APPROVAL FORM

The undersigned certify that they have supervised Wayne N. Makoto on the dissertation entitled, **"An investigation on the cash flow management system at Mvuma District Hospital 2013-2015'** It was submitted in partial fulfilment of the requirements of the Bachelor of Commerce in Accounting Honours Degree (HACC).

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Student   Date

....

Supervisor   Date

....

External examiner   Date

RELEASE FORM

Name of Author :   **Wayne N. Makoto**

Dissertation title: **An investigation into the effectiveness of cash flow management**

                system at Mvuma District Hospital 2013-2015

Degree Title: **Bachelors of Commerce in Accounting Honours Degree (HACC)**

Year of research: **2016**

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Signed :...

Date: ....

Permanent Address :   STD 741 Mushayavhudzi

                Mvuma

Contact numbers :   +263 776747030/ +263 733119840

Email Address   : makotonyasha777@gmail.com

Signed   : ....

Date   : October 2016

Dedications

This dissertation is dedicated to my beloved parents, my brothers and little sister for their love and support.

Acknowledgements

This dissertation was made a success by loyal friends and family members and i am more grateful for their support and encouragement throughout this research. I would like to express my gratitude more to the One and Only God sitting on the throne for his love and mercy which saw me through this dissertation. I also would like to thank my parents Evelyn Manhovo and Cleophas Manhovo for their support throughout May the Almighty bless them for me. Not forgetting my brothers Tinotenda and Takudzwa and my little sister Makatendeka who respected my study time. Particular mention also goes to Mr and Mrs Manda thank you.

I also would like to express my heartfelt gratitude to my supervisor Mr Mvura for his patience and dedication.

ABSTRACT

This research was undertaken to investigate the effectiveness of cash flow management system at Mvuma District Hospital. The main problem was that Mvuma District Hospital was operating with most of its cash lying idle in debtors such that they were not able to pay their creditors and they had more expenses compared to income so this research was on the background of trying to enhance the cash flow management system at the hospital and improve the day to day running of the hospital. The research goes in depth by identifying the symptoms of poor cash flow management in hospitals. It gave theoretical evidence and theoretical evidence of ineffective cash flow management system in hospitals. This study was done using the descriptive research design using the Census technique. The census method was used in the selection of the sample size. Data was collected using questionnaires and one on one interview. The collected data was presented by using tables and pie charts. The major findings were that the sources of revenue were not being fully utilised and there poor management of receivables and payables. Budgets were not being followed as planned and there was no enough equipment to use at the hospital which is a symptom of poor cash flow management system. The recommendations were that the hospital must revisit its credit policy and also there need to make use of the closed departments at the hospital so as to generate more revenue for the hospital.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter identifies the area of research under study. It also gives the background of the study followed by statement of the problem. Research questions, research objectives and significance of the study are also part of this chapter. The chapter also takes into account delimitations of the study, limitations of the study and definition of terms.

1.1 Background of the study

Mvuma District Hospital is a government hospital which is located 84km east of Gweru. It is a parent hospital to other clinics, mission hospitals and council hospitals in the district. The district hospital helps the subsidiary hospitals and clinics do their book of accounts for example the bank reconciliation monthly.

The core business of Mvuma District Hospital is to provide health services in the Chirumhanzu District. Shamu etal (2013) states that the sources of revenue for the hospitals as listed the Health Services Fund are ambulance fees, consultation charge, dental bill, drugs, laboratory price, maternity bill, physiotherapy fees, theatre fees, ward fees and x-ray fees, government budget, external funds and other donations.

During work related learning in 2015 the researcher observed that the hospital was under pressure to reduce cost and that it is working with medical aid societies that are taking ages to pay their debts to the hospital. This delay is affecting the revenue of the hospital as well as their cash flow.

At Mvuma District Hospital there are symptoms of cash flow problems which include late payment of supplier invoices, declining revenue collected at the end of the month for example in February 2015 the profit was (99). According to Edwards and Hauser (1989) increasing expenditures and longer collection periods for receivables are also symptoms of cash flow problems that many government owned health care organisations face. Rauscher and Wheeler (2008) also states that hospitals must aim at generating higher revenues and

reducing the average collection periods. All these symptoms affect the effectiveness of cash flow management at Mvuma District Hospital.

The invoice book that is used to record all the debtors of Mvuma District Hospital shows that from the year 2013 -2015 $ 59 133 debtors were approved and in those 3 years only $29 742 debtors were collected. This means that there is an outstanding balance of $ 29 391 which is 49.7 % of all the debtors. This issue of debtors affects the liquidity position of the hospital. The current and liquidity ratios of the hospital at the end of the day are unfavourable. According to Hamandishe (2012) the ability of the hospital to pay its debts can be affected with those who owe to the hospital. Parirenyatwa (2015) also stated that major referral hospitals across the country are on the brick of collapse due to rising debts.

Francis (2016) outlines that programmed book-keeping systems be faster as much as capturing data is important and also makes it easier to cross check journals ledgers. With a programmed book-keeping system, data for a certain era can be assembled promptly. This computerized accounting structure can help improve the effectiveness of cash flow management. At Mvuma District Hospital the manual accounting system which is slow and also prone to human errors is used. Kutywayo etal (2014) suggests that the general hard copy system of health records is obsolete and unpleasant. The Ministry of Health and Child Care have been working for the past years to introduce e-health which can be used to capture patient demographics, handle patient accounts and other important information. This aims at improving the effectiveness of cash flow management system.

Moreover at Mvuma District Hospital expenses are more than income this also raises a question to the effectiveness of the cash flow management system at this hospital. Dropkin (2003) stated that Ruth (2002) argued that for effective cash flow management income must be in excess of expenses, the organisation must be able to pay bills when they come due.

Being a parent hospital to clinics and hospitals in the district some of its subsidiaries are failing to provide adequate information which ends up affecting the books of accounts at

the end of a financial period. Kandamutsa (2014) stated that substandard financial data hinders supervision and assessment of health facility performance.

The researcher also observed that some departments which are supposed to be helping the hospital collect more revenue are not functioning because of lack of enough equipment for example the x-ray department, dental department and the theatre. This was evidenced by a complaint which was raised by Muzondo (2015) about the malfunctioning of the district hospital.

In addition to that there is lack of coordination between the accounts department and the nursing stuff because some patients end up being discharged without paying hospital bills thereby creating more expenses for the hospital.

1.2 Statement of the problem

On the period under study the hospital has been operating with thousands of dollars lying idle in debtors yet its struggling to pay its bills and expenses, there are more expenses compared to income. This seems to be a problem being faced by public hospitals in Zimbabwe. The research seeks to evaluate the effectiveness of cash flow management at the hospital.

1.3 Main research question

Analyse the effectiveness of cash flow management system at Mvuma District Hospital?

1.4 Research objectives

- To evaluate sources of revenue at Mvuma District Hospital

- To analyse the accounting system at the hospital

- To analyse how debts are approved

- To recommend possible ways of cash flow management system where necessary

1.5 Research questions

- Where does the hospital get most of its cash from?

- Is the hospital using the required accounting system?

- What is the criteria being used for a debt to be raised?

- What security measures are in place to safeguard cash and other security items?

1.6 Significance of the study

1.6.1 To Mvuma District Hospital

Provided that the research has been approved Mvuma District Hospital will be able to find ways on how to effectively manage their cash flow system. The research findings will the hospital improve the quality of the services it offers.

1.6.2 To Midlands State University

Provided that the research has been approved it is going to add literature to the library which will be used by future generations to come.

1.7 Delimitation of the study

The study would evaluate the effectiveness of cash flow management system at Mvuma District Hospital only.

1.8 Limitations of the study

- Financial constraints would hinder the researcher from gathering enough information and data from various sources

- Time can be another constraint since the research would be carried out during working hours which means there will be work overload to the researcher on how to balance the research and her studies.

1.9 Definition of terms

Cash management   it is the cycle of processes used by an establishment to attain the

ceiling advantage from the movement of cash (Lienert, 2009)

Credit policy

1.10 Summary

This chapter emphasized the background of the effectiveness of cash flow management system. The next chapter will give review of literature for the appropriate academic and experimental work on cash flow executive system.

CHAPTER 2

LITERATURE REVIEW

2.0 INTRODUCTION

The chapter looks at what other authors, experimental evidence and researchers say about the effectiveness of cash flow management system at Mvuma District Hospital. The aim of literature review is to sustain the researcher in applying the experimental work of other past researchers, giving a demarcation on the research inconvenience under research by the researcher. The identified experimental work will aid in the use of proof gathered in the research work. A summary is included at the end of this chapter.

2.1Theoretical review

Uwalomwa and Eghide (2011) claims that cash administration involve taking the necessary preventative course of action to make sure that satisfactory cash rank are retained in the business so that the favourable needs could be gather. Abioro (2013) also indicated that mere availability of cash (liquidity) without appropriate management does not necessarily turn into favourable performance of an organisation.

A profitable business can go bankrupt if it fails to effectively manage its cash flows. According to Kariya (2015) financially well managed hospitals not only help in providing cost effective health care solutions but also provides quality services that reasonably priced. The problem of poor cash flow due to current changes in the business environment poses a continuous threat on the operational performance of most hospitals in general. According to Buche (2016) managing the receivables and payables of the company is of great importance for the day to day running of the business. Lauerman (2016) states that hospitals have struggled to collect bills when patients are not covered by insurance creating delinquent accounts. Fletcher (2016) also supports this by saying that when it comes to getting money from patients hospitals are hopeless. Pressures on the cash flow

management system include increasing days in accounts receivables and rising debts from more uninsured patients just to mention a few. Samuels and Walker (1993) states that the management of receivables is a practical problem, businesses can find their liquidity under considerate strain if the levels of their receivables are not properly regulated. If receivables build up they lead to declining cash flows. Moreover poor management of receivables also results to bad debts.

Crown Agents (2013) states that the inability of the patients to pay for health services has continued to hold back the functionality of the Health Services Fund. This led to the failure of health facilities in operational activities necessary for improving quality and delivery of health services. According to Panayiotis and Roupas (2009) one of the core reasons why hospital debts are generated is that hospitals do not pay their suppliers immediately. As a result of that not only do they fail to benefit from any price reductions on products during negotiations but are also further charged with the cost of payment delay.

According to Bressler etal (2009) whether a healthcare organisation expect having a budget surplus or deficit it needs to have cash to meet its obligation, accomplish its objectives and respond to unexpected challenges. Moskowits (2015) states that hospitals and health care organisations are always looking for ways to cut expenses, unlike most businesses these firms do not have much opportunity to increase revenue. According to Owolabi and Ibida (2012) major problem faced by organisations is the inability to determine minimum cash level required by the organisation. Minimum cash level assist management to maintain enough cash to meet day to day operating expenses.

Atinga etal (2012) argues that inadequate budgetary support; user fees expose hospitals to critical logistical and medical supply shortages, dysfunctional medical equipment, and weak management systems and poor health professional motivation. It is argued that user fee offer no practical incentives for improving health care management unless health insurance is introduced. Attom (2014) states that a cautious cash flow management system of a business would be able to honour its debt obligations as and when they fall due and also facilitate the responsibility of the firm to pay for its upcoming expenses.

Plenty of cash flow bottlenecks can hinder medical practises, while external forces such as payer rules and administrative red tape are partly responsible. Many of the worst cash flow

problems are self generated. Poor management in a number of areas can cause cash flow obstructions. Steps to improve accuracy and efficiency will do little good if cash leaks out through fraud or poor management.

According to BDC (2014) implementing effective cash flow management system starts at the top and requires senior leaders to understand and participate in its various components. These components include preparing cash flow projections, comparing them to actual results, determine and tracking key performance indicators and benchmarking against competitors.

Effective cash flow management system requires information for example an organisation needs immediate access to data on the credit worthiness of its customers, current track record of payments made by customers. Maysami (2010) defined a company's credit policy as the actions taken by a business to grant, monitor and collect cash for outstanding accounts receivables. Efficient collection impacts the cash flow of an organisation. According to Kalunda etal (2012) there are no two organisations with a similar credit policy which ever credit policy an organisation chooses it must be able to attract and retain good customers without having a negative impact on cash flows.

Szabo (2005) and Ojeka (2012) argue that for a credit policy to be effective it should not be static. Credit policy requires to be reviewed periodically to ensure that the organisation operates in line with the competition. The effects of a credit policy are either good enough to bring growth and profits or bad enough to bring declination and losses. This similarity is as a result of the aim of every manager which is to be called their receivables efficiently and effectively, thus maximising their cash inflows (Ojeka 2012).

2.2 Empirical review

2.2.1 Hospitals in Limpopo Province in South Africa.

The hospitals in Limpopo province include Pietersburg hospital, Polokwane hospital, Letaba hospital and Lebowa-kgomo hospital just to mention a few. The health sector in South Africa is funded by the government. Patients at Limpopo hospitals are dying because of corruption, mismanagement of funds and lack of basic resources. According to Motsoaledi (2016) the

health sector was placed under administration by cabinet in 2011 due to maladministration and poor financial management.

There is shortage of food to give to patients at these hospitals. This is a sign of poor cash flow management system. Bianca who was one of the patients supported this in a report made by the Sunday Times News that she stayed in Pietersburg hospital without food or water or drugs. New born babies are sharing incubators and mothers nursing their babies on the floor because of the shortage of beds.

There is no enough equipment to provide health services to people. Sometimes babies are born with cerebral palsy because there was no paper for the heart rate monitor, so doctors did not pick that up that the foetus was in distress. Due to the shortage of crucial equipment doctors are for forced to make decisions about life or death (Online Abertillery, 2016)

Mabasa (2013) is of the view that historical debt and under budgeting are some of the reasons for the dire situation at the hospitals in the Limpopo province. These two are also symptoms of poor cash flow management system in the health sector.

At Lebowa-kgomo hospital machine repair techniques refused to fix the radiology unit because the hospital had not settled invoices since 2009 (Laganparsad , 2016). This situation rises question to the effectiveness of cash flow management at this hospital.

Limpopo health MEC Ramathuba acknowledged all these problems. According to Ramathuba (2016) money has been taken away from the hospitals that are not buying equipment and centralize it and also stated that financial stability is one of the issues that needs to be addressed.

National health department spokesperson Joe Maila said that when the Limpopo department was placed under administration in December 2015 a diagnosis had to be done in order to understand the underlying causes that may have led to poor financial management. The diagnosis report found that there were poor procurement systems in place and also some service providers were not meeting the required standards.

2.2.2 Hospitals in the United States of America

According to Lauerman (2016) a type of pain that hospitals thought had relieved has come back with a vengeance, the problem is bad debts. Hospitals have struggled to collect bills when patients are not covered by insurance. The Affordable Care Act was supposed to relieve some of that strain by helping pay for coverage for millions of Americans and expanding medical aid in some states to cover for the poor.

According to a CDC survey (2010) most people got access to insurance since the Obamacare became law in 2010. Under the Obamacare the first few thousand dollars of annual medical expenses came out of patients' wallets. That is the money that hospitals like Childress Regional Medical Centre are unlikely to collect. Some people are not insured and they do not have money to pay their bills.

Lauerman (2016) cited that the Unites States' second biggest for-profit United States hospital chain in February 2016 revised its fourth quarter 2015 provision for bad debt up by $ 169 million. It was proved that 40% or about $ 68 million of that amount was from patients being unable to pay deductibles and co-payments.

HCA Holdings Inc, the biggest Unites States hospital company also reported increasing rates of bad debts in the second and third quarter of 2015. The chain attributed the trend to dropped insurance coverage.

According to the Advisory Board a consulting firm to hospitals patients are unlikely to pay medical bills that are greater than 5% of household income. Spencer Perkman an analyst supported this by suggesting that since the median household income in the United States is about $ 53 000 so when out-of-pocket charges exceed $ 2 600 hospitals can forget about collecting the debts.

2.2.3 Health services in Ghana

The health system was formerly operated as the 'Cash and Carry' system when many people died because they did not have money to pay for health care need (Adinkrah, 2014). One would only be attended after paying for the service. In order for everyone to get access to health the National Health Insurance Scheme (NHIS) was adopted in 2003 and was fully implemented in 2005.

According to Adinkrah (2014) the adoption of the NHIS led to problems though the number of deaths decreased. There was delay in reimbursements. Providers were not paid on time, in some cases for as long as six months. The National Health Insurance Act (650) stipulates that providers should be reimbursed four weeks following the month for which claims were submitted.

The main reason for delay for delay in payments was identified to be the inability of the NHIA to provide funds for payments. Due to the delay, providers were unable to procure drugs and non-drug supplies for the smooth operations of the facilities.

According to Adinkrah (2014) to overcome these challenges services under the Health Insurance Authority need to be streamlined to remove cash flow bottlenecks. There is urgent need for action to streamline the reimbursement procedure in order to maintain provider's confidence in the NHIS. Hospitals also need to adopt with new technology especially computerization and automation of the health insurance scheme.

Phil (2015) suggested that service providers who are accredited with NHIS must subscribe to one software that can take care of claims processing to prevent omission for early screening and payment.

2.2.4 Hospitals in Kenya

According to Okungu (2011) the Kenyan health sector relies heavily on out of pockets payments. Government funds are mainly allocated through historical incremental approach. The health sector is underfunded. Only about 10% of kenyeans have health insurance. As a result the cash flow management system in the country is questionable.

In Kenya there is the Mbagathi district hospital, Kisumu hospital and the Kenyatta hospital just to mention a few. These hospitals are facing problems when it comes to the collection of debtors and payments of creditors. The hospitals end up imprisoning patients who fail to pay their bills up until their bills are paid.

According to Kenyanya (2015) Kisimu and Kenyatta hospitals are the only ones with machines for treating cancer but the machines are not reliable because they have some

problems. The equipment they are using is not reliable because they do not have the money to replace them or to put them back into their expected conditions.

Monda (2008) cited that patients were sleeping on corridors and there were experiencing drug shortages. The quality of food that was being offered at the hospital was also poor. There are no adequate facilities to use at these hospitals for example x-ray machines, monitors and diagnostics ultrasounds just to mention a few. Kenyanya (2015) is of the view that the problems being faced by these hospitals are as a result of misappropriation of funds.

Mbagathi being a district hospital it is also facing problems with its cash flow management systems. There is poor supply of medication or drugs. This is because the hospital is relying on Kenya Medical Supplies Agents (KEMSA) is which operating under a Sh1.6 million debts owed to pharmaceutical suppliers.

2.3 Conclusion

The chapter comprised of the introduction, theoretical review and empirical evidence. The next chapter will focus on the research methodology.

CHAPTER 3

Research Methodology

3.0 Introduction

This chapter gave details on how the research was conducted and how the participants were selected. It shows the research design, population studied, sample size and design. It also outlines the sample procedures, sources of data, data collection instruments, reliability and validity of data. The research methodology also gave the data presentation and analysis and ethical considerations. A summary was also given at the end of the chapter.

3.1 Research design

According to Creswell (2008) research design is a process of steps used to collect and analyze information to increase the researcher's understanding of a topic or issue. Shuttle worth (2008) also states that the definition of research design includes any gathering of data, information and facts for the advancement of knowledge. Research design carries an important influence on the reliability of the results attained. A descriptive research design is one of the most recommended designs for academic purposes. The researcher dwelled on using a descriptive research design.

3.1.1 Descriptive research design

According to Calderon and Gonzales (2010) the descriptive survey research enables the researcher to describe, explain and portray characteristics of an event or population as it exists. Ramenyi (2009) states that descriptive study collects information without changing the environment and provides information about the relationship that exist between different variables. According to Hungler (2007) descriptive research involves the collection of data that will provide an account or description of individuals or groups or situations. Instruments used to obtain data in descriptive studies include questionnaires, interviews and observations just to mention a few.

The term descriptive research refers to the type of research questions, design and data analysis that was applied in the research. The descriptive survey research enables the use of both the quantitative and qualitative data in order to find solutions to problem under study. It enhances the reliability of data.

According to Creswell (2009) qualitative research employs philosophical assumptions strategies of inquiry and methods of data collection, analysis and interpretation. Belmot (2011) states that quantitative method of research focuses on gathering numerical data and generalizing it across groups of people or to explain a phenomenon.

.3.2 Types of data

When collecting data, there are two collection methods used namely primary and secondary data. Primary data is the collection of data using interviews, observations and questionnaires whilst secondary data involves the use of financial records and information provided in literature review. The researcher used self-administered questionnaires and personnel interviews.

3.2.1 Primary data

According to the Businessdictionary.com (2013) primary data is defined as the data observed or collected directly from firsthand experience. Barker (2013) also states that primary data is important for all areas of research because it is unvarnished information about the results of an experiment or observation. This data was collected by the researcher in relation to the research topic.

The researcher faced limited difficulties in trying to understand and evaluate the data since this was ensured through the use of primary data. The responses from questionnaires were collected at different time because other respondents were taking long to answer hence time fluctuations. The questionnaires were collected on different times because some were not answered on time.

3.3.2 Secondary data

According to Grimsley (2014) secondary data is information that has been collected for a purpose other than the researcher's current research project but has some relevance and utility for the research. Steven (2016) stated that secondary data interprets and analyses primary data.

The advantages of using secondary data sources

The advantage of using secondary data was that someone had already collected the data and the researcher did not have to devote resources to this phase of research. The use of secondary data as empirical evidence also helped the researcher to give recommendations to Mvuma District Hospital.

The disadvantages of using secondary data sources

Secondary data was inherent in the sense that the data which was collected was not meant to answer the researcher's specific research questions; particular information required by the researcher may not have been collected.

3.4 Population study

According to Miles and Hubberman (2009) a population study is planned to examine the impact of an involvement in a well defined target population. The research provided further confirmation of the ways exploited and the data about whether or not intervention works in various population groups. Bird and Cassell (2013) stated that research population was meant to obtain a clear presentation and a statistical valid view of reality. At Mvuma District Hospital the target population were the accounts, administration, nursing, x-ray and pharmacy departments.

Table 3.1: summary of the population

Category of respondent	Number of respondents
Accounts department	6
Nursing department	5
X-ray department	2
Pharmacy department	3
Administration department	4
Total	**20**

3.5 Census and design

Census involves the gathering of data for a small population which does not go hand in hand with the sampling methods of data collection. However it differs from one entity to the other depending on the structure and complexity of the problem under study Harwell (2011). The point that census varies from one entity to another brings out the purpose and need for a census design a research has been carried out. The population under study was small to an extend that the researcher chose to use a census approach instead of sampling. 20 people were targeted population so the researcher had to use a census to ensure reliability and validity. The census approach helped the researcher to get information from all the relevant people who had effect on the cash flow management system at the hospital. The staff at the hospital answered the questionnaires at different times and the researcher had to do a lot of follow ups.

3.6 Data collection procedures

Permission was first granted to the researcher by the district administrator before the study was carried out at Mvuma District Hospital. The researcher also took an oath not to disclose the information that was going to be attained during the research. The information that was going to be obtained was meant for research purposes only.

The researcher delivered the questionnaires personally to respondents at Mvuma District Hospital. The respondents were given the questionnaires to fill them at their spare time and then collected after three days. The researcher also requested for secondary data for scrutiny.

Follow up visits were done after two days to try to reach respondents who were not there at the time of delivery of the questionnaires.

It was not easy to get all the respondents to fill the questionnaires as instructed by the researcher.

3.7 Data collection methods

Questionnaire surveys and interviews were used

3.7.1 Questionnaires

According to the BusinessDictionary.com (2012) a questionnaire is a list of a research or survey questions asked to respondents and designed to extract specific information. Questionnaires are one of the most affordable ways to gather qualitative and quantitative data during a research. Pilot testing was done before the distribution of questionnaires to make sure that the questions were self explanatory and easy to answer. Twenty self- administered questionnaires were distributed at Mvuma District Hospital backed up by personnel interviews for an in-depth clarification to the management.

Justification of the use of Questionnaires

All respondents managed to get a questionnaire and were clarity was needed, the researcher is there clarifying and because of that, the researcher thought that the use of questionnaires is good. They do not reveal the anything about the respondent so unbiased information can be gathered. Completing questionnaires individually guarantees confidentiality. Closed questions that were used assisted respondents in answering the questions and also the researcher in reading between the lines of responses.

3.7. 2 Likert scale

LaMarca (2011) described the likert scale as an ordinal psychometric dimension of position, viewpoints and judgment. The researcher used. the likert scale where by respondents had to point out the level of conformity or variance in a multiple choice set-up.

Distinctive reaction of a .five point Likert scale

Strongly agree	Agree	Uncertain	Disagree	Strongly Disagree

1	2	3	4	5

Mostly likert scales are taken as period scales as one needs to compute typical replies to questions.

validation of the use of a likert scale

The likert scale is most universal method for survey collection therefore they are easily understood.

3.7.3 Interviews

McNamara (2010) stated that interviews are mostly important for revealing the minds of respondents. The interview can track more information about the research. Interviews maybe used as verification about the information provided by questionnaires. The use of interviews assisted to enhance correctness of the collected data. The interview was .the face to face interview. The accounts department staffs were interviewed.

3.8 Reliability and validity

According to Creswell (2009) reliability is an examination of the stability or uniformity of responses. Forms of reliability include test-retest reliability and reliability within a scale. The researcher used the test-retest reliability by repeating the distribution of questionnaires under the same conditions and see if the same results are produced.

According to Riege (2009) validity refers to the ability of a research instrument to measure what it purports to measure. There are many types of validity which include face validity, content validity and concurrent validity just to mention a few. To ensure validity the researcher conducted the concurrent validity. The coexisting validity revealed if results of the new questionnaire were in line with results of set measures. Validity was obtained by seeing to it that that the set up of interviews and questionnaires tackles the objective of the study and also using most appropriate devices.

3.9 Data presentation and analysis

Businessdictionary. Com (2012) stated that data analysis is a method of assessing data using questioning and consistent interpretation to check each piece of the data given. The purpose of analysing data is to obtain usable and useful information. The collected data was presented

on tables and pie charts. Percentages and ratios were calculated for analysis. Inferences from closed questions were made before conclusions were drawn. Data was presented in order the with questionnaire coming first and interviews last.

3.10 Research ethics

 According to Walton (2010) research ethics is concerned with the examination of ethical issues that arise when people are a part of the research.. The researcher obtained permission to carry out the research from the district administrator M.G Makamure and guaranteed management that the information obtained will be confidential. The associate respected working hours at the hospital such that data was collected during tea breaks and lunch hours. Lastly the researcher was expected to mantain the confidentiality of the information.

3.11 Conclusion

This chapter outlined the plan for the whole research that is the research design, approach, data sources, population and sample size. It also mentioned the types of data, data collection methods, data presentation and analysis. Lastly it outlined the reliability and validity of data and the research ethics. The next chapter will be on data presentation, analysis and discussions.

CHAPTER 4

DATA PRESENTATION AND ANALLYSIS

4.0 Introduction

The previous chapter discussed research design and methodology that was used in collecting data for the research. In this chapter the data that was collected is presented, analysed and discussed with the help of the questionnaire and interview results. The actual findings will be presented using tables, pie charts, histograms and narrative descriptions as per the findings of the research instruments.

4.1 Response rate

During research 20 questionnaires were sent out and there was a response rate of 85% of the population which is 17/20. This means that 3 questionnaires were returned which is 15% of the sample. Although the researcher failed to receive 100% response rate, the researcher concluded that the 85% was reasonable and reliable because acceptable response rates vary depending on how the research was conducted. In the case of this research according to SurveyMonkey(2009) 50% is favourable. Of the 5 scheduled interviews the researcher managed to carry out 3 interviews because the other 2 people who were supposed to be interviewed were on the elephantiasis immunisation workshop and was out of reach. The main objective was to investigate the effectiveness of the cash flow management system at Mvuma District Hospital.

Questionnaire response rate

Table 4.1 Questionnaire Responses

Department	Questionnaire sent out	Questionnaire returned	Response rate
Accounts	6	6	100%
Nurses	5	3	60%
x-ray	2	2	100%
Pharmacy	3	3	100%
administration	4	3	75%
	20	17	85%

Source : Primary data

Table 4.1 shows the distribution of the questionnaires. It shows that of the 20 questionnaires 17 were returned. The researcher concluded that the 75% responses of the questionnaires returned are justifiable and adequate to draw reasonable conclusions from them.

4.2 Demographic details

Distribution of respondents by gender

Gender is of great importance when it comes to analysing data. Uneven femininity reveals that the test was biased. The use of femininity facts was to classify the respondent rate between males and females. In this research it was not balanced as more men were involved compared to females so as a result decision making is dominant with man.

Table 4.2: Distribution of respondents by gender

Department	Male	Female
Accounts	2	4
Nurses	2	1
x-ray	1	1
Pharmacy	2	1
Administration	2	1
	9(52.9%)	8(47.1%)

The table above shows that of the 17 respondents 9 (52.9%) are males and the remaining 8 (47.1%) are females. From the researcher's point of view this information reflected gender imbalance at the hospital.

4.3 Duration at Mvuma District Hospital

Duration of employment determines the level of expertise of an employee and their maturity levels. The data that was collected by the researcher shows that 6 respondents have 8 years and above working at the district hospital. This gave the researcher the assurance that the data that was being collected was reliable since the researcher was dealing with experts.
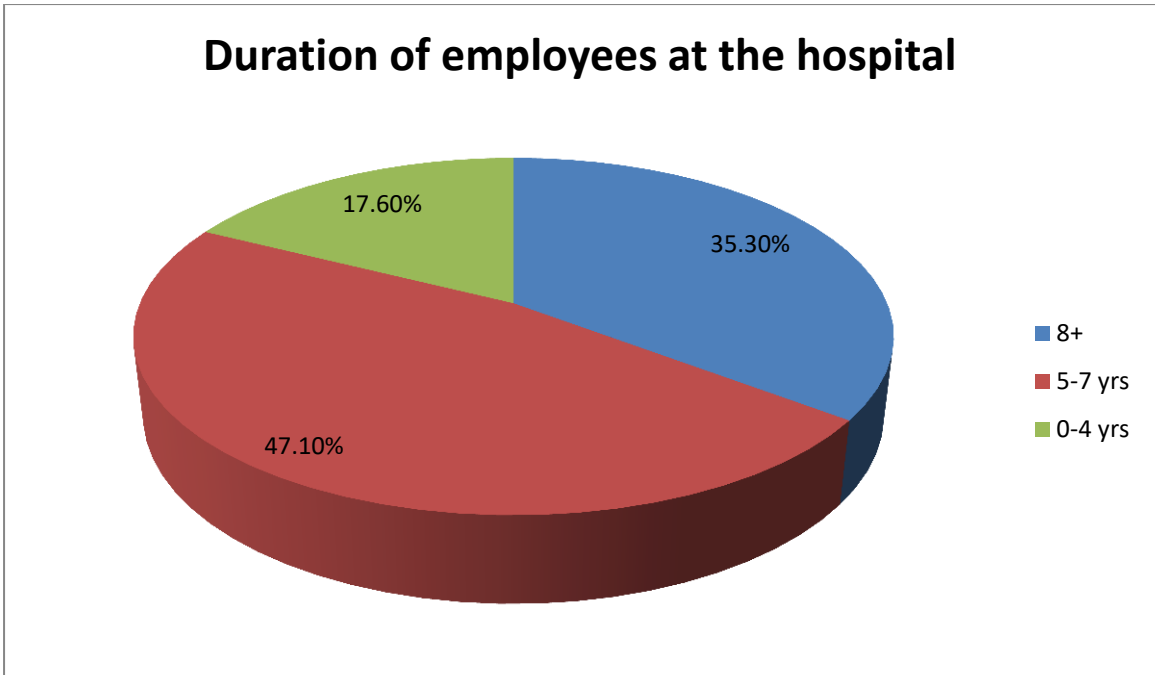
Duration of employees at the hospital

17.60%

35.30%

47.10%

- 8+
- 5-7 yrs
- 0-4 yrs

Fig 4.1 Duration of employees at the hospital

Fig 4.1 shows the number of years the respondents have been at Mvuma District Hospital. The figure comprises of 6 employees (35.3%) who had been working at the hospital for 8 years and above. It also comprises of 8 employees (47.1%) who worked 5-7 years and lastly 3 employees who had worked 0-4 years (17.6%).The duration of employees at the hospital gave the researcher an assurance that the information to be provided is reliable.

4.4 Respondents experience and qualification

The aim of seeing the respondents skill and ability is to ensure if the respondents are competent to be doing that job or having that post they have at the hospital. It also increases the reliability of the information provided to the researcher.
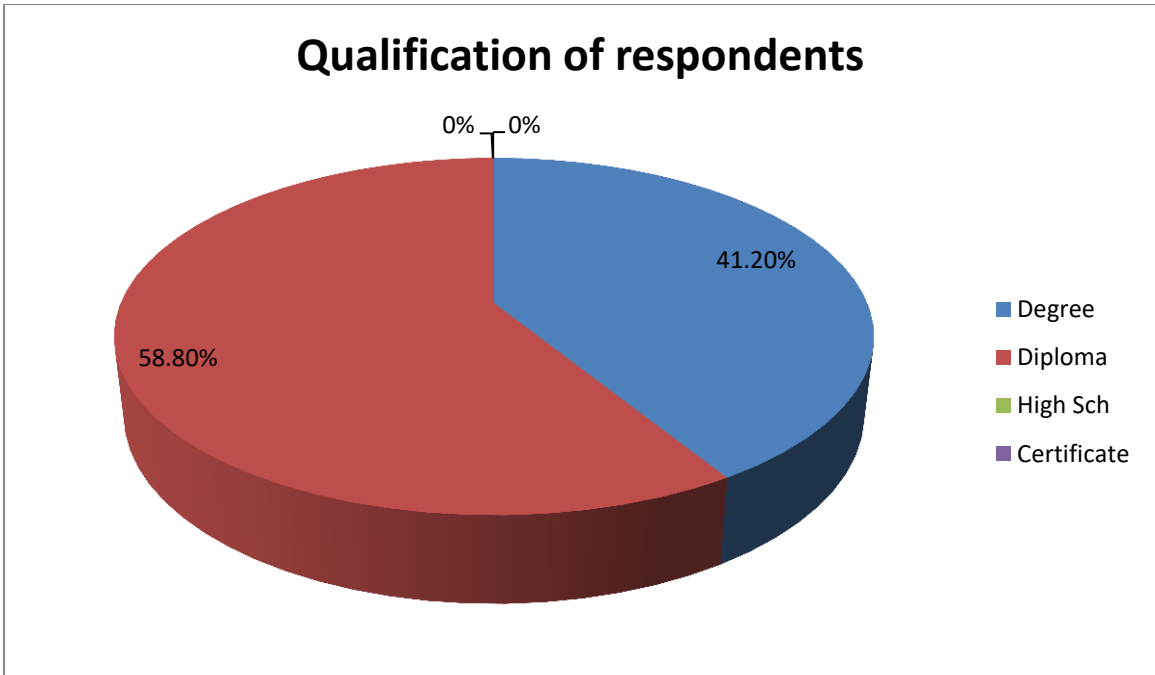
Fig 4.2 Qualification of respondents

Fig 4.2 shows that the respondents consist of seven (41.2%) degree holders and ten (58.8%) diploma holders. Of the 7 degree holders 2 have worked at Mvuma District Hospital for 8 years and above and on those with diplomas 3 of them have also worked for 8 years and above. The rest of the other degree holders have worked 0-4 years whereas those other 7 with diplomas have worked 5-7 years at the hospital. The respondents were competent enough to deal with the questions in the study because they were familiar with their work.

4.5 Religion

Religion is of great importance when the examination of data collected from spiritual people. Spiritual people tend to provide dependable information than those who are not religious
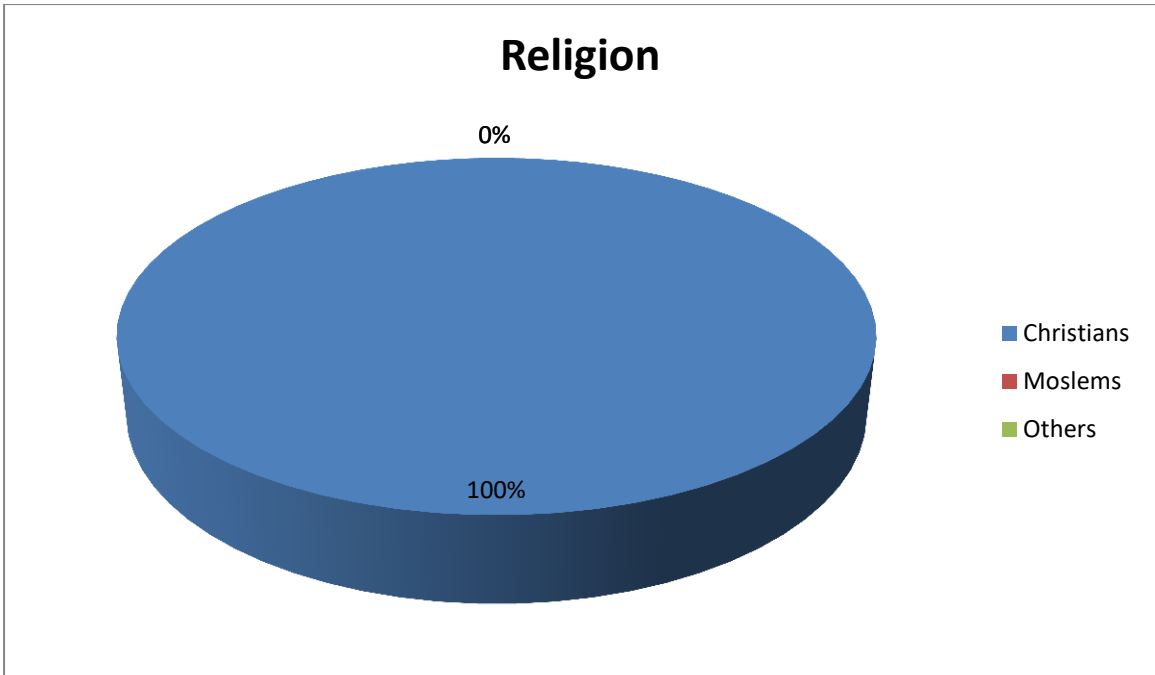
Religion

Fig 4.3 Religion

Fig 4.3 shows that all the 17 respondents which are 100% are Christians making the findings reliable since they were collected from spiritual people.

4.6 Questionnaire presentation and analysis

4.6.1 Account 1: the following are the sources of revenue at the hospital

The reason for enquiring about the sources of revenue was to confirm if the hospital was utilising all the expected sources of revenue as expected by the Health Services Fund from all the district hospitals.

X –ray fees and theatre fees as sources of revenue

x-ray and theatre fees

100%

- S.Agree
- Agree
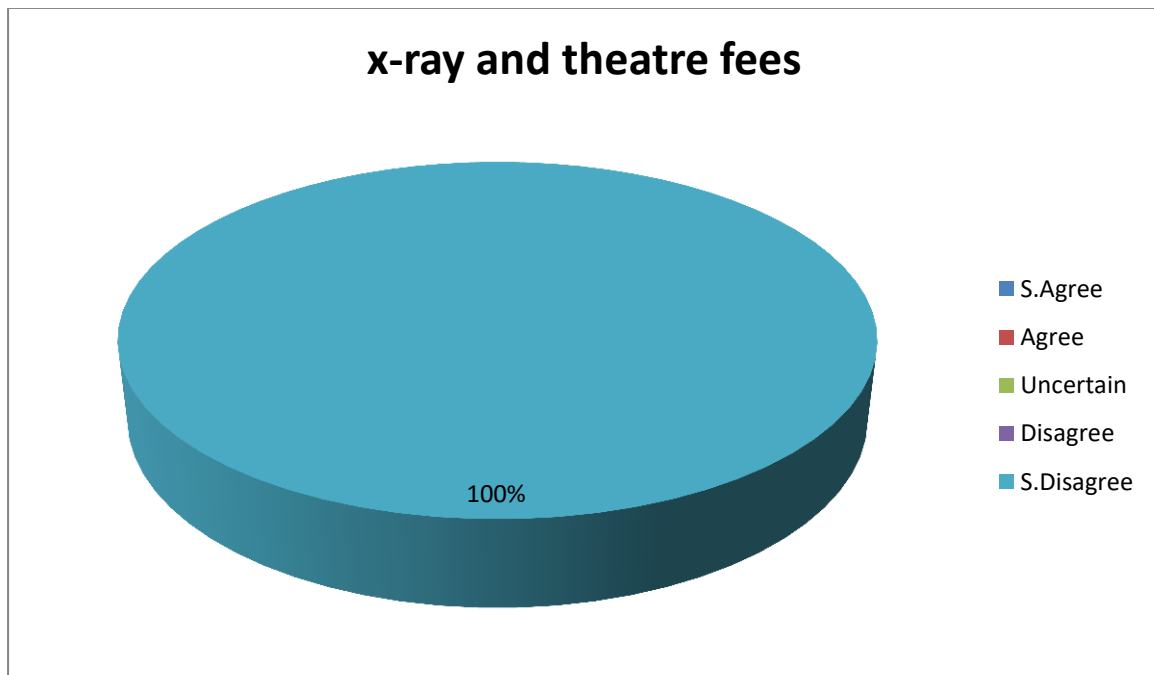- Uncertain
- Disagree
- S.Disagree

Fig 4.4 X-ray fees and theatre fees as sources of revenue

100% strongly disagreed that the x-ray and theatre fees are sources of revenue at the hospital because on the period under study both departments were not working. The research that was carried out by Crown Agents (2013) also had the same word that these two departments were not sources of revenue at the hospital though the hospital was expected to generate more revenue from them. The researcher concluded that the hospital was not fully utilising its sources of revenue as expected by the Health Services Fund.

Consultation, medication and ward fees as a source of revenue

consultation,medication and ward fees

- ■ S.Agree
- ■ Agree
- ■ Uncertain
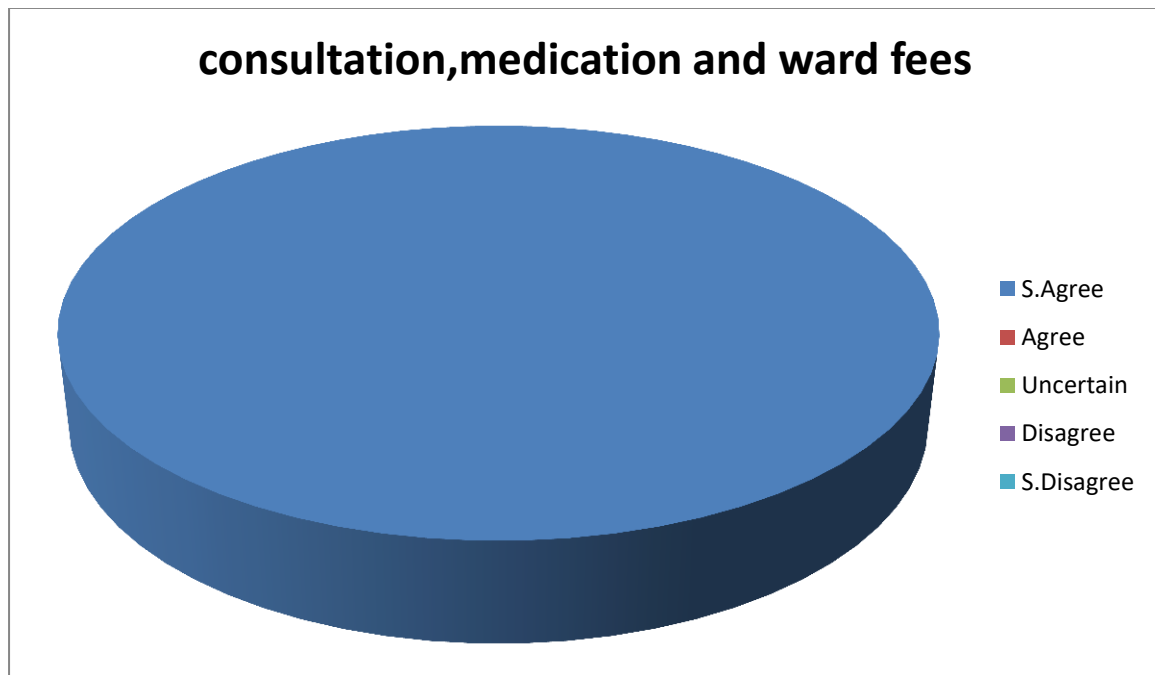- ■ Disagree
- ■ S.Disagree

Fig 4.5 Consultation, medication and ward fees as sources of revenue

100% strongly agreed because consultation, medication and ward fees are the main sources of revenue at Mvuma District Hospital.

The 100% respondents from questionnaires strongly agreed that consultation and medication fees were the main sources of revenue at this district hospital. According to the National Health Accounts of 2010 the main source of health financing was households (consultation fees). However these two sources of revenue are being over exhausted since they are not able to cover all the expenses needed by the hospital. The other thing also is that consultation and medication services can be offered on credit so the hospital had no cash in hand.

The researcher concluded that the management at Mvuma District Hospital had no knowledge on financial resource management because they are over depending on one source of revenue. According to Bentz (2010) the more sources of the revenue an organisation has the more complicated the administration but at the same time more sources of revenue are advantageous.

The researcher also discovered that on the period under research staff at Mvuma District Hospital were receiving medication and consultations for free. This also affected the sources of revenue at the hospital because it can be viewed as a misappropriation of resources/ funds.

According to Bentz(2010) this negatively affects and reputation and day to day running of the hospital.

The researcher concluded that consultation fees, medication fees and ward fees were the back bone of the hospital when it comes to revenue collection.

4.6.2 Statement 2: The following are the reasons for a rapid increase in debtors at the hospital

The researcher wanted to know the reasons for the rapid increase in debtors because the hospital was operating with thousands of dollars in debtors. This was evidenced by secondary data which was collected by the researcher from the hospital.

Credit policy at the hospital is the reason for rapid increase in debtors

The researcher wanted to know what effects the credit policy used at the hospital has on debtors.
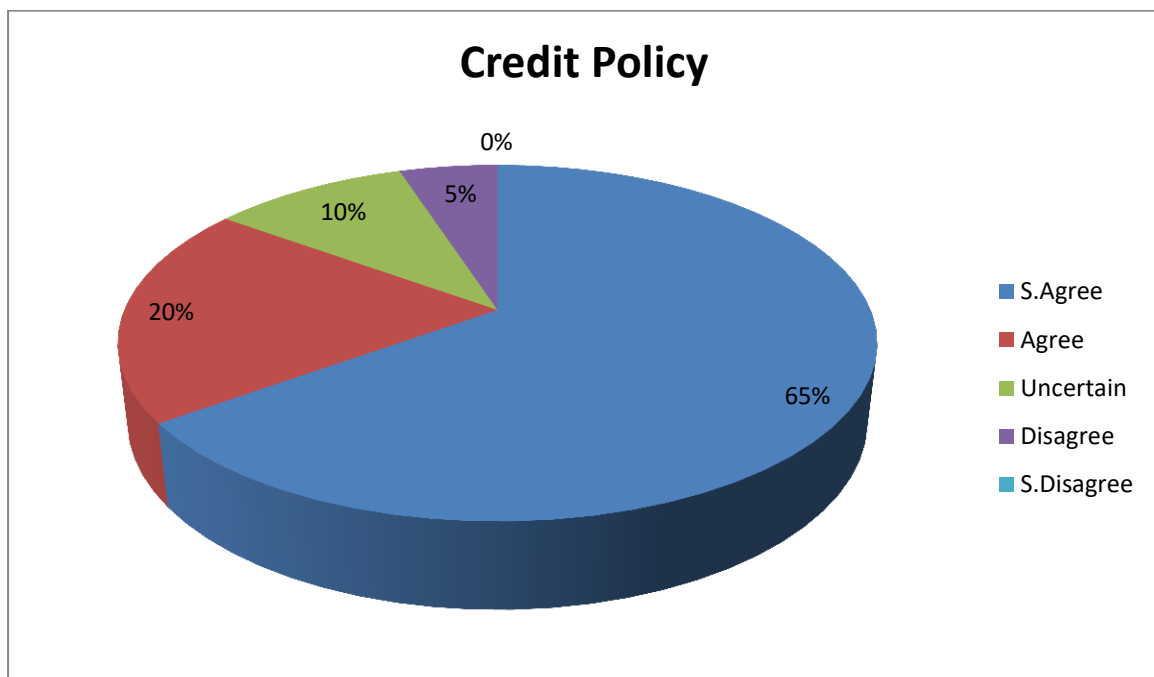

Fig 4.6 Credit policy as a reason for rapid increase in debtors

85% of the respondents agreed that credit policy was a reason for the rapid increase in debtors. According to Miller (2007) a policy is a broad course of action developed for frequent circumstances intended to complete set goals. Filbeck and Krueger (2005) argue that credit policy being the most important standard of controlling and adaptable accounts

receivables requires frequent reviewing so that a firm maintains most favourable investments in accounts receivables while minimising costs associated with credits and at the same time maximising benefits from accounts receivables.

The researcher concluded that the credit policies at Mvuma District Hospital were not effective since the hospital was failing to retrieve its debts from debtors. On the period under study the researcher observed that the hospital was ignorant because they would provide services without explain much to their clients about the money issues because it is a government hospital. There is need to find out the credit worthiness of clients before giving them an invoice. Gill etal (2010) supported the idea by stating that extension of credit should only be on the basis of customer credit worthiness in order to minimise the level of default and bad debts. As a result of that patients were receiving treatment on credit and would provide wrong details and contacts making it difficult for the hospital to do a follow up.

The researcher concluded that there is poor credit management meaning there is no or unpleasant creditprocesses before providing customers with credit which will sooner or later result in bad debts write offs and in the worst cases result in failure of the business.

Medical aids are the reasons for a rapid increase in debtors
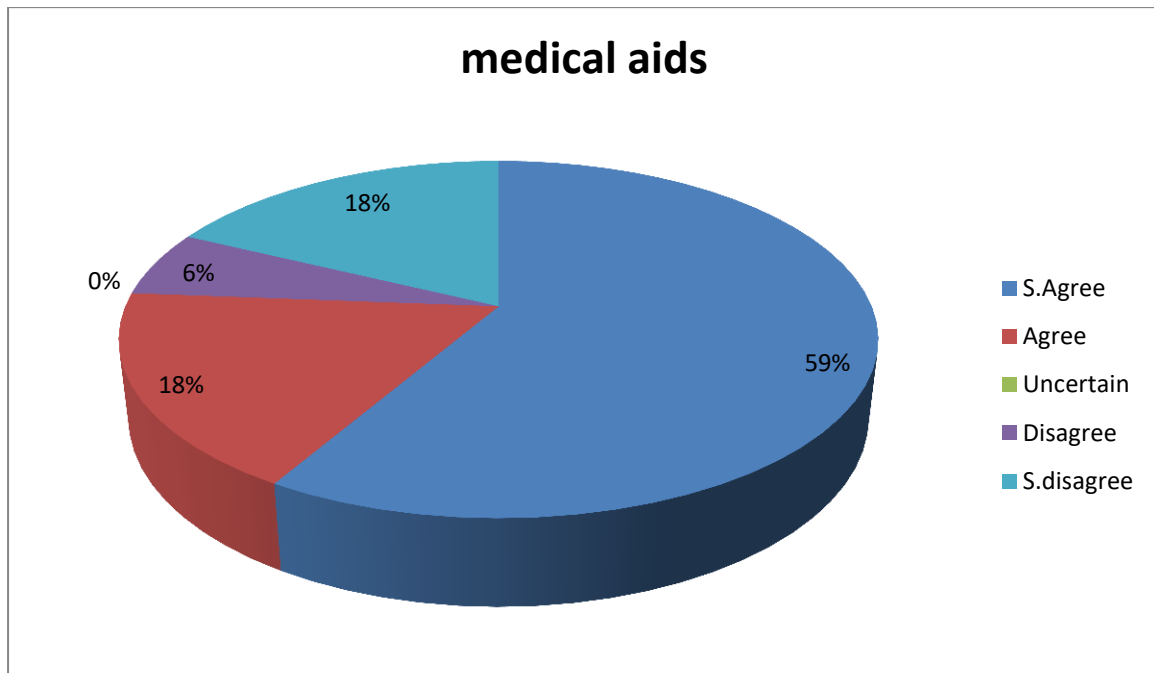

Fig 4.7 Medical aids as a reason for a rapid increase in debtors

59% (10/17) of the respondents strongly agreed that medical aids were the main reason for the rapid increase of debtors at Mvuma District Hospital. 18 % (3/17) agreed to that too. Nil were uncertain and the other .6% (1/17) did not agree with that.18 % (3/17) strongly disagreed.

The Premier Service Medical Aid Society (PSMAS) is responsible for the rapid increase in debtors at Mvuma District Hospital. This was because most of the people who get services from the hospital use that type of medical aid. According to Mbiba (2014) PSMAS owed its clients an amount of about $38 million. Makaripe (2015) further on stated that PSMAS' debt with service providers has ballooned to about $140 million from the previous $38 million. According to the primary data collected by the researcher on the period under study PSMAS owed the hospital almost $5500. The other problem being faced because of the crisis being faced by this service provider is that people are shifting from one medical aid to the other but at the same time using those deactivated medical aid services cards to receive treatment from hospitals. Parirenyatwa (2015) stated that government hospitals were on the brick of collapse owing to rising debts.

The researcher concluded that this issue of crippling debtors at Mvuma District Hospital was because of the medical aid societies to a larger extend.

Inability of patients to pay

The researcher wanted to confirm if the inability of patients to pay was the reason of increasing debtors**.**
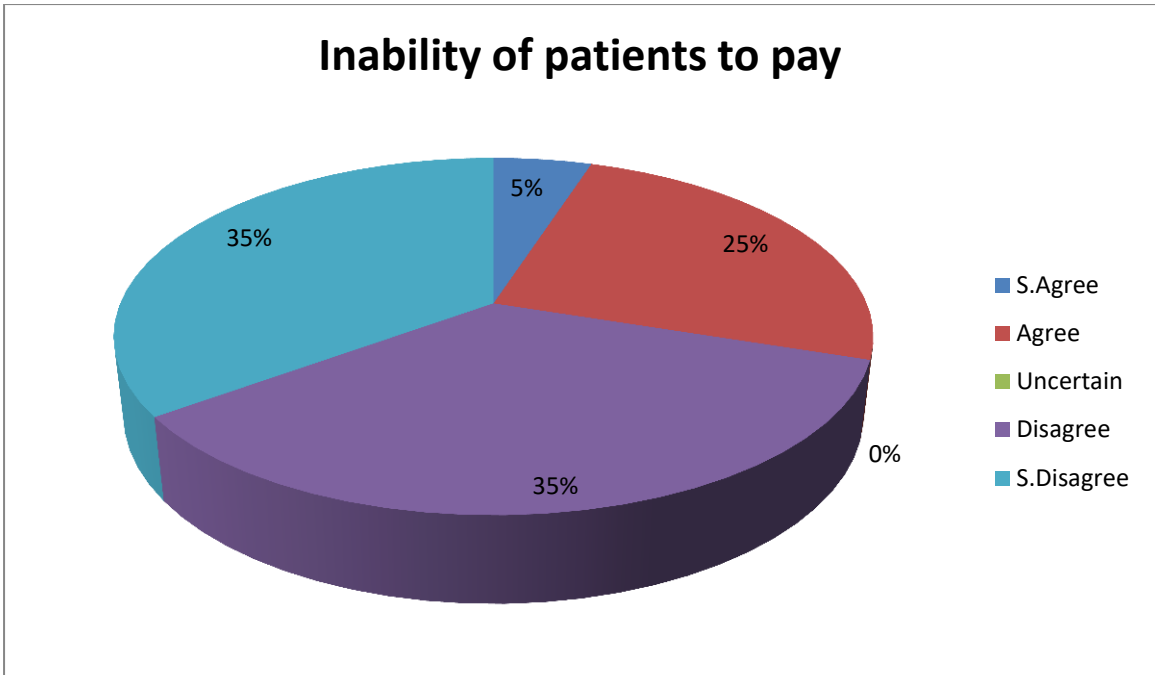
Inability of patients to pay

Fig 4.5 Inability of patients to pay

30% agreed that inability of patients to pay is one of the reasons for a rapid increase in debtors. This can be as a result of the economy of the country such that people are not affording hospital bills. However the 70% disagreement raised the idea that people are now negligent to paying hospital bills they prefer to be debtors of the hospital.

During work related learning the researcher observed that patients now knew that they can be treated on credit so very few people made an effort to visit the hospital with the intention of paying.

4.6.3 Statement 3: The following are as a result of poor cash flow management

At this point the researcher wanted to know if the symptoms of poor cash flow management existed at Mvuma District hospital which the researcher was investigating.

Late payment of suppliers is a result of poor cash flow management system

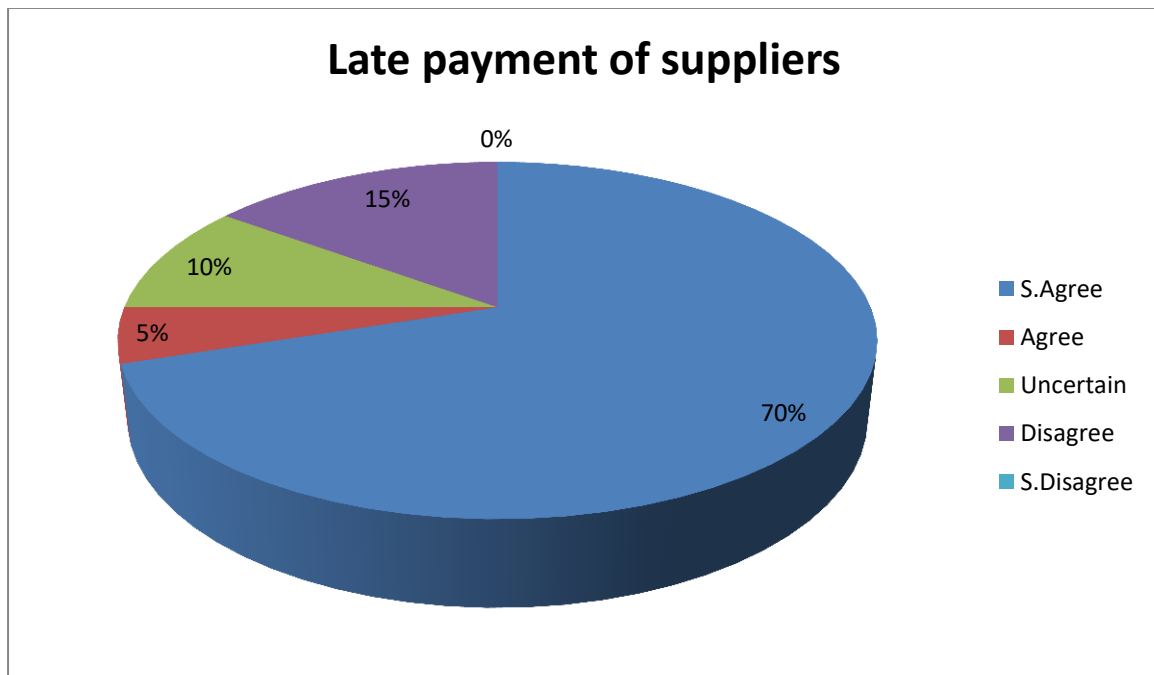**Late payment of suppliers**

Fig 4.9 Late payment of suppliers a result of poor cash flow management

Of all the respondents 70% (11/17) strongly agreed that late payment of suppliers was a result of poor cash flow management system.5% (1/17)agreed where as 10%(2/17) were uncertain this might be because they are not hands on with the payment of creditors at the hospital. The remaining 15% (3/17) were not in for the idea. The 15% that disagreed might have been assuming that delaying payments to suppliers allows firms to access products or services and can be a cheap and flexible source of funding. Kaur (2010) argued that it can be costly if a firm is offering discount for early payment while on the same gesture uncollected receivables can lead to cash flow crisis.

The researcher concluded that the results from the respondent showed that there was an issue on the payment of suppliers which had influence on the effectiveness of cash flow management at the hospital.

Out of date equipment are a result of poor cash flow management

Out of date equipment

- ■ S.Agree
- ■ Agree
- ■ Uncertain
- ■ Disagree
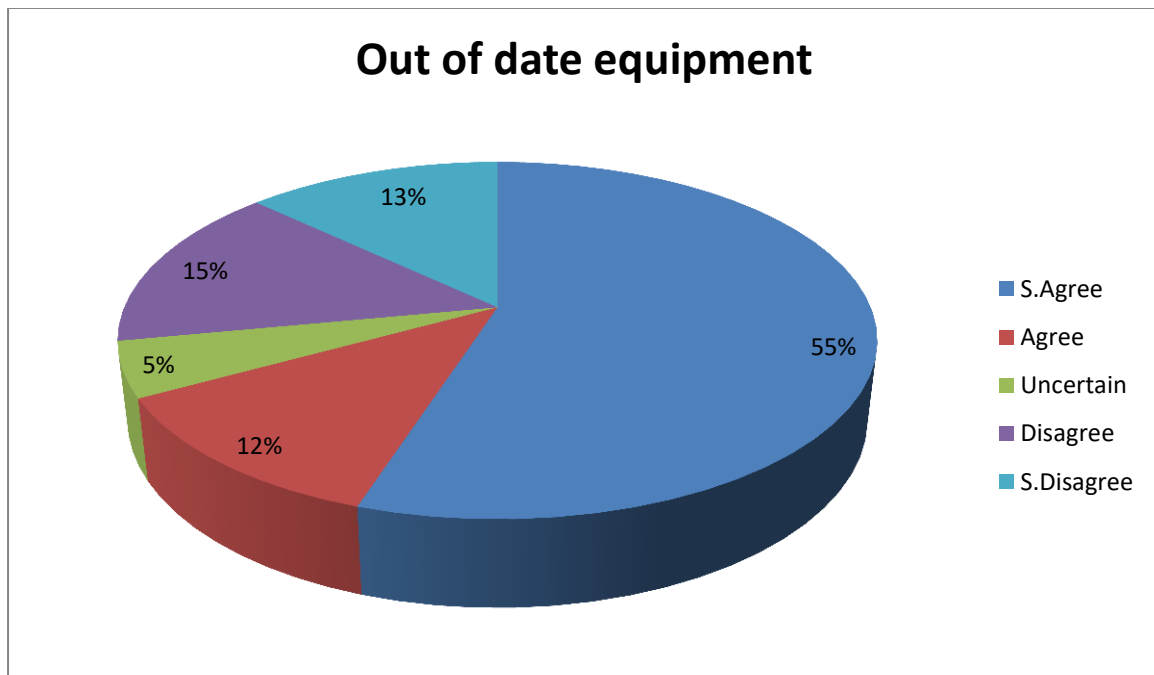- ■ S.Disagree

55%

12%

5%

15%

13%

Fig 4.10 Out of date equipment as a result of poor cash flow management system

65% of the respondents supported the idea that out of date equipment were a result of poor cash flow management system. Langparsard (2016) also supported that out of date equipment being used at hospitals are as a result of ineffective system of cash flow management system. Sampson (2016) also cited that technology is one of the best tools a hospital can use to improve its revenue cycle. Poor cash flow can lead to a loss of eye-catching chances for exanple the capacity to purchase equipment at give-away prices. As a result the hospital will not be able to own up to date equipment they spend money repairing old equipment.5% was uncertain on the subject because of lack of information.15% disagreed with the statement and 13% strongly disagreed.

Therefore the researcher concluded that the 28% of people that disagreed to this are significant such that the out datedness of the equipment at Mvuma district hospital could be as a result of resistance to change.

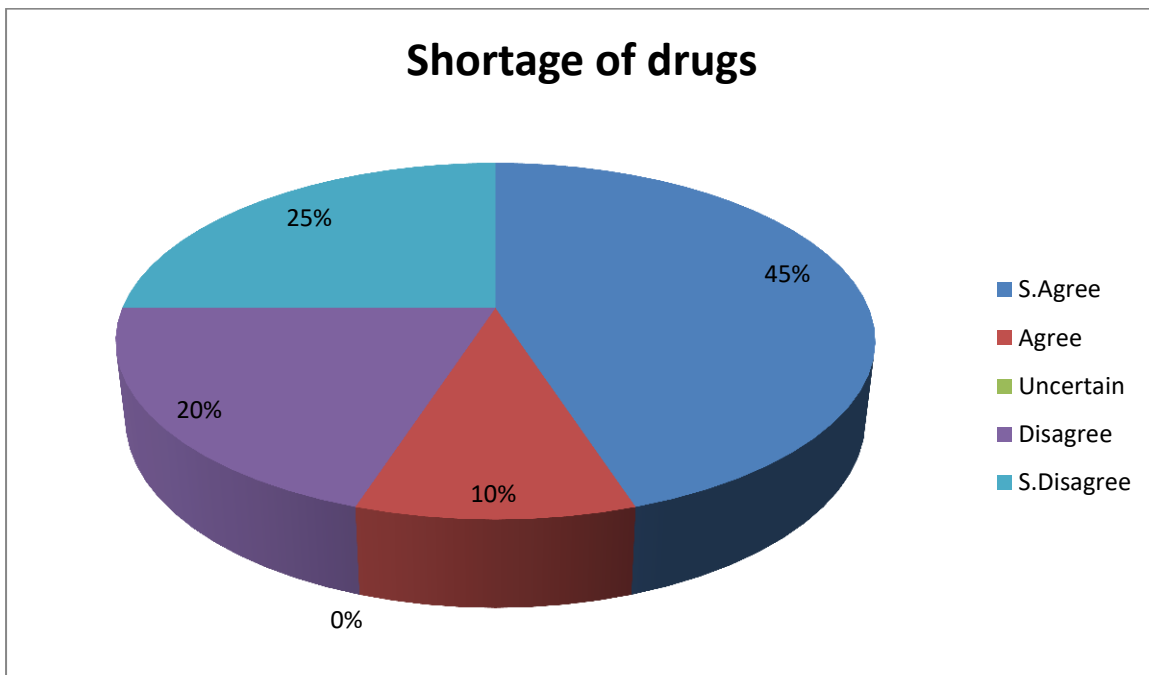**Shortage of drugs is a result of poor cash flow management**

Fig 4.11 Shortage of drugs as a result of poor cash flow management system

45%(8/17) strongly agreed that the shortage of drugs is a result of poor cash flow management and only 10% (2/17)agreed to that .This was because the revenue collected at the hospital is the one supposed to buy the drugs however hospitals are not prioritizing drugs which results in a shortage at the end

Nil were uncertain. 20% (3/17) disagreed to the statement whereas 25% (4/17) strongly disagreed. The number of those who disagreed adds up to 45% which is the same as those who strongly agreed. This was because they assumed that the shortage of drugs was a national crisis not in the hands of the hospital alone. The government also has a role to play on that.

The researcher concluded that the shortage of drugs though it was not the hospital's fault alone it is a symptom of poor cash flow management system.

Closed departments are a result of poor cash flow management system

Closed departments

- ■ S.Agree
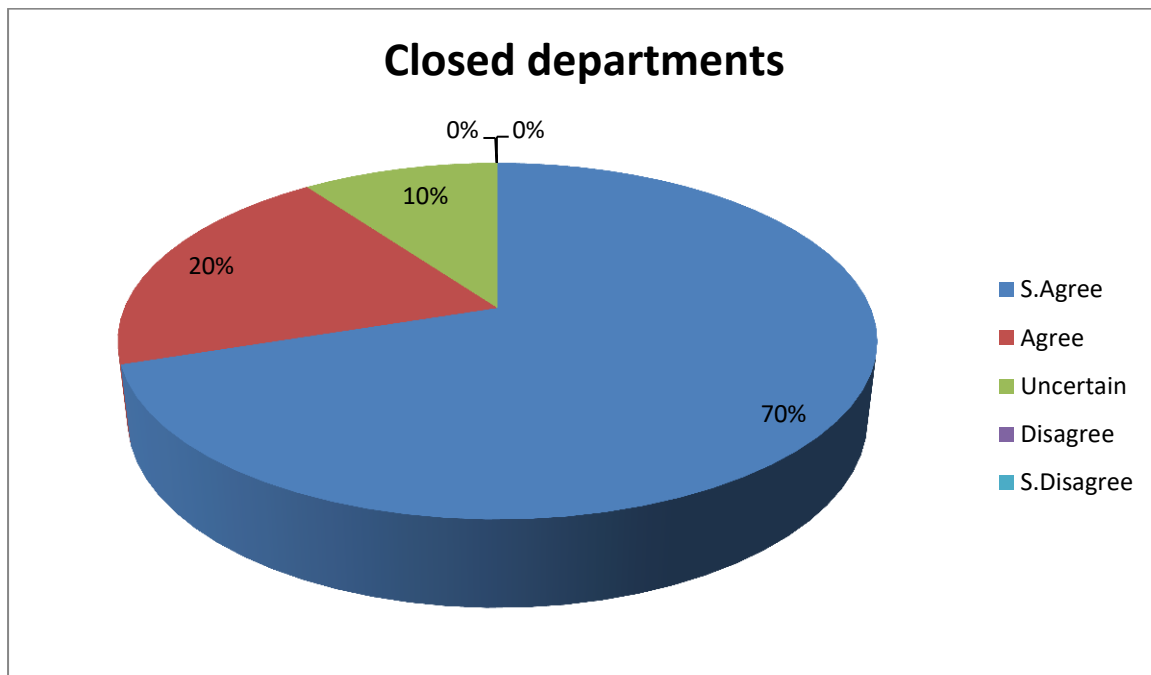- ■ Agree
- ■ Uncertain
- ■ Disagree
- ■ S.Disagree

Fig 4.12 Closed departments are a result of poor cash flow management system

70% (12/17) strongly agreed that closed departments were the results of poor cash flow management system where as 20% (3/17) agreed that closed departments were as a result of poor cash flow management system.10%(2/17) were uncertain. Nil disagreed and also nil strongly disagreed.

This was supported by the researcher's observation during work related learning that the x-ray, theatre and dental departments were not working because there were no enough funds to resurrect those departments though they are expected to give high returns if they start functioning. Langparsd (2016) also cited that the closing of departments at a hospital are also as a result of poor cash flow management system.

The researcher concluded that closed departments are a result of poor cash flow management.

4.6.4 Statement 4 : The following has an influence on the cash flow management system

The reason for this statement was to find out what was the main influence on the cash flow management system.

Management of receivables has an influence on the cash flow management system
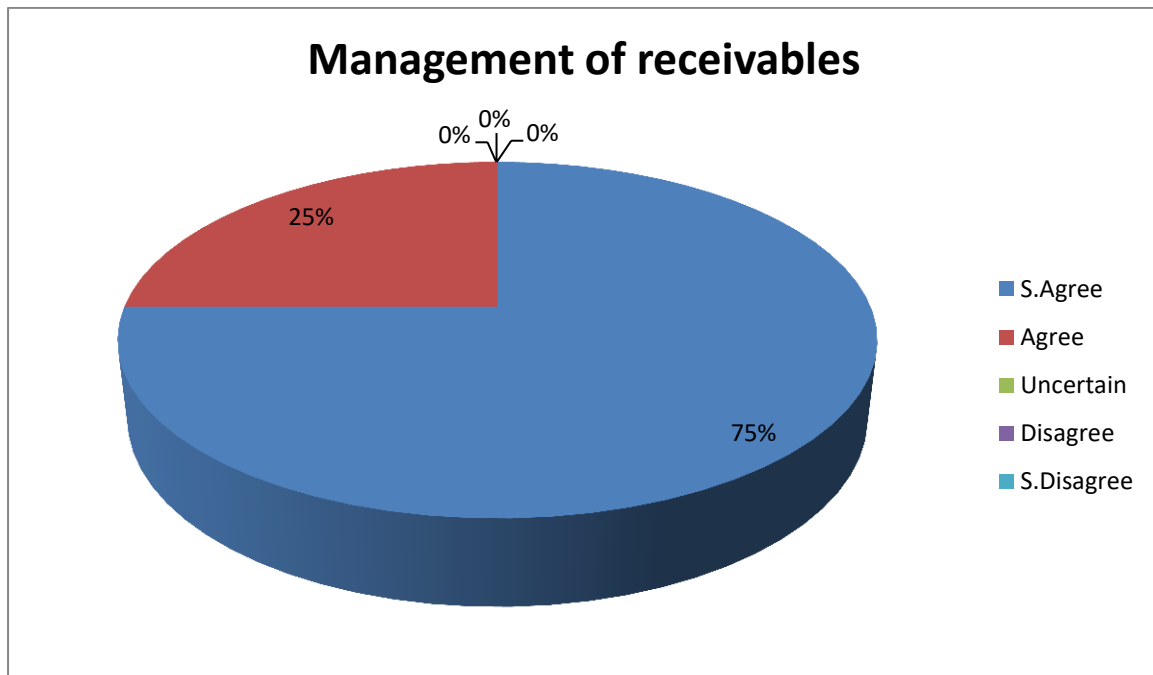
Fig 4.13 Management of receivables has an influence on cash flow management system

75% (13/17) of the respondents strongly agreed that the management of receivables had an influence on cash flow management system and 25% (4/17) agreed to that too. Nil were uncertain. Nil disagreed and nil strongly disagreed. The results from respondents show that management of receivables is of great importance. Ahmet (2012) states that efficient accounts receivable management affords a firm improve on its profitability by reducing the transaction costs of raising funds in case of the liquidity crisis.

 The researcher concluded that for an effective cash flow management system at Mvuma District Hospital receivables must be properly managed.

The influence of budgets on cash flow management system
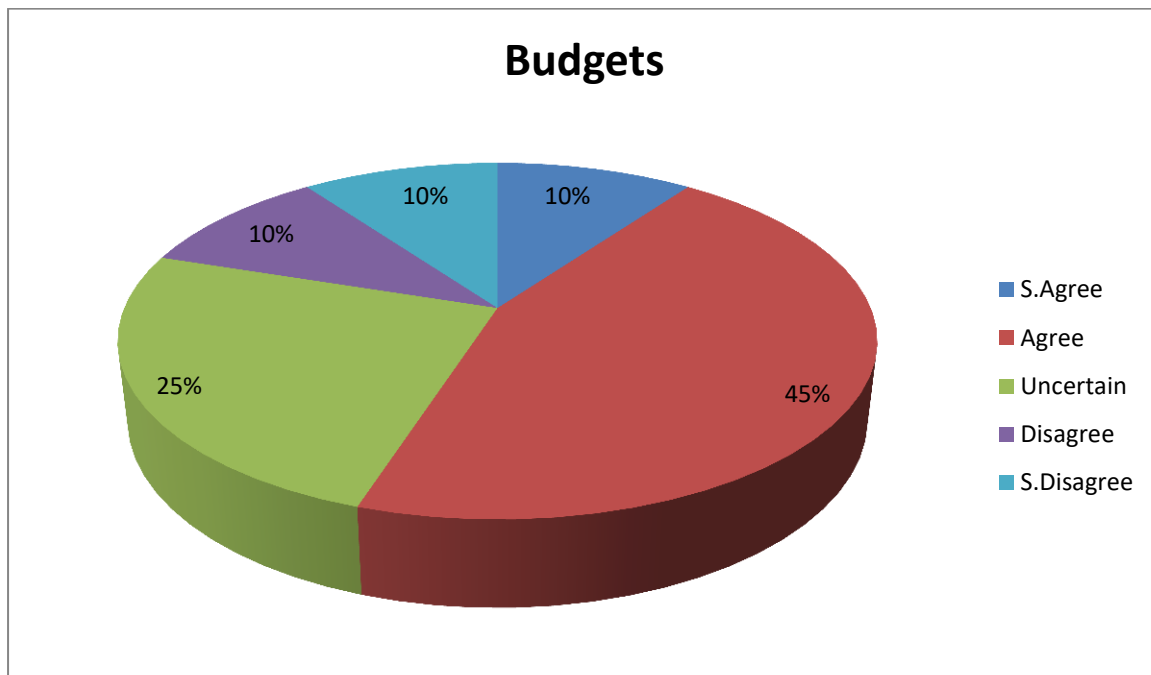
Fig 4.11 The influence of budgets on cash flow management system

10%(2/17) strongly agreed and 45%(8/17) of the respondents agreed that budgets had an influence on the cash flow management system of the hospital.25%(4/17) were uncertain.10% (2/17)disagreed and the other 10% (2/17)strongly disagreed.55% agreed because budgets are prepared based with the amount of revenue the hospital has.

Atinga etal (2014) was of the view that inadequate budgetary support expose hospitals to poor cash flow management system. This means the hospital is expected to operate basing on its budget without amendments. Failure to work with the budget raises a question on the effectiveness of cash flow management system. Those who were uncertain were because they do not have the knowledge on how budgets are prepared.

Access to information can influence the cash flow management system

Access to information

0%

10% 10%

30%

50%

- ■ S.Agree
- ■ Agree
- ■ Uncertain
- ■ Disagree
- ■ S.Disagree
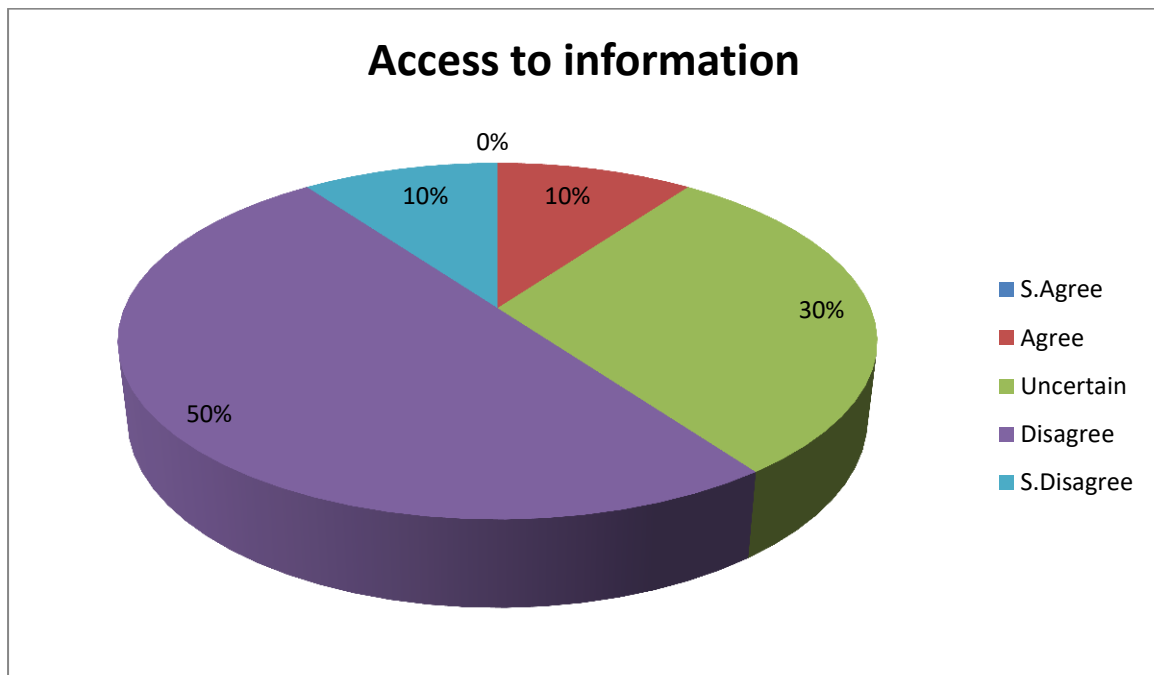
Fig 4.12 Access to information as an influence to cash flow management system

Nil strongly agreed and 10% agreed.30% were uncertain.50% disagreed and 10% strongly disagreed. Only management knew about the importance of access to information which is why only 10% agreed to the idea that access to information can influence the cash flow management system at Mvuma District Hospital.

BDC (2014) cited that effective cash flow management system starts at the top and requires leaders to understand and participate in various components of the organisation.The researcher concluded that access to information had no or very little influence on the cash flow management of a hospital.

Management of payables have an influence on the cash flow management system
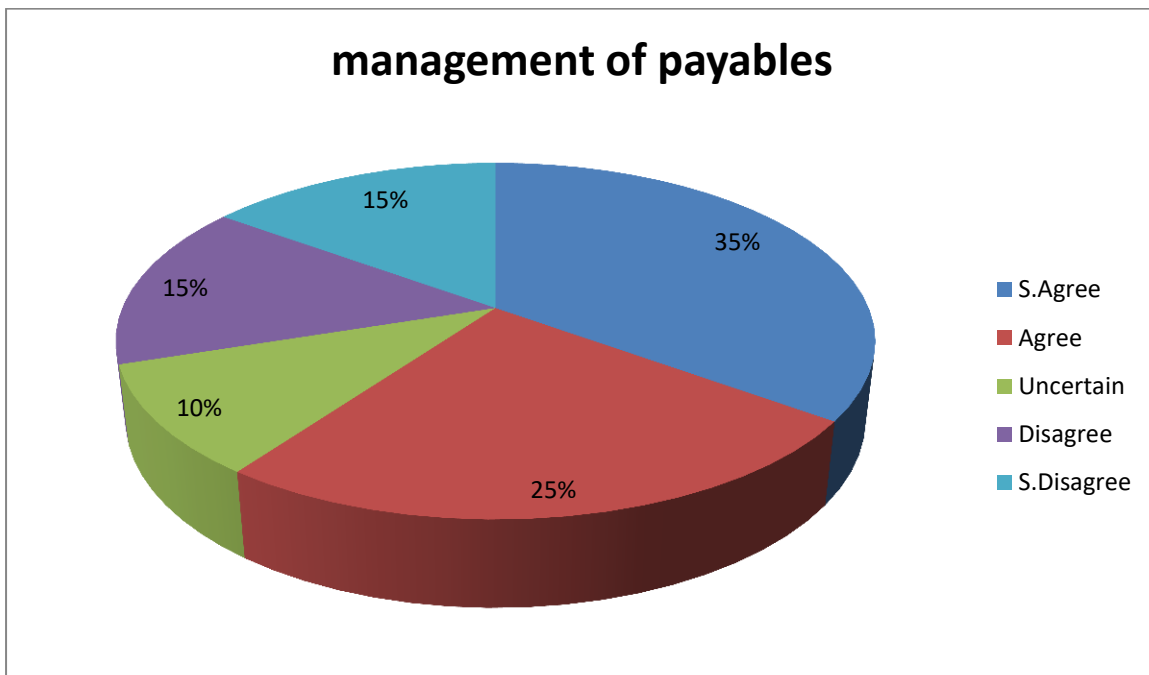
Fig 4.13 Influence of management of payables on cash flow management system

35% (5/17) strongly agreed and 25%(4/17) agreed that management of payables had an influence on the cash flow management system.10% (2/17) were uncertain.15% (3/17) disagreed and 15%(3/17) strongly disagreed to the statement. Using the respondents' results management of payables has an influence on cash flow management at Mvuma District Hospital. Late payment of suppliers tarnishes the image of the hospital. It disadvantaged the hospital since it was no longer able to get all those discounts given as a result of paying creditors on time. Managing credit and debt are of great importance to the hospital

4.6.5 Statement 5: The following ratios are favourable

The reason why the researcher wanted to know if the current and acid test ratios were favourable was to analyse the liquidity position of the hospital.

Current ratio

The business dictionary (2015) defines the current ratio as an indicator of a firm's ability to meet short term financial obligations. It is the ratio of current assets to current assets to current liabilities.
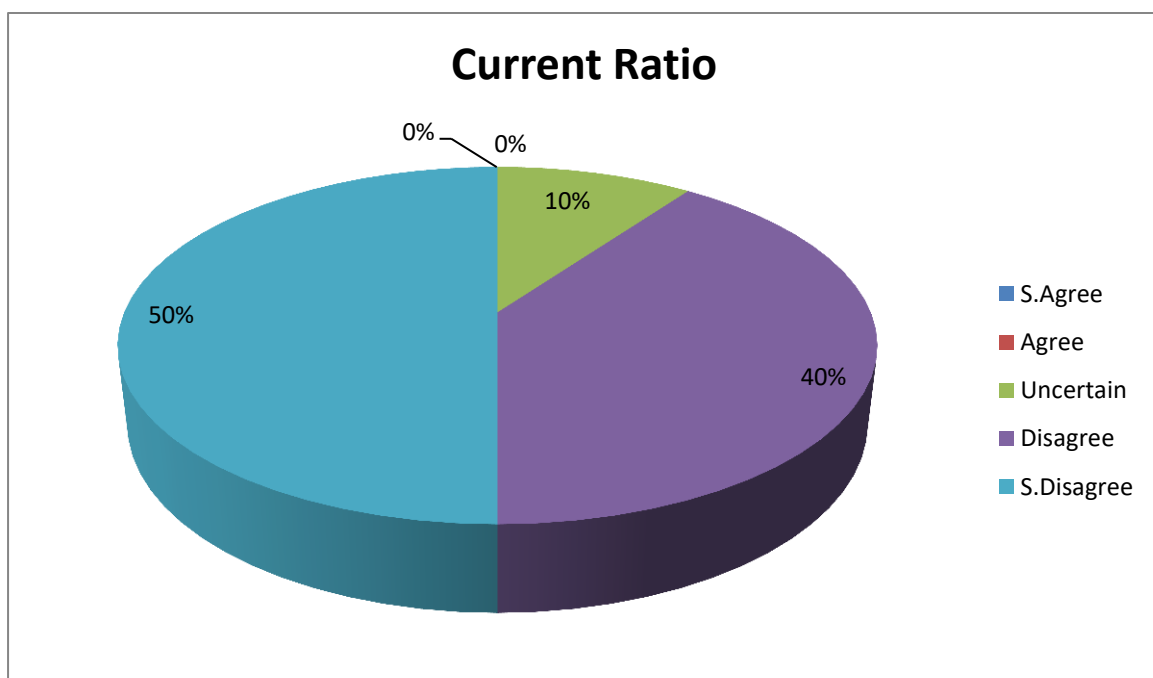
Fig 4.17 Current ratio

Nil strongly agreed and nil also agreed. 10% (2/17) was neutral. 40% (7/17) disagreed whereas 50% (8/17) strongly disagreed. The results from the respondents support the idea that the hospital has more current liabilities compared to current assets.

Acid test ratio

This ratio is used to test the ability of a business to pay its short term debts .It measure the relationship between liquid assets and current liabilities. Liquid assets are equal to total current assets minus inventories and prepaid expenses.
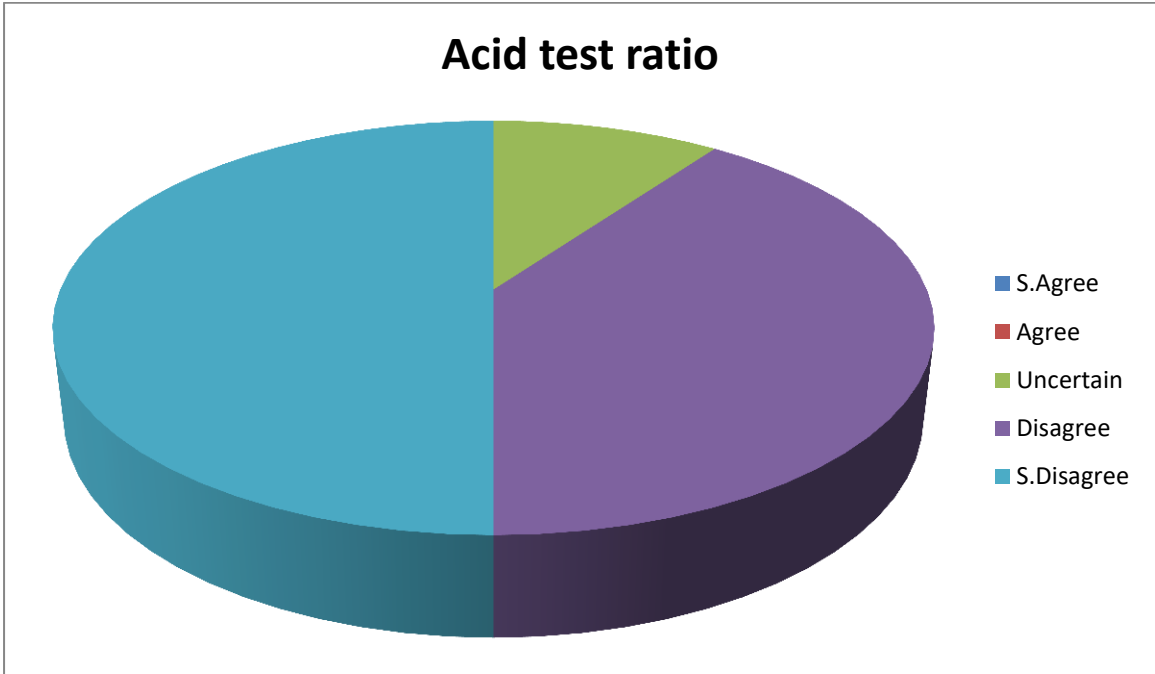
Fig 4.18 Acid test ratio

Nil strongly agreed and nil agreed that the acid test ratio was favourable. 10% (2/17) were neutral.40% (7/17) disagreed and 50% (8/17) strongly agreed. This means the liquidity position of Mvuma District Hospital is questionable and also the cash flow management system is not effective. The balance between paying creditors and receiving payment from debtors had a major effect on the cash flow of the hospital. Online arbitrary (2012) states that liquidity challenges and high cost of borrowing being experienced in the economy require organisations to adopt a proactive approach. It is important for Mvuma District Hospital to manage its creditors and debtors to get working capital. The researcher concluded that the liquidity position of the hospital was not favourable on the period under study

4.7 Success rate of interviews

The interview guide was designed for management of Mvuma District Hospital and below is the responses obtained from the interviews. The researcher had planned to carry out 5 interviews but managed to carry out 3. The interview success rate was 60%.

4.7.1 Question1: Where does the hospital get most of its revenue?

The interview pointed out that most of the revenue for the hospital came from consultation fees and medication fees. It went on to raise the case of the x-ray department and theatre and the dental department that back then those three were the main sources of revenue at the hospital

Those three departments their services are not given on credit which is likely to boost the health of the hospital's cash flow management system.

4.7.2 Question 2: What are the causes of a rapid increase in debtors?

The responses from the interviews shows that the credit worthiness of patients is not considered at the hospital because in the case that anything happens to a patient even if the patient was not credit worth the accounts department is held accountable.

So they end up providing services on credit to almost ¾ of the Mvuma community. On the other hand the community is now negligent on paying their debts and also the follow up procedures are poor**.**

4.7.3 Question 3: How effective is the cash flow management at the hospital?

The interview pointed out that the cash flow management system at the hospital was not effective. They gave reasons to why they said so. Some of the reasons were that there were shortages of up to date equipment and also shortage of drugs.

4.7.4 Question 4: What influences an effective cash flow management system at the hospital?

3 out of the 5 interviewees pointed out that debtors and creditors were the main things that influences an effective cash flow management system at the hospital.

4.7.5 Question 5: Is the current and acid test ratio favourable?

100% of the interviews pointed out that they are both not favourable.

4.8 An Analysis of Secondary Data

4.8.1 Debtors

Invoices amounting to $ 59 133 of debtors were approved from 2013-2015 and only $ 29 742 was paid back to the hospital in those three years.

4.8.2 Creditors

The hospital owed medical suppliers almost $ 70 000 from 2013-2015. The hospital only managed to pay back $30 000.

4.9 Conclusion

This chapter was a presentation and analysis of the gathered research data. There were graphical presentations and analysis in relation to relevant literature. The next chapter will contain the summary conclusions and recommendations.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter focuses on the summary, recommendations and conclusions in relation to findings in the study.

5.1 Chapter summaries

Chapter 1 gave the background of the study. It spelled out the problem of study at Mvuma District Hospital with supporting literature.

Chapter 2 involved through the literature review of related literature. It was divided into theoretical review and empirical review. Theoretical review was the opinion of experts in the field whereas empirical reviews are reported problems or closely related problems that have been investigated elsewhere.

Chapter 3 gave the research design that was used in the research which is the descriptive research design. The target population was 20. Research ethics were also outlined in this chapter. Questionnaires and interviews were used as research instruments to collect data. Accounts department staff and staff from other departments helped with the questionnaires. Of the 20 questionnaires that were distributed only 17 were returned.

Chapter 4 had to do with data presentation, analysis and discussions. The data that was collected was presented in form of pie charts and tables and calculations where necessary. This increased the ability of understanding the facts and ideas.

5.2 Major research findings

5.2.1. Management of receivables

The results of the research have indicated that there is poor management of debtors at Mvuma District Hospital. This was caused by the poor credit policy that is implemented at the hospital. It was also noted that the continuous increase of debtors was as a result of the medical aid societies in the country that are taking forever to pay for the services already offered. Patients are also ignorant to pay hospital monies.

5.2.2 Management of payables

Payables are affecting the effectiveness of cash flow management system at Mvuma District Hospital. The hospital is taking long to pay its creditors thereby tarnishing the image of the hospital. Suppliers are losing trust in the hospital. The hospital is failing to purchase at bargain price which advantageous because of poor management of receivables.

5.2.3 Sources of revenue

Mvuma District hospital has the potential of raising more revenue than it is doing now. This is only not possible because the departments that have the potential of generating more revenue are not functioning like the x-ray and the theatre departments.

5.2.4 Budgets

The hospital is failing to stick to its planned budget for the year because of poor cash flow management system at the hospitals. The hospital ends up sacrificing money purchasing unplanned items.

5.3 Conclusions

The research was a success because the associated research questions were answered and the planned interviews were done. The research pointed out the symptoms of poor cash flow management system like the fact that Mvuma District Hospital is operating with more expenses than income. It also stated what an effective cash flow statement is like. It was suggested that the reason why hospitals are in bad shape is because of the credit policies that are applied at hospitals and also medical aids used by the majority of their clients. Poor cash flow management system has led to closure of other departments at the district hospital, use of out of date equipment and also shortage of drugs just to mention a few.

5.4 Recommendations

With reference to the results of the research, the following recommendations and comments were made:

1. Mvuma District Hospital must revisit its credit policy. The hospital must seriously consider the credit worthiness of patients so as to avoid crippling debtors. In the case of a patient who is not able to pay must be referred to the Social Welfare for assistance. Though it will take long to get the money it is better than losing every penny. Credit requirements must be tightened. According to Dominy and Kempson (2003) the hospital can adopt one size fits all approach as a way of managing payables. The one size fits all approach suggests that the hospital adopt a standard set of procedures for arrears management for all its clients. For example issuing standard letters at set time intervals with debt information to all clients involved. A debtors aging analysis can also be used (Allot,2010)

2. The hospital's cash is lying idle in closed departments like the x-ray department, the theatre and the dental. These three departments' services are offered on a cash basis and are the only hope for raising better margins of revenue at the hospital.

3. According to Moskowits (2015) to improve cash flow the hospital must accept electronic payments. Mvuma District Hospital can have an eco cash biller code for a patient who wants to pay through eco cash. That eco cash can also be used to raise more revenue for the hospital by doing transactions like cash in and cash out.

4. All departments at the hospital must be involved in the safe guarding of cash in the sense that the nursing department must not discharge a patient owing to the hospital. Some people are receiving medication for free no invoice is raised at all. All departments must work together it must not be the responsibility of the accounts department only. According to Murphy (2016) the hospital must educate staff about empathetic communication to aid patients to take action to the debts they owe the hospital.

5. People on Anti retroviral drugs (ARVs) must not get everything for free they must pay at least the consultation fee charged at half the price of those who are not on the drug. The hospital must also be strict to its employees who are receiving treatment for free affecting the cash flow of money.

6. The use of an accounts payable ageing schedule can help the hospital determine how well or not well they are paying their invoices.

5.5 Conclusion

This chapter covered the summaries of the chapters in this investigation, the major research findings, conclusions and recommendations.

APPENDIX A

Cover letter to the organisation

Midlands State University

Department of Accounting

P Bag 9055

Gweru

16 September 2016

Mvuma District Hospital

P. O. Box 8

Mvuma

Dear Sir/Madam

Re: Request for approval to conduct a research at your organisation

I am Makoto Wayne N, a final year student studying **Bachelor of Commerce Accounting Honours Degree at Midlands State University**. I am conducting a research on the effectiveness of cash flow management system at Mvuma District Hospital 2013-2015.It is the university's requirement for students to carry out research in their final year. Therefore i am kindly seeking permission to conduct the research at your organisation. I intend to undertake the study through conducting interviews and issuing questionnaires. Please be guaranteed that all data gathered will be used for educational purposes only and will be treated with maximum confidentiality.

Your cooperation will be greatly appreciated.

Yours faithfully

Makoto Wayne N (R132279P)

APPENDIX B

Request letter

Midlands State University

P. Bag 9055

16 September 2016

Dear respondent

RE: ASSISTANCE WITH FILLING OF QUESTIONNAIRE

I am currently studying towards the attainment of a **Bachelor of Commerce in Accounting Honours Degree at Midlands State University**. As part of my dissertation requirements i am carrying out a research on the effectiveness of the cash flow management system. The research is compulsory for the partial fulfilment of my studies. Please not that the questionnaire is for academic purposes only. Your response shall be treated with maximum confidentiality.

Your cooperation will be greatly appreciated.

Yours faithfully

Makoto Wayne(R132279P)

Appendix 1

Research project questionnaire

PLEASE BE ADVISED THAT YOUR RESPONSES WILL BE HELD IN STRICT CONFIDENCE. (Please do not write your name on any of the questionnaires)

QUESTIONNAIRE FOR MVUMA DISTRICT HOSPITAL RESPONDENTS.

Section A: Respondents profile

Instruction: please tick in the box as appropriate, your response.

1. Kindly indicate your gender

     Male

      Female

2. How long have you been working on the hospital

     0-4 years

     5-7 years

     8 years and above

3. Kindly indicate your qualification

High school	Certificate	Diploma	Degree	Other, please specify

4. What is your religion?

Christian	Moslem	Other

SECTION B: Please indicate the choice of your answer by ticking in the appropriate box

Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
1	2	3	4	5

1. The following are the sources of revenue at the hospital

Consultation fee	1	2	3	4	5
Medication fees	1	2	3	4	5
Theatre fees	1	2	3	4	5
Ward fees	1	2	3	4	5
x-ray fees	1	2	3	4	5

2. The following are the reasons for a rapid increase in debtors

Credit policy	1	2	3	4	5
Medical aids	1	2	3	4	5
Inability of patients to pay	1	2	3	4	5
Inability to pay suppliers	1	2	3	4	5

3.The following are a result of poor cash flow management system

Late payment of suppliers	1	2	3	4	5
Out of date equipment	1	2	3	4	5
Shortage of drugs	1	2	3	4	5
Closed departments	1	2	3	4	5
Manual accounting system	1	2	3	4	5

4 The following has an influence on the cash flow management system

management of receivables	1	2	3	4	5

Budgeting	1	2	3	4	5
Access to information	1	2	3	4	5
Management of payables	1	2	3	4	5

5The following ratios are favourable

Current ratio	1	2	3	4	5
Acid test ratio	1	2	3	4	5

APPENDIX 2 : INTERVIEW GUIDE

1. Where does the hospital get most of its revenue?

2. What are the causes of a rapid increase in debtors?

3 How effective is the cash flow management system?

4 What influences an effective cash flow management system at the hospital?

5 Is the current and acid test ratio favourable?

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