD=0.8835; Range 1-5) suggesting that respondents agreed that public entities have well developed feedback or reporting system and that are highly used not only to report to people about the progress of budget implementation but also to gather opinions from people regarding the budgetary process so as to improve budget performance. The findings corroborates with Igboke and Raj (2023) who found that respondents in Nigeria agreed that gathering of public opinion through feedback mechanism was implemented effectively. Financial reporting and feedback gathering is essential for ensuring financial accountability in improving budget performance in public entities.

S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	Financial reports are regularly issued regarding the implementation of budget	270	1	5	3.22	0.9922
2	The financial reports are posted on public entities' website	270	1	5	3.25	0.9812
3	Suggestion box is installed at the customer waiting/reception area for collecting opinions of citizens/stakeholders	270	1	5	3.31	0.9750
4	Public entities have created a mechanism that allow for stakeholders and management to interact regularly	270	1	4	3.16	1.1634
5	The financial reports are posted on notice boards located at the entrance to the public offices	270	1	4	3.19	1.1687

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6	In institution's website there is a platform for gathering people's opinions	270	1	5	3.21	1.0677
	Overall	**270**	**1**	**5**	**3.22**	**0.8835**

Table 4: Mean and Standard Deviation for Feedback Mechanism (n=270)

Internal Control

In Table 5 the results revealed that, all items of internal control scored means greater than 4, meaning the respondents strongly agreed about all items. The item 'management of our organisation enforces the adherence to established accounting and budgetary rules and procedures' has the highest mean scores of 4.53 (SD=.3723; Range 3-5) and item with lowest mean is 'management of our organisation is committed to the operation of the internal control system' with mean of 4.23 (SD=0.6976; Range 2-5). Moreover, the general mean score for all items is 4.46 (SD=0.4638; Range 2-5). The finding implies that staffs of public institutions acknowledged that internal control is highly carried out in public institutions for the purpose of making sure that public financial rules and regulations are complied with, and that public funds are used effectively. Similar outcome are reported by Bulama et al. (2023) that financial control is crucial in public sector of Nigeria and an essential part in ensuring enhanced budget performance. Also, Olaoye et al. (2021) found related results.

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S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	Management of our organisation is committed to the operation of the internal control system	270	2	5	4.23	0.6976
2	The management have established a system to analyse risks that may affect the achievement of the established goals	270	3	5	4.52	0.3741
3	Management of our organisation enforces the adherence to established accounting and budgetary rules and procedures	270	3	5	4.53	0.3723
4	Different departments in the organisation are assessed by internal control system periodically to determine operations effectiveness	270	2	5	4.47	0.4756
5	There are codes of conduct in our organisation that guide behaviour, activities and decision-making	270	2	5	4.52	0.3992
Overall		**270**	**2**	**5**	**4.46**	**0.4638**

Table 5: Mean and Standard Deviation for Internal Control (n=270)

Stakeholder Engagement

The results in Table 6 exhibit that the value of mean for all items of variable 'stakeholder engagement' are in the range of agree and strongly agree. The item 'the budgetary process of public entities is participatory' has the highest mean of 4.22 (SD=0.6059; Range 1-5), while the lowest mean value is for item 'stakeholders are engaged in decision making regarding budget issues' with mean of 3.59 (SD=1.1129: Range 1-5). The overall mean score of stakeholders engagement is 3.93 (SD=0.9641; Range 1-5) implying that staffs of public institutions are satisfied with how public institutions engage stakeholders in budget implementation. The findings corroborates with Abbasov (2025) who found that in United States, Australia and the United Kingdom, stakeholder engagement through transparent communication, feedback mechanism and inter-agency coordination is effectively implemented in public sector. Moreover, Eton et al. (2023) reported that in Uganda the participants were satisfied with how local governments implemented accountability in budget implementation.

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S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	Stakeholder engagement enables community participation in budget planning, implementation, monitoring and evaluation	270	1	5	3.86	1.1108
2	Stakeholder engagement enables community participation in budget implementation	270	1	5	3.71	1.1126
3	Regularly the management of public entities solve budget related problems jointly with stakeholders	270	1	5	4.08	0.8062
4	Stakeholders are involved in decision making regarding budget issues	270	1	5	3.59	1.1129
5	The budgetary process of public entities is participatory	270		5	4.22	0.6059
6	Participation of the public in the budgetary process is active				4.19	0.8995
7	Stakeholder engagement enables community participation in monitoring and evaluation of budget	270	1	5	3.88	1.1008
Overall		**270**	**1**	**5**	**3.93**	**0.9641**

Table 6: Mean and Standard Deviation for Stakeholder Engagement (n=270)

Procurement Planning

The results in Table 7 reveal that the item ‘approval of procurement plan by the appropriate approving authorities’ has the highest mean of 4.31 (SD=0.5999; Range 2-5) while the item with lowest mean score is ‘well planned deliveries of materials within time schedule’ with a mean of 3.94 (SD=0.9805; Range 1-5). The overall mean score of procurement planning is 4.16 (SD=0.7472; Range 1-5) suggesting that staffs of public institutions are highly satisfied that procurement planning is implemented in public institutions in order to enhance budget performance. Thus, it is clear that public entities in Tanzania during procurement planning they identify procurement relevant needs develop budget for the identified procurement needs and ensure plans for delivery of goods and services within time are set. In addition, the public civil servants reported that before any procurement assignment is carried out procurement departments seek approval of procurement plan from the appropriate approving authorities. The findings

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agree with Adamu et al. (2021) who revealed that procurement planning in Rwanda is well articulated to ensure financial resources are used effectively. Also, Abegaz (2024) established that in Ethiopia procurement planning is essential for improving project performance in the public sector.

S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	Identifying relevant procurement needs	270	2	5	4.24	0.6506
2	Developing budgets for various procurement needs	270	1	5	4.05	0.8105
3	Well planned deliveries of materials within time schedule	270	1	5	3.94	0.9805
4	Enough time is put into considerations for the project completion	270	1	5	4.18	0.7996
5	Developing comprehensive tender documents	270	2	5	4.26	0.6418
6	Approval of procurement plan by the appropriate approving authorities	270	2	5	4.31	0.5999
Overall		**270**	**1**	**5**	**4.16**	**0.7472**

Table 7: Mean and Standard Deviation for Procurement Planning (n=270)

Supplier Selection Process

The findings in Table 8 illustrate that the mean scores of all items of supplier selection process are less than 4 but greater than 3, which is a range of agree. Accordingly, the overall mean score of supplier selection process is 3.43 (SD=1.0928; Range 1-5) implying that staffs of public entities agreed that supplier selection process are implemented in public sector procurement process. The findings suggest that staffs in public institutions are satisfied with supplier selection process conducted by public entities in procurement process in order to select appropriate supplier that will enable public entities realise value for money, and hence improve budget performance. Specifically, the results imply that prequalification of bidders is objective since public institutions invite all suppliers when evaluating bids and service or work are considered most. Moreover, the public staffs are satisfied that during this process, there is proper evaluation of supplier's abilities before undertaking a decision to source products or services and the procurement policies on supplier selection are adequately observed to ensure competent suppliers are selected. In similar view Amenya et al. (2022) recognized that supplier selection process is effectively implemented in the public sector of Kenya. The author found that

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prequalification and supplier selection criteria of bidders are objective and that compliance to them improves performance of public projects.

S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	The prequalification of bidders is objective	270	1	5	3.44	1.0731
2	The public institutions invite all suppliers when evaluating bids	270	1	4	3.22	1.1169
3	Specialization of product, service or work of bidders is considered most	270	1	5	3.56	1.0307
4	Procurement policies on supplier selection are adequately observed	270	1	4	3.18	1.2761
5	There is proper evaluation of supplier's abilities before undertaking a decision to source products or services	270	1	5	3.61	1.0276
6	Always competent suppliers are selected	270	1	5	3.54	1.0322
Overall		**270**	**1**	**5**	**3.43**	**1.0928**

Table 8: Mean and Standard Deviation for Supplier Selection Process (n=270)

Procurement Contract Management

The results in Table 9 demonstrate that the overall mean score of procurement contract management is 3.71 (SD=0.8508; Range 1-5) suggesting that staffs of public entities are satisfied that procurement contract management is carried out in public sector procurement process. These findings means that during contract management process the principle of fairness and equality is highly considered and that the legal team is always consulted before signing the contracts with suppliers to make sure that all parties interests are well considered. The staffs agreed to be satisfied by the way public entities handles quality and on time delivery issues when formulating procurement contract since a clause allowing public entities to reject goods that do not conform to procurement specification is always included in the procurement contracts. The results corroborate with Kabega et al. (2016) who found that procurement contract management was effectively implemented in public sector of Rwanda to enhance performance of public projects in terms of acquiring right quantity of materials of the right quality delivered within time and within planned budget. Moreover, Adamu et al. (2021) established that contract management is

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implemented in Ashanti region of Ghana, and is very crucial for the performance of public organisations such as municipals and district councils.

S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	Legal team were consulted before signing the contract	270	1	5	3.68	0.8903
2	Contracts are managed fairly and justly	270	1	5	3.62	0.9002
3	Time, quality and financial factors are considered while making procurement contract	270	1	5	3.65	0.8534
4	Delivered goods are rejected due to non-conformity to specification	270	1	5	3.87	0.8017
5	Regular monitoring and evaluation of contracts to ensure timely delivery of goods and services	270	1	5	3.74	0.8082
Overall		**270**	**1**	**5**	**3.71**	**0.8508**

Table 9: Mean and Standard Deviation for Procurement Contract Management (n=270)

Tendering Process

Table 10 exhibit that item ‘tender budget facilitates procurement of infrastructural projects’ has the highest mean of 4.48 (SD=0.4907; Range 2-5) while item ‘regularly the project implementation committee undergoes debriefing on tender scope of work assigned’ has the lowest mean of 4.12(SD=0.7196; Range 1-5). The overall mean score of tendering process is 4.33 (SD=0.5989; Range 2-5) implying that staffs of public entities are highly satisfied that tendering process is carried out incredibly well. The staffs agreed to the greater extent that the procurement department undertakes advertisement of tenders on a widely coverage media within set timelines and this has resulted to contracts be completed within time. The findings corroborate with Amenya et al. (2022) who found that tendering process was adhered in the public university, and that had helped increase performance of projects. Moreover, Kabega et al. (2016) reported that tendering system helped the performance of the project by enabling the acquisition of the right quantity and quality of materials, to manage budget, to acquire materials in time, to manage corruption and ensure accountability.

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S/No.	Statement	N	Min.	Max.	Mean	Std. Deviation
1	The procurement department undertakes advertisement of tenders on a widely coverage media	270	2	5	4.46	0.4838
2	The procurement department undertakes advertisement of tenders within set timelines		1	5	4.29	0.7006
3	Contracts are completed within set period	270	2	5	4.38	0.5004
4	Regularly the project implementation committee undergoes debriefing on tender scope of work assigned	270	1	5	4.12	0.7196
5	Tender budget facilitates procurement of projects	270	2	5	4.48	0.4907
6	Procurement plans indicate timelines of what and when items will be procured.	270	1	5	4.24	0.6988
Overall		**270**	2	5	**4.33**	**0.5989**

Table 10: Mean and Standard Deviation for Tendering Process (n=270)

Regression Results

Financial Accountability and Budget Performance

The multiple regression was conducted to evaluate the impacts of financial accountability and procurement practices on budget performance in the public sector of Tanzania. This section deals with results from model 1, which evaluates the impact of financial accountability on budget performance. Table 11 demonstrate that R-Square value is 0.743, which implies that the financial accountability (transparency, feedback (reporting) mechanism, internal control and stakeholder engagement) explain 74.3% of budget performance in the public sector of Tanzania. The results also signifies very strong positive correlation between financial accountability and budget performance.

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.862[a]	.743	.739	.89045

Table 11: Model Summary (n=270)

a. Dependent Variable: Budget performance (Budget variance rate)

b. Predictors: (Constant), transparency, feedback (reporting) mechanism, internal control and stakeholder engagement

The results of ANOVA in Table 12 illustrate that, transparency, feedback (reporting) mechanism, internal control and stakeholder engagement have significantly predicted budget performance in the public sector, (*F* (4, 265) = 27.971, p (.000). This implies that the regression model is significant and thus a good fit of the data, and correctly predicts budget performance.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	88.711	4	22.178	27.971	.000[b]
	Residual	210.126	265	.7929		
	Total	298.837	269			

Table 12: ANOVA[a] for Financial Accountability and Budget Performance (n=270)

a. Dependent Variable: Budget performance (Budget variance rate)

b. Predictors: (Constant), transparency, feedback (reporting) mechanism, internal control and stakeholder engagement

Prior to carrying out a multiple regression analysis, the selected predictor variables were checked for the existence of multicollinearity. The tolerance and variance inflation factor (VIF) methods were employed to test for the presence or absence of the problem of Multicollinearity for predictor variables. The results in Table 13 demonstrate that VIF values for all predictor variables were less than 5, which means that the model is free from multicollinearity problem. The fitted model is:

Budget performance = 2.9082 + 3.65TRP + 0.236FBM + 0.456INC + 0.366STE + 1.002

		Unstandardized Coefficients		Standardized Coefficients			Collinearity statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	2.9082	1.002		2.908	.011		
	TRP	0.365	.092	.342	3.968	.000	.471	2.121
	FBM	0.236	.127	.233	1.858	.066	.481	2.077

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INC	0.456	.131	.353	3.481	.001	.440	2.271
STE	0.366	.122	.658	3.000	.003	.282	3.552

Table 13: Regression Results for Accountability and Budget Performance (n=270)

a. Dependent Variable: Budget performance (budget variance rate)

The results in Table 13 show that, transparency has positive and highly significant impact (β=0.365, t=3.968, p=0.000) on budget performance in public sector. Thus, the hypotheses **H_1: *There is no positive and significant impact of financial transparency on budget performance in public sector of Tanzania*** was rejected. This indicates that the transparency is essential determinant of budget performance. Since the coefficient of transparent variable is positive, this means that when transparency is applied accurately and acceptably then the budget performance will be higher. Similar results were put forward by Ratih and Ratnawati, (2023) who reported that transparency has positive and significant effects on the performance of the budget with a value for money concept in Indonesian public sector. Eton et al. (2023) posit that for the purpose of achieving impressive budget performance its process better be transparent enough to allow public participation. Igboke and Raj (2023) established that a transparent mechanism in the management of public finance is essential for public financial accountability in making sure that there is a responsible management of public funds for the effective budget performance. The findings of this study conform with the theory of financial control, which articulates effective financial management conditions in public sector. The theory suggests that if transparency is absent in public sector, corruption, irresponsibility and inefficiencies sets in, which leads to lower budget performance.

On the contrary, feedback mechanism has positive but non-significant impact (β=0.236, t=1.858, and p=0.066>0.05) on budget performance in public sector. The non-significant effect means that the available evidence cannot support a confirmation or rejection of hypothesis **H_2: *There is no positive impact of feedback (reporting) mechanism on budget performance in public sector of Tanzania.*** This result means that feedback (reporting) mechanism is no more useful in the model, when the other three variables are already in the model. Thus, there is no enough evidence to say that feedback or reporting mechanism affect budget performance positively or negatively.

Table 13 shows that internal control variable has β= 0.456, t= 3.481, and p=0.001, which indicates that internal control has a positive and significant impact on budget performance. Therefore, we reject the hypotheses **H_3: *There is no positive impact of internal controls on budget performance in public sector of Tanzania***. The finding suggests that internal control activities are very essential for improving budget performance in public sector. The findings reveal that the public institutions are committed to the implementation of the internal control system in order to improve management of public funds. Similarly, Olaoye et al. (2021) found that financial control has a significant impact on accountability in public sector.

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This is supported by Bulama et al. (2023) who posit that effective and efficient financial control system ensures the maintenance of proper accounting records and increases the impact of budget implementation. Thus, promotion of internal control practices is essential for realization of higher budget performance. These findings are in line with the theory of Financial Control. The theoretical underpinning places internal control at the core of budget process such as budget implementation to oversee the expenditure of public financial resources. It is advocated by the theory that if these aspects are absent inefficiencies in budget performance occurs.

Further, the results in Table 13 illustrate stakeholder engagement has β= 0.366, t= 3.000, and p=0.003, which means that the stakeholder engagement has positive and significant impact on budget performance in Tanzanian public sector. As a result, the hypotheses **H_4: *There is no positive impact of stakeholder engagement on budget performance in public sector of Tanzania*** was rejected. Thus, proper implementation of stakeholder engagement directly influences public entities to enhance budget performance. The findings corroborates with Abbasov (2025) who found that in United States, Australia and the United Kingdom, stakeholder engagement contributed effectively in budget performance in public sector. Moreover, Eton et al. (2023) reported that in Uganda the participants were also satisfied with how local governments implemented participatory budget process. The theoretical thinking of financial control theory confirms the findings of this study that stakeholder engagement is necessary for budget performance since participatory budgeting help the public sector to assess its goals, encourages control in use of public funds and evaluates outcomes. The theoretical underpinning of financial control theory postulates that the lacking of stakeholder engagement in budget implementation results in ineffective budget performance.

Model 2: Procurement Practices and Budget Performance

This section deals with results from model 2, which evaluates the impact of procurement practices on budget performance. The model summary in Table 14 demonstrate that R-Square value is 0.651, which implies that the procurement practices (procurement planning, supplier selection process, procurement contract management and tendering process) explain 65.1% of budget performance in the public sector of Tanzania. It also signifies very strong positive correlation between procurement practices and budget performance.

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807[a]	.651	.646	.32496

Table 14: Model Summary (n=270)

a. Dependent Variable: Budget performance (Budget variance rate)

b. Predictors: (Constant), procurement planning, supplier selection process, procurement contract management and tendering process

The results in Table 15 illustrate that, procurement planning, supplier selection process, procurement contract management and tendering process have significantly predicted budget performance in the public sector (F (4, 265) = 123.821, p (.000). Therefore, procurement planning, supplier selection process, procurement contract management and tendering process predicts budget performance.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	52.302	4	13.076	123.821	.0000[b]
	Residual	27.985	265	0.106		
	Total	80.287	269			

Table 15: ANOVA[a] for Procurement Practices and Financial Performance (n=270)

a. Dependent Variable: Budget performance (Budget variance rate)

b. Predictors: (Constant), procurement planning, supplier selection process, procurement contract management and tendering process

The results in Table 16 demonstrate that VIF values for all predictor variables were less than 5, which means that the model is free from multicollinearity problem. The fitted model is:

Budget Performance = 0.299 + 0.301PRP + 0.097SSP + 0.421PCM + 0.922TNP + 0.021

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Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	0.299	.021		14.238	.000		
	PRP	0.301	.139	.245	2.165	.036	.343	2.918
	SSP	0.097	.119	.102	0.085	.396	.262	3.814
	PCM	0.421	.199	.264	2.116	.231	.248	4.026
	TNP	0.922	.029	.760	31.793	.000	.250	3.997

Table 16: Regression Results for Procurement Practices and Budget Performance (n=270)

a. Dependent Variable: Budget performance (budget variance rate)

The results of the regression model illustrated in Table 16 show that, the impact of procurement planning on budget performance was positive and significant (β=0.301, t=2.165, p=0.036). That means that when the public entities create effective plans for the procurement needs then the budget performance will be higher due to acquisition of the goods and services of the right quantity and quality, at the right time and right price, which maximises the realisation of value for money. Therefore, we reject the hypotheses **H_5: *There is no positive impact of procurement planning on budget performance in public sector of Tanzania***. This implies that the procurement planning is important determinant of budget performance in public sector of Tanzania. Inadequate planning provide avenue to commit fraud and embezzlement of public funds in procurement process. The findings are similar to Abegaz (2024) and Kabega et al. (2016) that procurement planning contributed positive performance of projects in Rwanda and Ethiopia. This is supported by Adamu et al. (2021) who found that procurement planning and organisational performance are positively related and thus procurement planning is an essential practice and survival strategy for public institutions.

On the contrary, supplier selection process has positive but non-significant impact (β=0.097, t=0.815, and p=0.396>0.05) on budget performance in public sector. The non-significant effect means that the available evidence cannot support a confirmation or rejection of hypothesis **H_6: *There is no positive impact of supplier selection process on budget performance in public sector of Tanzania***. This result means that supplier selection process is no more useful in the model, when the other seven variables are already in the model. The findings contradicts the theoretical thinking of agency theory because it regards supplier selection process as important procurement practice. In addition, procurement contract management has positive but non-significant impact (β=0.421, t=2.116, and p=0.231>0.05) on budget performance in public sector. The non-significant effect means that the available evidence cannot support a confirmation or rejection of hypothesis **H_7: *There is no positive***

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impact of procurement contract management on budget performance in public sector of Tanzania. This finding is contrary to theoretical thinking of agency theory, which postulates that procurement contract management is very crucial in making sure all legal aspects of procurement assignment are fulfilled so as to safe guard public funds.

Further, the results of the regression in Table 16 demonstrate that tendering process has positive and highly significant impact on budget performance in public sector of Tanzania (β= 0.922, t= 31.793, and p=0.000<0.05). As a result, the hypotheses **H_8: *There is no positive impact of tendering process on budget performance in public sector of Tanzania*** was rejected. The results implies that effective execution of tendering process straightforwardly impact budget performance in public institutions. The findings of Amenya et al. (2022) who found that the impact of tendering practices on performance of infrastructural projects is positive and statistically significant. The results corroborate with theoretical thinking of agency theory that tendering process enshrines the obligation of public entities to realise the value for public money and ultimately improve budegt performance. The tendering process are established to guide the activities of procurement departments in public sector, which is their obligations to the people. Thus, adherence to the tendering process can lead to realisation of higher budget performance.

Conclusions and Recommendations

Conclusion

The research investigated the impact of financial accountability (transparency, feedback (reporting) mechanism, internal control and stakeholder engagement) and procurement practices (procurement planning, supplier selection process, procurement contract management and tendering process) on budget performance. The study concludes that financial accountability has a positive and significant relationship with budget performance in public sector. Therefore, the public institutions in Tanzania have to make every effort to implement prudent financial accountability processes such as transparency in budget process, feedback (reporting) mechanism, internal control system and stakeholder engagement to enhance its budget performance.

Also, the study has established that procurement practices are essential strategic processes applied to improve procurement performance by making sure the public sector acquire goods, services or works of right quality, on the right time and price in order to realise value for money, that lead to higher budget performance. Therefore, based on the results, procurement planning is a critical determinant of budget performance. Similarly, this study has confirmed that tendering process is very essential in ensuring higher budget performance. However, the study concludes that though supplier selection process and procurement contract management are crucial strategic operations for meeting objectives of public

institutions and thus ensure budget performance, this study sums up that supplier selection process and procurement contract management are not well established in public sector of Tanzania.

Recommendations

Following the conclusions made from the study, the following recommendations are made to the relevant authorities for promoting financial accountability and implementation of best procurement practices so as to enhance budget performance in public sector.

1. The public institutions should monitor and audit the tendering procedures in order to ensure transparency and accountability is realized hence valve for money.
2. The government should involve competent legal team and experts to design the project procurement contract for effective contract administration and management. Involvement of competent legal experts is envisaged to increase of significance of contract management in procurement process
3. The study recommends that the project plan should be prepared by experienced, committed and knowledgeable procurement personnel who are aware of procurement methods in order to deliver the intended outcomes.
4. The study recommends that public entities identify capable suppliers and procurement methods that can enable acquistion of quality goods and services on timely basis.

Contribution of the Study

This study has significant practical implications for leaders, supervisor and staffs in public institutions. Through this study they can understand that transparency in budget process, internal control system, stakeholder engagement, procurement planning and tendering process are essential for the public sector. Therefore, managers need adequate resources to build up and support transparency in budget process, internal control system, stakeholder engagement, procurement planning and tendering.

Limitations and Suggestion for Further Studies

This study is not without limitations. First of all, this study only focused on the effect of financial accountability (transparency, internal control system, feedback mechanism and stakeholder engagement,) and procurement practices (procurement planning, supplier selection process, procurement contract management and tendering), on budget performance measured by budget variance rate in public sector of Tanzania. Thus, future studies should focus their research on private sector, and focus on more accountability aspects such as community participation, public sector audit, effective communication and institutional arrangement; and more procurement practices such as procurement staff competency, stakeholder collaboration, sourcing, accountability and competitive

bidding. This will provide a more nuanced understanding of how financial accountability and procurement practices influence budget performance.

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