Financial Accountability, Resources and Competence of Proprietors, and Performance of Private Universities in Uganda

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Abstract: The purpose of this study was to examine the effect of financial accountability on performance of private universities in Uganda. The study is guided by a hypothesis, that financial accountability have a statistically significant effect on the performance of private universities. The study taps into the voices of university stakeholders seeking their opinion on how to address the university performance challenges and 162 sample units were selected and participated in the study. The study follows the post-positivism philosophical stance which calls for the use of mixed techniques, while a descriptive, analytical and cross-sectional research design was utilized. Data was analyzed using two statistical software programs: Analysis of Moments of Structures (AMOS) for structural equation modeling (SEM), and SPSS was used for preliminary data analysis. In contrast, content analysis was employed in the qualitative approach. The results were presented using, Scatter plots, regression analysis, correlation coefficients and percentage tables while SEM was used to perform confirmatory factor analysis, principle component analysis, variance analysis, correlation coefficients and regression analysis. There was positive significant correlation between the financial accountability and the University performance (r = 0.641, P<0.01). The results further indicate that financial accountability individually explains 41.1% (R Square Change = .411) of the variations in University performance. The study found out that all dimensions of financial accountability exhibit a positive and significant relationship with performance. Hence value for money, financial reporting and audited accounts can ensure transparent financial transactions avoid diversion of funds, create robust strategies for mobilizing resources and save funds that can be utilized to improve financial sustainability and education quality in private universities. The study recommends that private universities should establish transparent financial reporting, promote active engagement of proprietors in financial decision making and resource mobilization, adherence to fiscal responsibilities, and effective financial governance as well as training proprietors in university financial management.

Key words: Financial Accountability, Financial Management Practices, Financial sustainability, Education Quality, Performance

I. Introduction.

The overall aim of this study was to examine the effect of financial accountability on performance of private universities in Uganda moderated by resources and competences of proprietors. The study makes a critical analysis of performance in private universities and suggests practical strategies for overcoming performance challenges. Performance was measured by how well organizational goals are met, and it indicates the capacity to meet goals through the use of financial resources in an effective and efficient way. The study further assesses whether internationally accepted financial accounting and reporting standards in form of financial reporting, audited accounts and value for money have boosted university performance. Specific emphasis is placed on a critical synthesis of whether implementing sound financial accountability effectively increases the university's resource base to enable financial survival and the attraction of quality staff to propel effective teaching, research and cutting edge innovations.

Worldwide, higher education has undergone significant changes in response to societal demands and needs in the USA, Europe, Latin America, Canada, Asia, and Africa. In fact, private higher education has evolved more rapidly than the public system, and in many nations, it is seen as a supplement to the public system (Obasi, 2016). To enhance access to higher education, many nations, like Nigeria, Malaysia, and Indonesia, liberalized and encouraged the privatization of higher education and many private universities mushroomed in those countries (Lawita, 2018). In the last three decades, many private universities have been mounting support and dedication to address performance challenges. Many universities in different parts of the world started implementing policies aimed at improving performance of these education institutions (Amponsah, 2013). Many around the globe view good performance in following areas, that is, adjustment and restructuring of the teaching curriculum, research, daily operations, the human resources, financial management, adequate learning infrastructure, financial sustainability, strategic planning, resource mobilization, environmental issues, competitive position, quality teaching and research, social corporate responsibility among others (Aleixo, 2018; Amponsah & Onuoba, 2013). The World Bank and international monetary fund required sub-Saharan African nations like Uganda to adopt certain policies known as the structural adjustments, which called for the removal of subsidies from higher education and advocated for cost sharing in university education. These policies, along with an increase in population that was not matched by the government's expansion of new educational institutions or universities, all contributed to the acceleration of the establishment of private universities in Uganda in 1988 (Ochwa-Echel, 2016).

The demand for private universities was further enhanced by the introduction of universal primary education in 1997 that doubled primary enrollment from three million in 1998 to six million in 1999 and to 8,297,000 in 2009. This was followed by the

introduction of universal secondary education in 2006 which increased the number of potential applicants for university entrance from 728,393 in 2005 to 1,194,454 in 2009 (UBOS, 2010). Following the explosion of private universities globally, the number of private universities has grown from 40.6% in 1969 to 57.5% in 2015. In Africa, private universities have grown from 35 in 1969 to 972 in 2015 (Zeleza, 2018). In Uganda, 83% of the universities are private (Auditor, 2020). Due to funding challenges, private universities in Uganda find it hard to fund research and staff development (Nabunya et al. 2019).   Lack of financial sustainability is a main weakness in private universities. The heavy reliance on donor support reflects the broader economic context of Ugandan universities. (Amponsah, 2013), asserts that most performance challenges include funding and management of the available funds. Many private universities operate without charters, and they lack enough senior academics like PhD holders and professors (NCHE, 2020). The quality of service by many is also shoddy, but a few of them have better equipment, newer buildings and better facilities than the public universities (Ochwa-echel, 2016; Nkata, 2006).

Because of multiple funding inadequacies, most private universities have numerous performance challenges. These challenges include many of these universities operating without charters, and lacking enough senior academics, like doctoral holders and professors, to steer the academic stature of these institutions. Only eleven private universities in Uganda out of forty three were chattered (NCHE, 2022), thirty two were still struggling to put in place the basics or minimum standards required for the regulator to grant them a chatter status which is an indicator of poor performance (Kitubi, 2023). According to National Council for Higher Education [NCHE] (2020), failure to obtain a charter is an indication that the private university has failed to put in place the basic minimum quality standards required to offer higher education. Many private universities are performing poorly for example Uganda Christian University and Uganda Martyrs University, which have sometimes appeared among the top 100 best performing private Universities in Africa are also facing performance challenges and equally struggling financially (UCU Budget Performance Report 2022; Katusiime, 2020).

In Uganda, about 30% to 40% of the unit cost of the programs registered for are paid by students (Mabala, 2017), however not much attempt has been done to discover how private universities survive and cover this financing deficit caused by low fees collections. Even with the privatization of and cost-sharing policies in university education in developing countries, the quality of teaching and research has declined as a result of overcrowding, inadequate financing of universities, inadequate staffing, deteriorating physical facilities, poor library resources and insufficient scientific equipment among other challenges (Kitubi, 2023; Echel, 2016; Varghese, 2004). Internal efficiency in universities is often very low and there is a rising problem of mismatch and graduate unemployment. Many universities in the developing world now operate at the periphery of the international scientific community, unable to engage in the generation and application of the advanced knowledge necessary to address the social and economic development problems. This state of affairs is critically responsible for the poor internal performance of most universities in the developing world (Auditor G, 2020; Echel, 2016; Saint, & Lao, 2009), especially private universities because these have limited external sources of funding to support teaching, research, community engagement and innovation (NCHE, 2022; Nalwoga, 2021; Varghese, 2004).

Notwithstanding, the above reports and studies are silent on the financial management practices especially financial accountability used in private universities and their impact on performance. Without research on feasible financial accountability on performance, a number of universities are at the verge of collapse and if they are left to collapse a lot is at stake for the millions of students, parents and the community depending on these private universities (NCHE, 2022; SSerugo, 2023; Kitubi, 2023). Thus the purpose of the study was to examine how financial accountability influence the performance of private universities in Uganda in the hope of developing a financial management model tailored to private universities, and to assess the moderating effect of the role of proprietors' resources and competence in directing financial accountability to influence the performance of private universities.

The Agency theory, and stakeholder theory offered valuable insights to this study, each addressing distinct facets while complementing one another. Agency theory delves into the intricate dynamics of principal-agent relationships, underscoring shareholder involvement and internal controls to mitigate conflicts and bolster corporate governance. However, while the ongoing discourse highlights the theory's significance, there remains a dearth of empirical research validating its efficacy across diverse organizational contexts. Bridging this methodological gap necessitates comparative studies employing both quantitative and qualitative methodologies to ascertain the theories' applicability and effectiveness. Similarly, stakeholder theory advocates for a holistic and inclusive approach to financial governance, emphasizing the consideration of diverse stakeholders' interests to foster ethical standards, transparency, and trust. Despite its potential benefits, implementation challenges persist, compounded by a scarcity of empirical evidence supporting its effectiveness and adaptability to varying cultural, institutional, and technological contexts. Moreover, the literature overlooks the impact of stakeholder theory on organizational performance in different geographical regions, signaling a critical geographical gap in understanding its global applicability.

The current section generally provides the background to the study. The section introduced the reader to a chronological evolution of state funding of higher education during the period before and during political independence until the late 1970s. It then justifies the advent of private sector into funding of university education and the associated challenges in the developing world. The section further articulates the operationalization of "financial accountability" and private university performance". Through the section, study problem and its objectives, the study unpacks the practical and theoretical gaps that needs investigation.

II. Materials and Methods

The post-positivist approach, which calls for the use of mixed techniques, was utilized in this study. The study adopted a mixed methods research approach to cater for both numeric and non-numerical aspects related to financial accountability and performance of private universities. Non-numerical information was collected through interviews with key informants while numeric information was collected through questionnaires. The mixed approach was justified on the presumption that certain aspects of financial accountability are subjective and non-quantifiable. The literature has advanced a number of mixed methods research designs (Caruth, 2013). This study collected quantitative data first and later qualitative data for comparison and clarity on different findings using an explanatory sequential mixed methods methodology. The primary purpose of the explanatory sequential approach was to use qualitative data to explain and provide deeper insights into the results of the quantitative data (Creswell and Plano Clark, 2007). For instance, the quantitative data revealed surprising and unexpected trends, which the qualitative phase helped to explore the underlying reasons, motivations, and contextual factors that explained the observed patterns. Thus, a descriptive, analytical and cross-sectional research design was used. The analytical and cross sectional were adopted and applied in relation to the quantitative data so as to establish the correlational effects of the hypotheses. The collected data was analyzed using two statistical software programs. That is Analysis of Moments of Structures (AMOS) version 26 was utilized for structural equation modeling (SEM), and SPSS version 26 was specifically used for preliminary data analysis. A two-stage SEM recommended by Anderson and Gerbin (1984) was employed, with stage one entailing estimating a measurement model using confirmatory factor analysis (CFA), and stage two involving estimating the structural model. The specification of the model that connects the variables thought to influence other variables is the first step in the SEM approach (Kline, 2005). To ascertain if the suggested model suited the data or not and whether any adjustments were needed to improve the fit, fit statistics were assessed during the estimating process. These model fit indices were taken into account in this evaluation: the Goodness-of-fit index (GFI), Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), Tucker Lewis Index (TLI), Incremental Fit Index (IFI), and the normed chi-square index (CMIN/DF).

In contrast, content analysis was employed in the qualitative approach. The results from bivariate data were presented using, Scatter plots, regression analysis, correlation coefficients and percentage tables while data that had more than two variables, the study employed multivariate techniques such as; confirmatory factor analysis, principle component analysis, variance analysis, correlation coefficients and regression analysis. The investigator carried out the pilot study after cleaning and establishing the objectives. This involved choosing a manageable sample size that is nonetheless large enough to offer insights into potential problems. The design allowed for methodological flexibility while maintaining a close resemblance to the main study's design. The population of the study were composed of stakeholders who were involved in directing or managing finances of these eight private universities totaling to 280. The unit of analysis was eight private universities from South Western Uganda. The unit of inquiry was the university stakeholders, which were individuals who are affected by the existence of a private university in one way or the other and those directing or managing finances that affect performance. The stakeholder categories included 32 members of senior management, 46 members of the executive committee of guild leadership, 19 deans of faculties, 56 senior members of academic staff, 09 members of finance department totaling to 162. These people were selected because of their expertise in the affairs of the universities and they were hoped to provide detailed relevant data for the study. The study used the modified sample determination formula by Cochran (1977) to determine the sample size for quantitative data. According to the modified formula,

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}}$$

Where

$n_0:$ Cochran's computed sample size for an ideal population, which is 385

$N:$ the population

$$n = \frac{385}{1 + \frac{385 - 1}{280}} = \approx 162$$

The Cochran's modified formula was used because it is appropriate for small and finite populations. The study employed stratified sampling to generate the sample size for the study. A random sample is then drawn from each sub-population category (stratum) proportionally or disproportionally. Proportionate or proportional allocation to size (PS) was then employed in each sub group or stratum. All the eight private universities in south western Uganda were selected so as to obtain sufficient and reliable data and draw conclusions.

The sample selected from each sub population are shown in the table below

Table 1 Population category and Sample size

Category	Population size (n)	Sample Size $n_i = \frac{n \times N_1}{N}$	Sampling techniques

Deans of Faculties	32	19	Simple Random Sampling
Senior Academic Staff	96	56	Simple random sampling
Senior staff in Finance department	16	09	Simple random sampling
Members of Executive committee of guild leadership	80	46	Simple random sampling
Senior members of management	56	32	Simple random sampling
Total	**280**	**162**	

Source: Researcher's computation, 2023

The study also used purposive sampling to select key informants to this study. The researcher selected the key informants because of their unique experience and information on university functioning. Purposive sampling was used due to the difficulty of accessing some of the university stakeholders like top management, internal auditors, members of university council (Kobugabe, 2022; Nalwoga, 2021). For the qualitative approach, a total of 16 respondents participated in the qualitative interviews. These included academic registrars, senior accountants, vice chancellors, members of senate and council. The sample size of 16 stakeholders was arrived at using the saturation point. This was the point at which analysis of additional interviews led only to aspects that had already been mentioned in previous conversations and did not result in new findings (Creswell, 2006). Therefore, questionnaires, and interview guides were used to collect data from the field.

III. Results and Discussion

Results on Exploratory Factor Analysis

Principal Component Analysis (PCA) was employed to identify the key dimensions of financial accountability within the organization. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was calculated at 0.628, indicating a moderate level of adequacy for conducting factor analysis. Additionally, Bartlett's Test of Sphericity yielded a significant result (chi-square = 394.951, df = 36, p < 0.001) (Table 17), confirming that the correlation matrix was appropriate for PCA.

Table 17 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.628
Bartlett's Test of Sphericity	Approx. Chi-Square	394.951
	Df	36
	Sig.	0.000

Upon extracting components based on eigenvalues greater than 1, three principal components were identified (Table 18). A Varimax rotation was subsequently applied to enhance the interpretability of the results. The rotation process converged after five iterations, leading to a clearer structure.

The Rotated Component Matrix provided insights into the structure of the components. Component 1 predominantly captured core financial management practices, with significant loadings from items FINAC1 (0.723) and FINAC2 (0.754). This component reflects the fundamental practices that underpin financial accountability within the organization. Component 2 focused on financial oversight and compliance, with a notable loading from FINAC8 (0.892), highlighting the importance of regulatory adherence and monitoring in financial activities. Lastly, Component 3 pertained to the effectiveness of financial control measures, exhibiting strong loadings from FINAC5 (0.734) and FINAC6 (0.886). This component underscores the necessity for robust controls to ensure financial integrity.

Table 18: Factor loadings

Rotated Component Matrix[a]			
	Component		
	1	2	3
FINAC1	0.723		
FINAC2	0.754		
FINAC3	0.697		
FINAC4	0.685		
FINAC5			0.734
FINAC6			0.886
FINAC7		0.539	0.597
FINAC8		0.892	
FINAC9		0.787	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.[a]			
a. Rotation converged in 5 iterations.			

The communalities indicate that the extracted components account for a substantial portion of the variance in the financial accountability items (Table 19). Notably, FINAC6 and FINAC8 have high communalities of 0.808 and 0.801, respectively, suggesting that these items are well-explained by the underlying components identified in the analysis. In contrast, FINAC3 has the lowest communality of 0.490, indicating that it may not contribute significantly to the overall construct of financial accountability.

Table 19 Communalities

	Extraction
FINAC1	0.589
FINAC2	0.672
FINAC3	0.490
FINAC4	0.560
FINAC5	0.623
FINAC6	0.808
FINAC7	0.650
FINAC8	0.801
FINAC9	0.645
Extraction Method: Principal Component Analysis.	

Results on Confirmatory Factor Analysis

Confirmatory factor analysis was performed using AMOS 21.0™ to assess construct validity. Construct validity refers to the extent to which operationalization of a construct does actually measure what theory purports (Churchill, 1995, Sarantakos, 2005). This is used to test how well the measured variables represent the number of constructs as explained as follows;

CFA Measurement model for University Performance

A measurement model employing CFA was utilized in the current study to evaluate University performance using a two-factor model. University performance was measured using financial sustainability and education quality the analysis is shown in Figure 4.

Chi-square=74.762, df=18, p=.000
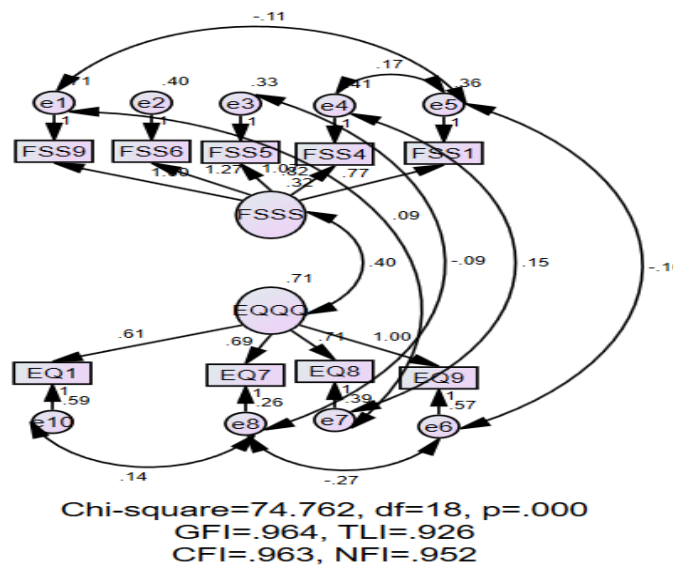GFI=.964, TLI=.926
CFI=.963, NFI=.952

Figure 4 CFA for University Performance

Figure 4 depicts that the fit indices resulting from the Confirmatory Factor Analysis (CFA) fall within the acceptable range. The initial CFA results indicated that although the standardized parameter estimates were all significant (p<.001), the fit-indices were below the acceptable level signifying a poor measurement model fit. This necessitated a re-specification by iteratively removing items that did not meet the acceptable criteria. The purpose of repeating the filtering process was to remove as few items as possible, considering the need to derive a more parsimonious model. Examination of the modification indices (MIs) revealed misspecifications affiliated with 'FSS2', 'FSS3', 'FSS7', 'FSS8' 'QE2', 'QE3', 'QE4', 'QE5', and 'QE6'. Nine out of eighteen items in total were iteratively removed in the final model prior to further analysis. While the number of deleted items was relatively lower compared with the total, their removal did not change the content of the construct as it was conceptualized. This is so because the retained items were significant and had standardized factor loadings higher than the recommended level of .50 thus, the meanings of the factors were preserved.

Table 11 Standardized weights for University Performance

Code	Items	Standardized regression estimates	C.R (t)
	Financial Sustainability		
FSS9	The university has put in place a sound staff development program that guarantees future supply of competent manpower needs.	0.558	10.734
FSS6	This university enjoys great support from the community for its programs and development agenda	0.749	10.286
FSS5	The student enrollment in this university is growing steadily	0.725	9.198
FSS4	A reasonable percentage of the revenue of this university is generated from other sources other than student's tuition fees	0.588	8.272
FSS1	The university has invested in productive assets that guarantee stable future cash flows	0.559	
	Students' grades		
EQ9	This University enjoys a favourable position in the current international university rankings	0.743	
EQ8	Staff in this university regularly publish their books and articles in internationally recognized journals	0.690	11.904
EQ7	Students who finish from this university are easily accepted in the employment fields of their specializations	0.748	10.204
EQ1	Financial resources of this university are efficiently utilized to achieve quality education	0.552	9.668
Achieved Fit Indices			

CMIN/DF	RMSEA	GFI	CFI	TLI	NFI
4.153	0.087	0.964	0.963	0.986	0.952
(19.589 / 10.5)					

Table 11.XX indicate that the standardized parameter estimates for all the retained indicators were statistically significant ($p<.001$) and loaded on this factor. In addition, the results confirm the validity of the model with adequate model fit statistics for this construct measure. The composite reliability was. 0.844, which is well above the acceptable level for scales tested in a new context (Nunnally & Bernstein, 1994); and the AVE is 0.834 The CFA results confirmed the validity of the final model with excellent model fit statistics for this construct measure.

CFA Measurement model for financial accountability

A measurement model employing CFA was utilized in the current study to evaluate financial accountability using a one-factor model with twelve items. However, after careful analysis, two items with poor loadings (namely, 'FA1' and 'FA3') were removed, leaving the remaining items as displayed in figure 10. It is noteworthy that the removal of these items did not alter the construct's conceptualization or content
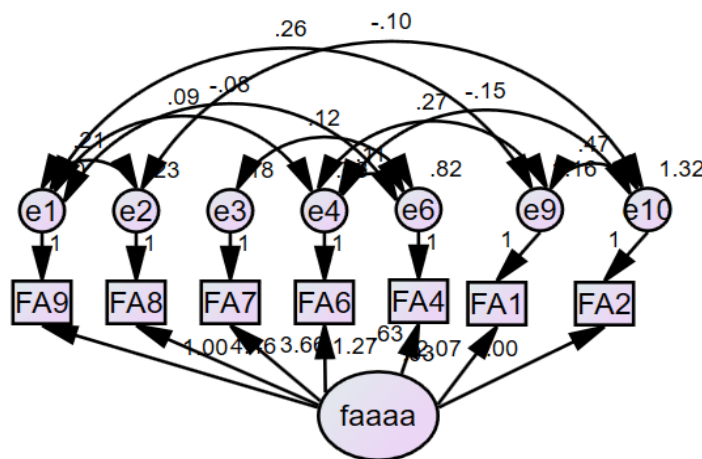
Chi-square=16.610, df=5, p=.005
GFI=.989, TLI=.931
CFI=.984, NFI=.977

Figure 1 CFA for Measurement of financial accountability

Figure 10 demonstrates that the fit indices obtained through Confirmatory Factor Analysis (CFA) fall within an acceptable range. Initially, the CFA findings indicated that, despite all standardized parameter estimates being statistically significant (p<.001), the fit indices were below the acceptable threshold, indicating a less-than-optimal fit for the measurement model. Consequently, a re-specification process was initiated, involving the iterative removal of items that did not meet standard criteria. The goal of this iterative refinement was to eliminate items as minimally as possible while striving to create a more concise and effective model. Analysis of the Modification Indices (MIs) uncovered misspecifications related to 'FA1' and 'FA3'. In the last model, two out of the total nine items were progressively removed before further analysis. The removal of these items did not alter the content of the indicator as originally conceptualized, since the retained items were significant and had standardized factor loadings exceeding the recommended level of .50. Consequently, the meanings of the factors were maintained.

Table 26 provides a more detailed explanation of this phenomenon through the utilization of the standardized regression estimate pertaining to the items of financial accountability that have been retained.

Table 1 Standardized weights for financial accountability

Code	Items	Standardized regression estimates	C.R (t)
FA9	The university accounting system follows the international financial reporting standards	0.543	
FA8	There is good monitoring and evaluation of all funded activities to achieve value for money	0.848	4.541
FA7	There is value for money for every revenue spent in this university	0.826	4.116
FA6	Financial performance reports are used to improve performance in this university	0.713	3.195
FA4	Internal audit reports are regularly reviewed to improve performance	0.618	5.432
FA1	The university has a robust accounting system that allows for proper recording of financial transactions	0.601	7.335
FA2	The university management prepares financial statements that represent a true state of the financial situation in the university	0.542	4.646
Achieved Fit Indices			

CMIN/DF	RMSEA	GFI	CFI	TLI		NFI
3.322 (730.681 / 21)	0.0530	0.989	0.984	0.931		0.977

Table 26 reveals that the standardized parameter estimates for all the maintained indicators were statistically significant (p<.001) and exhibited loading on this factor. Furthermore, the outcomes validate the model, showcasing satisfactory model fit statistics for this construct measure. The composite reliability stood at 0.855, surpassing the acceptable level for scales tested in a new context (Nunnally & Bernstein, 1994), and the Average Variance Extracted (AVE) was calculated as 0.901. The results from Confirmatory Factor Analysis (CFA) affirm the validity of the ultimate model, exhibiting excellent model fit statistics for this construct measure.

CFA Measurement model for role of proprietors

A measurement model employing CFA was utilized in the current study to evaluate role of proprietors using a one-factor model with nine items. However, after careful analysis, four items with poor loadings (namely, 'RP2', RP6', RP7' and ' RP8'') were removed, leaving the remaining items as displayed in figure 11. It is noteworthy that the removal of these items did not alter the construct's conceptualization or content
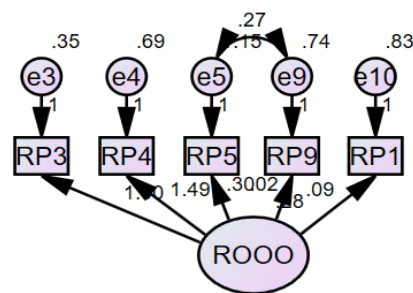
Chi-square=7.602, df=4, p=.107
GFI=.993, TLI=.936
CFI=.975, NFI=.950

Figure 2 CFA for Measurement of role of proprietors

Figure 11 illustrates that the fit indices derived from Confirmatory Factor Analysis (CFA) are within an acceptable range. Initially, the CFA results indicated that, despite all standardized parameter estimates being statistically significant (p<.001), the fit indices fell below the acceptable threshold, suggesting a suboptimal fit for the measurement model. Subsequently, a re-specification process was initiated, involving the iterative removal of items that did not meet standard criteria. The objective of this iterative refinement was to eliminate items as minimally as possible while aiming to create a more concise and effective model. Examination of the Modification Indices (MIs) revealed misspecifications associated with 'RP2', 'RP6', 'RP7', and 'RP8'. In the last model, four out of the total nine items were progressively removed before further analysis. The removal of these items did not alter the content of the indicator as initially conceptualized, since the retained items were significant and had standardized factor loadings exceeding the recommended level of .50. Consequently, the meanings of the factors were preserved.

Table 27 provides a more detailed explanation of this phenomenon through the utilization of the standardized regression estimate pertaining to the items of role of proprietors that have been retained.

Table 2 Standardized weights for role of proprietors

Code	Items	Standardized regression estimate	C.R (t)
RP3	The proprietors appoint competent members of the governing council that gives proper direction of the university	0.669	
RP4	The proprietors have greatly contributed to the level of performance of this university	0.690	2.146
RP5	The proprietors have influenced the formulation of effective financial management policies in this university	0.531	2.124
RP9	The proprietors have put in place strategies to mobilize enough resources to support the university operations	0.711	4.234
RP1	The proprietors support the university with resources that have improved performance	0.551	4.121

Achieved Fit Indices

CMIN/DF	RMSEA	GFI	CFI	TLI	NFI
1.900 (151.502 / 10)	0.184	0.993	0.975	0.936	0.950

Table 27 indicates that the standardized parameter estimates for all the retained indicators were statistically significant (p<.001) and demonstrated loading on this particular factor. Additionally, the results validate the model by presenting satisfactory model fit statistics for this construct measure. The composite reliability, reaching 0.798, surpasses the acceptable level for scales tested in a new context, as suggested by Nunnally and Bernstein (1994), and the Average Variance Extracted (AVE) is computed as 0.811. The outcomes of the Confirmatory Factor Analysis (CFA) affirm the validity of the final model, showcasing excellent model fit statistics for this construct measure.

Correlation analysis

Table 12 the correlation between the financial management practices and the University performance.

Variables	1	2	3	4	5	6	7	8	9
Financial accountability-1	1								
Budgeting-2	0.08	1							
Financial controls-3	.494**	0.061	1						
Working Capital Management-4	.476**	0.051	.513**	1					
Financial Management Practices-5	.732**	.455**	.764**	.759**	1				
Role of proprietors-6	.506**	0.024	.342**	.553**	.520**	1			
Financial Sustainability-7	.402**	0.041	.455**	.680**	.584**	.429**	1		
Educational quality-8	.741**	0.076	.502**	.520**	.665**	.425**	.645**	1	
University Performance-9	.641**	0.066	.529**	.656**	.691**	.471**	.895**	.918**	1
** Correlation is significant at the 0.01 level (2-tailed).									

The findings presented in Table 12 indicate that there is positive significant correlation between the financial accountability and the University performance (r = 0.641, P<0.01). This implies that a positive change in financial accountability, is associated with a positive change in University performance.

Following the guidance by Hair, et al (2014) competing models were specified to test the hypotheses. The objective is to settle for the one that fits the data better. Specifically, four models were specified – Model 1 without the control variables (financial accountability). Model 2 with budgeting. Model 3 with financial control and Model 4 with working capital management. On examining the accept/reject criteria suggested by Morgan and Hunt (1994), even though the hypothesized paths were significant

in all the models, Model 4 provided a better fit premised on the model fit statistics (χ^2, df, p-value, RMSEA, CFI, NFI) as reported in table 20. Therefore, the study hypotheses are tested using the results in Model 4 (fig. 10)

Chi-square=108.715, df=56, p=.000
GFI=.961, TLI=.949
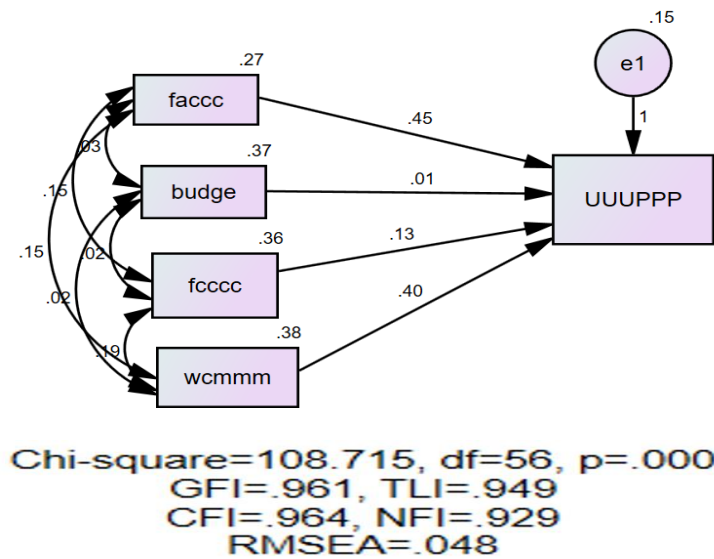CFI=.964, NFI=.929
RMSEA=.048

Figure 3 Testing the Direct Relationships between the Global Variables

Figure 12: Model   Legend: faccc = Financial accountability, budge = budgeting, fcccc = Financial control, budge = budgeting wcmmm= working capital management and UUUPPP= University performance

The findings depicted in Figure 12 display the emergence of a developed model that establishes the relationship between the various components of financial management practices, namely the financial accountability, budgeting, financial control, budgeting, working capital management, and the University performance. This was additionally demonstrated in Table 29, which presents the structural model outcomes for competing models.

Table 3 Hierarchical regression

Variable	Model 1			Model 2			Model 3			Model 4		
	B	t	Sig.	β	t	Sig.	B	T	Sig.	β	T	Sig.
(Constant)	0.761	5.101	.000	.717	3.803	.000	.449	2.451	.015	**.179**	1.083	.279
Financial accountability	0.641	17.045	.000	.640	16.941	.000	.502	12.187	.000	**.383**	9.969	.000
Budgeting				.014	0.379	.705	.008	0.231	.817	**.006**	0.194	.846
Financial controls							.280	6.803	.000	**.130**	3.313	.001
Working Capital Management										**.407**	10.464	.000
R		.641[a]			.641[b]			.686[c]			.763[d]	
R2		0.411			0.411			0.471			0.582	
AdjR2		0.410			0.409			0.467			**0.577**	
R2-Change		**0.411**			**0.000**			**0.059**			**0.111**	
F-Change		290.517			0.144			46.280			109.497	
Sig. F-Change		0.000			0.705			0.000			0.000	
a Dependent Variable: University Performance												

Source: Primary data, 2023

The results in Table 29 indicate that financial accountability was confirmed to have a positive significant relationship with University performance (Beta = .383, p<.01). This implies that a unit increase in financial accountability will result into 0.383 units increase in University performance. The results further indicate that financial accountability individually explains 41.1% (R Square Change = .411) of the variations in University performance.

Therefore; we reject the null hypothesis of "*Financial accountability is not statistically significant in the performance of private universities in Uganda*" and accept the alternative and conclude that financial accountability has a positive significant relationship with University performance.

IV. Discussion of findings

The findings of this study reveal a noteworthy relationship between financial accountability and the performance of private universities. Specifically, the results indicate a positive and statistically significant correlation between these two variables. In essence, this means that when financial accountability is effectively done, it has a favorable impact on the performance of private universities. Moreover, the study goes further to highlight that all the components or dimensions of financial accountability exhibit a positive and significant relationship with performance of private universities. This implies that not only the overall financial accountability but also the specific aspects such as value for money, financial reporting and audited accounts play crucial roles in influencing the performance of private universities.

The study findings further revealed that private universities are required to make financial statements at the end of every year following international reporting standards, which shows the income and expenditure of the university. This is supported by studies of (Afriye, 2015; Umeghalu, 2019; Benon, 2021; Rubera, 2023; Sitsha, 2023). These studies revealed that financial statements provide an explanation or justification, and accept responsibility for events or transactions and one's own actions in relation to these events or transactions. They further conquer with the study findings that the university income mostly comes from tuition fees. Therefore, financial statements are important to show the amount of money received in terms of tuition fees and how all funds were utilized. Effective utilization of the funds received contributes to improved performance. In addition, the study revealed that internal audit reports are made and made available in time to the concerned authorities. This is in line with (Oluwole, 2015; Mathuge & Muturi, 2017; Unimke, 2024) who asserted that as guardian of public accountability, the audit function should hold itself as a model institution fully conscious of its own responsibility to the public at large, and availed to the concerned authorities. In order for the audit function to perform its duties without fear or favor, affection or ill-will, it should not only have appropriate powers, status and privileges, but also certain immunity.

Although the quantitative data showed strong association of financial accountability and performance in terms of financial sustainability and education quality, information from the key informant interviews indicated that private universities were struggling with financial sustainability and education quality issues. Many universities were performing poorly in terms of research and publications, learning infrastructure in terms of lecture rooms, laboratories, academic staff, internet resources and low incomes mainly from tuition fees. Most universities were doing poorly on financial sustainability as they were purely dependent on the low student enrollment to generate incomes to run the universities. While many others were performing poorly in terms of global and national university rankings. The strongest views from respondents on financial sustainability were based on the fact that most universities were only relying on tuition fees which is prone to fluctuations due to competition and other factors that affect the economy of the country. Some of the views of most respondents are represented by quotations below;

''In terms of income and financial sustainability, we are not sustainable. We do not have other sources of income other than tuition fees like grants. We do not have capacity to employ qualified full time staff.. The university majorly rely on part-time staff who do not have enough time to settle down, write proposals for grants and to win research grants. That makes you risky in terms of sustainability. We do not have assets to support income sources. Relying on only fees is unreliable and unsustainable. We do not have grants. If you cannot employ full time and qualified staff to meet minimum standards then you cannot say you are a sustainable university''. RS 01

'' currently the university is not yet financially sustainable because it mainly depends on tuition but some efforts are being made to improve this situation in the near future. For example, there are plans to expand the university farm for milk, chicken and to supplement income. We are constructing our own playground that will be hired to outsiders. Lecturers are being encouraged to write and win grants and those lecturers who write and win grants, the university retains 15% of the grants. The government also supported the university to construct the science laboratory. Otherwise the university is now focusing on writing more proposals to win grants. ''For example if you do not win grants, you do not get promoted and we are encouraging writing as a team.'' RS 03

The study further assessed the status of quality education in private universities. The dominant views on education quality indicated that most universities in Uganda were struggling to offer quality education. For example the respondents indicated that most universities did not have qualified lecturers especially those with PhD qualifications to supervise research and teaching. Many of the private universities were not doing much in terms of research, many did not have a research agenda and there was no support at all to staff to do research, staff were not publishing and the few that were attempting to write were doing it on their own. Relatedly, most universities were experiencing power shutdowns, few computers, costly and unreliable internet that could not allow students and staff to access online resources and researches. In terms of infrastructure, many did not have modern libraries and most books were either old or irrelevant to most of the courses. Many universities were also doing poorly in terms of national and global university rankings. For example only two of the eight universities in the study were ranked in the best thirty universities out of the fifty two in the country, and none of the eight appeared among the best ten universities in Uganda in the recent (2023) web metrics rankings. This situation is partly represented by a few quotes below on this content;

'' Not really, when we look at the mode of delivery and the kind of infrastructure available, when you look at the required lecturers, laboratories, libraries, computers, books, projectors. I think we do not have enough to deliver quality education''. RS 10

'' I think No, this university is currently ranked 37th in Uganda for both private and public universities. This is not the best we can achieve, I think we can do better to improve this ranking. A number of things are being worked on to improve the current performance and we are in final stages to a quire a chatter from the government of Uganda. Otherwise, we are no yet fully equipped to deliver quality education. For learning infrastructure, we are working on computer laboratories, but we have very few computers in place. We are sourcing for additional funds to establish other building for lecture rooms because we do not have enough, libraries and others. We still lack in a numbers of areas of learning infrastructure in terms of buildings, laboratories, libraries, computers, lecture rooms, books, projectors, furniture, lectures, administrators…''. RS 04

'' We are doing badly in terms of enrollment. Even the total fees has been reduced from 1,270,000 to 650,000 for under graduate degrees and to 450,000 for diplomas with hope to boost enrollment. The university has few viable courses, we are planning to start a few others in the near future. The university is not chattered. The infrastructure is not up to date. The geographical location of the university is also not favorable. It is located in a rural setting yet many students like urban setups. The staff remuneration is very low, irregular and not prompt. There is no staff development programs here. Retention of staff here is a challenge. Most of the senior staff have been taken by Kabale University a public university because of better facilitation. For example the senior ICT Lecturer, Librarian, dean of theology, vice chancellor have all been recently taken. Political interference, and wrangles and battles between proprietors and other stakeholders also affect performance'' RS 13

V. Conclusion and Policy Recommendations

Conclusions

Financial accountability and performance of private universities

The observed positive correlation suggests that an improvement in financial accountability is likely to lead to corresponding improvements in performance of private universities. Stake holders can leverage this understanding to enhance financial sustainability and education quality to achieve more favorable outcomes in the performance of private universities. The study's noteworthy finding that all components or dimensions of financial accountability exhibit a positive and significant relationship with performance of private universities provides valuable insights. Value for money, financial reporting and audited accounts emerge as particularly influential factors in driving positive changes in performance of private universities. Strengthening these aspects of financial accountability can empower overall university performance. Ensure that transparent financial reporting and accountability mechanisms are in place, contributing to the broader goals of the university. It is worth emphasizing that the identified correlation between financial accountability and performance of private universities does not imply a direct causal relationship. While the results suggest a connection between these variables, additional research and longitudinal studies are warranted to explore the complex interplay of factors that shape performance of private universities comprehensively. In conclusion, this study's correlation results establish a meaningful and positive link between financial accountability and performance of private universities. Stakeholders in universities can utilize these findings to inform evidence-based decision-making, emphasize and implement robust financial accountability practices to exhibit higher overall performance. This underscores the importance of transparent financial reporting, adherence to fiscal responsibilities, and effective financial governance in contributing to the success and reputation of the institution. The study concludes that effectiveness in financial accountability helps universities to not only save resources but also create robust strategies of mobilizing enough resources to achieve better performance. Proprietors of the private universities must play an active role in mobilizing resources and enacting strong financial policies that ensures proper utilization and management of financial resources to improve performance.

Policy Recommendations

Financial Accountability and Performance of private universities

Establish Transparent Financial Reporting: implement transparent financial reporting mechanisms that keep proprietors informed about the financial health and performance of the university. This transparency fosters trust and allows proprietors to make informed contributions to financial discussions. Promote Active Engagement of Proprietors: Encourage active participation and engagement of proprietors in financial decision-making processes. Establish channels for regular communication and collaboration to ensure that proprietors are informed and involved in key financial strategies. Provide Financial Training for Proprietors: Offer financial training sessions or workshops for proprietors to enhance their understanding of financial management practices. This will empower them to contribute meaningfully to decision-making processes and ensure alignment with the institution's financial goals.

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