



ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

***Financial Resources Utilization Challenges: in Some Selected
Government Primary Schools of Damot Pullasa Woreda in Southern
Nations, Nationalities and People's Region***

BY
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ADDIS ABEBA

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SELECTED GOVERNMENT PRIMARY SCHOOLS OF DAMOT PULLASA
WOREDA IN SOUTHERN NATION, NATIONALITIES AND
PEOPLE'REGION***

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Abbreviations

ESDP:	Education Sector Development Program
ETP:	Education and Training policy
IJSRE:	International Journal of Scientific Research in Education
KETB:	Kebele Education and Training Board
MoE:	Ministry of Education
MOFED:	Ministry of Finance and Economic Development
PSTA:	Parent Student Teacher Association
SDP:	School Development Plan
SIP:	School Improvement Plan
SNNPR:	Southern Nations Nationalities and People's Region
SPSS:	Statistical Package for Social Sciences
UNESCO:	United Nation Economic Social and Cultural Organization
WEO:	Woreda Education Office
WETB:	Woreda Education and Training Board

ABSTRACT

Efficient and effective financial resource utilization in schools is base to improve quality education. However, inefficient utilization or implementation of financial resources tends to be the major challenges of the education system in Ethiopia. The main objective of the study was to investigate the financial resources utilization challenges in primary schools of Damot Pulassa woreda in SNNPR for this purpose, both quantitative and qualitative approaches were employed. The methodology employed was descriptive survey which was carried out questionnaire because of its suitability for survey study that has large size of respondents in the five random sample primary schools. The data were collected from both primary and secondary sources; the main instrument was questionnaires; in-depth interviews, focus group discussion and document review. A total of 150 respondents from five schools, 10 key informant interviews and 5 focus group discussions with 35 participants were conducted. The study discovered that the education budget come from the government, School internal income, community contribution and NGOs' support were the main sources of education budget in study schools. The study also found that the budget preparation, implementation and evolution processes lacked the participation of stakeholder, lack of financially skilled man power, lack of relevant training, absence of internal and external auditing activity, delay in releasing budget, interferences of school principal, engagement of school management on different duties were the major challenges of financial utilization in Damot Pulasa woreda primary schools. In conclusion the schools lacked active participation of stakeholders, capable human resource in financial resources management, practicing financial rules and regulations. Hence, it is recommended that the WEO and schools should take measures to improve the participation of stakeholder, employ financially skilled manpower, budget of school should be released on time, schools should report budget performance to the concerned bodies, regular auditing should be carried out by the woreda education and finance office.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Financial resources are significant resource often assumed to be a part of physical capital. It is actually the basis for the procurement, utilization and maintenance of all other types of resources. Without strong financial base it will be difficult to produce the right of goods and services in desirable quality and quantity (IJSRE, Oct. 2010, p.99).

Education reform efforts in less industrialized countries have aimed at making education an effective vehicle for national development. Governments, policy makers, and civil society have emphasized that developing countries need to invest more in education and ensure that systems of education are efficiently managed that limited funds allocated to sector have maximum impact, and that cost recovery measures are adopted (Gok 1997; Inter-Agency Commission, 1990; UNESCO, 1996; World Bank 1988 and 1996 as cited in Abagi and Odipo, 1997).

Hence, School system should mobilize the human and non-human resources to achieve objectives and fulfill educational needs of students in particular and the community in general.

In developing countries like Ethiopia, the government is the main source of finance for the expansion of education. However, the financial labor and material contribution of the community as well as schools' internal income and the support from non-governmental organizations could have their own contributions.

School system should utilize the financial resources to achieve objectives and fulfill educational needs of students and community. All organizations including schools face the scarcity of finance. Through converting this scarce resource with the help of budgeting mechanism all activities are functioned appropriately.

Decentralization was introduced in Ethiopia in the 1995 constitution, thus giving rise to the federal system of administration. Since then, all the nine regional states and two city administrations have their respective Regional education bureau (REBs), under which woreda education offices (WEOs) are organized. Below the woredas, the Kebele Education and Training Board (KETB) are the educational planning and management government organs at the local community level. The Educational administration at each level is politically accountable to its government, and technically to the upper level of administration.

Responsibilities in operational planning budget allocation and budget control shall be devolved to woredas. The Woreda Education and Training Board (WETB) will be established and assume the overall responsibility for managing primary and secondary educations in the woreda. Similarly in rural areas kebele Education and Training Boards (KETB) and parent student Teacher association (PSTA) at school level are established to strengthen community school relationship, create good learning environment, decrease dropout rate, increase community support to schools in terms of material, labor and finance will definitely require the acquisition of management skill (personnel administration, evaluation, monitoring, planning, budgeting accounting etc). Therefore building the implementation capacity of woredas, based on training needs identification through short term domestic and/ or abroad training programs on educational management, supervision, finance purchasing and major strategy and under taking (MOE, ESDP II 2003).

The success of school can center on the quality of its financial management sound financial management ensures that schools resources are effectively used to achieve a schools mission, and its school improvement plan (SIP) and school development plan (SDP).

According to SNNPR Education Bureau report of 2013 to Regional House of People's Representatives, the total budget allocated for the quality improvement purpose much of it had been misused due to inappropriate management. Thus, this indicates that improper utilization of educational finance in schools of SNNPR including Damot Pulassa woreda.

For this reason, this study tries to examine how education financial resources are properly utilize in primary schools and to recommend more appropriate methods and ways of utilizing this scarce and important resource.

1.2 Statement of the Problem

To enhance quality education, it is mandatory to make sure that the required finance is obtained on time and the existing financial resources should be utilized properly in schools.

Hence, there is a strong need to create transparent system in schools that clearly indicates the sources of finance as well as its allocation and utilization. Implementation capacity is key instrument to guide the development process. However, inefficient utilization or implementation of the scarce financial resources tends to be the major problems of the education system, particularly in Damot Pulasa woreda. Detailed analysis is not undertaken so far and documentation on these issues is scant in the study area. This is so as per researcher personal and professional experiences of serving as a teacher and leader in the study woreda.

The woreda educational offices and schools are expected to utilize the budget properly on the intended purposes and report their performance to the relevant executive bodies need expertise in the area of finance to monitoring and evaluation school finance utilization have carried out in accordance with the finance rules and regulation.

However several problems remain unsolved with regard to the budget preparation, execution, and control in schools of study Woreda. Therefore, this paper focuses on investigating currently existing challenges in financial resource utilization and control of primary schools budget in selected woreda.

1.3 Research Question

Based on the above mentioned problems the study tries to answer the following major questions that are developed to investigate the financial utilization challenges at schools.

1. To what extent do stakeholders participate in preparation and implementation of budget in schools?
2. Do schools have the skilled man power to administer their financial resources?
3. To what extent are the financial rules and regulations including monitoring and evaluation mechanisms on budget applied in schools?
4. What are the critical challenges for ineffective utilization of financial resource in schools?
5. What are the possible intervention strategies to be recommended to minimize the critical challenges for effective utilization of financial resource in schools?

1.4 Objective of the study

1.4.1 General objective

The general objective of the study is to investigate the major challenging factors affecting effective utilization of financial resources at primary schools in Damot Pulassa Woreda.

1.4.2 Specific Objectives

More specifically, the objectives of the study are:

- To identify the participation of stakeholders in school budget preparation and implementation process;
- To examine potential of skilled manpower to carry out financial resources in primary schools.
- To examine the external and internal factors affecting the application of existing financial rules and regulations in primary schools.
- To assess financial performance practice and corresponding utilization gap;

- To suggest possible solutions to the critical financial utilizations challenges in schools.

1.5 Justification and Significance of the Study

This study was conducted on factors affecting financial resource utilization in primary schools of Damot Pulasa woreda in SNNPR. Therefore, the researcher hopes that the findings of the study:

- ◆ Can be used as a baseline or preliminary information source for government organizations particularly working towards educational service;
- ◆ Give relevant information about the situation of financial utilizations in primary schools in Damot Pulasa Woreda;
- ◆ Create the awareness to the concerned government authorities in taking corrective measures in the utilization of schools budget;
- ◆ Findings of the study could be used as initiation for those who are interested to conduct a detailed and comprehensive study on such similar topics.

1.6 Scope or Delimitation of the Study

The scope of this study is geographically delimited to Damot Pulassa Woreda of SNNPR state in Ethiopia. The study also limited to the major challenges of financial resource utilization of the schools. It is not possible to cover all the woreda found in the region due to financial and time constraints.

1.7 Limitations of the Study

It is not easy to get all relevant information from respective offices besides finance, since the research focuses to financial utilization. Also absence of willingness on the part of some respondents and interviewees to provide clear and precise information related to financial matters... However, the researcher hopes that readers will get some valuable ideas on the subject area.

1.8 Operational Definition

Primary School: A School that consists of two cycles from grade 1 to 4 and grade 5 to 8(1-8) level in educational system of Ethiopia.

Principals: The administrative head and proportional leader in school.

Woreda: Lower than the Zone division or area marked of developed for administrative purpose with defined authority, responsibility and with estimated population size of about 100,000.(proclamation on 7/1992).

1.9. Organization of the Study

The study was organized into five chapters. The first chapter of the study covers the introduction that includes statement of the problem, objectives of the study, justification and significance, the scope and the limitation of the study.

The second chapter deals with the review of related literature. In this chapter different theories and assumptions concerning principles and management challenges of financial resource utilization is discussed. It also exposed the various thought entertained by different scholars in the area of conducts challenges. The third chapter describes the research methodologies. In the forth chapter the collected information or data is described and analyzed. The conclusion and recommendation part is presented in the fifth chapter. At last, bibliography, appendix and questionnaire are annexed.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This section of the paper focuses on the review of the various relevant literatures related with financial resources utilization challenges in some selected materials. This would help benchmarking the previous studies and use same as input for the present study targeted on the government primary schools of Damot Pullasa Woreda in Southern Nations, Nationalities and People's Region.

Literature review is useful to share the findings of previous research works related to the research at hand; it would relate the study to the existing and ongoing dialogue in the field; fill the gap in the research, extend previous studies, provide a framework for the study and be used as a benchmark for comparing the results with the previous findings. It would also assist the researcher to do an objective examination of the current information and knowledge in the study (Koul L. 2003:88).

Scholars like Gillian pointed out that the review of the relevant literature aimed at investigating critical points that make the researcher up-to-date of the current knowledge and the theoretical and the methodological contributions to a particular topic (Gillian, 2003:4).

Based on this reality, an attempt is made to discuss in review of the related literature in chapter two of this study to provide the financial resources utilization challenges in some selected government primary schools. Likewise, the concept of resources, decentralization and definition of participation, source of educational finance, concepts, processes and monitoring of the budget and Ethiopia's budget process and perspectives related to the topic are reviewed.

2.2 Concept of Financial Resources

According to International Journal of Scientific Research in Education (IJSRE) resources are the basic tools necessary in the effective performance of tasks and for the growth and development of human organizations. Financial resource is a significant resource often assumed to be a part of physical capital. It is actually the basis for the procurement, utilization and maintenance of all other types of resources. Without a strong financial base, it will be difficult to produce the right types of goods and services in desirable quantity and quality. Since the human economy is a monetary economy, the availability of funds in any organization or institution is vital to its productive process and the quality of its product and service (IJSRE, 2010, p. 99).

Resources are assets only to those who can identify and effectively employ them for the purpose of achieving clearly defined objectives. This is because resources alone cannot yield additional wealth. They must be drawn upon and put to judicious use to enable them to increase wealth or productivity. Thus, the prudent management of education funds involves decisions on how to procure, expand, utilize and properly account for funds directed at the achievement of education objectives in general or institutional goals in particular (Ibid, 99).

Also it was indicated in the same journal that educational resources have been classified into four groups and include: (a) physical resources such as school plants, classrooms, offices, recreational facilities and the entire school ground; (b) material resource including institutional aids, stationeries, education plans, objectives and prescribed methodology; (c) human resources (both teaching non- teaching staff);and (d) financial resources made up of all monetary input into the education system directed towards the achievement of specified educational objectives (Ibid, 99).

Good knowledge and the appropriate utilization of these major classes of resources are vital in the achievement of effectiveness in the resource management in the school system, especially in the present context of global economic crises and a consistent decrease in the federal monitory allocation to education. The school manager must be well informed of the existence of education resources and know when to collect and use such resources (Ibid, 100).

2.3 Decentralization and Participation in Financial Resources

Utilization

Regarding the function of financial management in school, Abebaw (2006) indicated by citing Aggrawal (1995:244) that educational finance is needed for the following purposes: (1) Opening of educational service; (2) Maintenance of normal educational service; (3) Expansion of educational service and (4) Expansion of educational facilities.

2.3.1 Financial Resources and Decentralization of Education

As cited in Thomas (2011), according to Mark Robinson (2000) decentralization may be defined as the transfer of education on decision making powers from central government to intermediate authorities, local authorities, and educational institutions. The significance of the transfer varies, ranging from simple administrative decentralization to transfer of regulatory and financial power of greater scope, to the regional and /or local level.

Thomas by citing Rondielli, (1989) gave definition of decentralization as the transfer of responsibility and authority for planning , management and raising and allocation of resources from the central government and its agencies to field unit level of government, semi-autonomous public authorities; area wide regional or functional authorities or organizations that are closer to the public to be served and noted that it must be equipped with trained and skilled personal capable of coordinating and integrating their own organizations with other organizations to put decentralization policies in to practice.

According to UNESCO (2003), decentralization is the process of reassigning responsibility and corresponding decision making authority for specific functions from higher to lower levels of government and organizational units. In its basic definition, decentralization is the transfer of power of the central government to regional and local authorities (Tegegne and Kassahun 2004; Meheret, 2006). (As cited in Thomas, 2010) a decentralized educational system, the community finance education either directly through fees, or indirectly, through taxes. Community contribution can take many forms and may go away beyond money rise. For example, building schools, making rallies and preparing ceremonies to raise money, etc (Mitsue, 1999). There also exist mixed systems in which the central level of government is

responsible for some expenditure and the community is responsible for the rest, but, in a highly centralized educational system, all financial expenditure for education service is covered by national government without any direct contribution of the communities.

As indicated in Thomas (2011) according to (Winker, 1989) in general, decentralization financing of education is more common in developing countries than in developed countries. This can be as verification that developing countries, which often lack sufficient funding for education, try to decentralize education in order to increase the financial responsibility of education to the community and to the parents.

The intensification of decentralization to woreda level has controlled to strengthening of woreda level education institutions. It also provides opportunities to strengthening local governance, increases of sense of accountability, and broadens the participation of communities. Efforts have been made to build the capacity of the woreda offices particularly woreda education office through intensive training organized in the areas of educational planning and management, financial management, auditing and procurement. It is also noted that schools and parent student teachers associations need build their capacity before more responsibility could be given in the area of financial management (MoE, 2005).

2.3.2 Participation of Stakeholder in Education

The term “participation” can be interpreted in various ways, depending on the context (Mitsue, 1999). Community participation as a concept focuses on the idea that involving stakeholders in decision making about their communities and broader social issues has important social, economic and political benefits. In the 1980s and 1990s, for a variety of reasons public sector donors, policymakers, as well as both Northern and southern NGOs, emphasized the value and potential benefits of participatory approaches. Community participation is one of the domains of community capacity building. The role of citizens and communities is expressed through three main ways: direct financial or in kind contributions toward the establishment or maintenance of facility, management of schools through the payment of teachers, and citizen voice in the local kebele and woreda councils, to balance the local executive political leadership and service providers are accountable to the community (Jeilu, 2009).

The goal of any kind of activity that attempts to involve community and family's parents' education is to improve the educational delivery so that more children learn better and are well prepared for the changing world. The following rationales explain about the importance of community participation in education cited in (Mitsue, 1999).

Maximizing Limited Resources: Learning materials as well as human resources are limited everywhere, particularly in developing countries. The focus has shifted to finding efficient and effective ways to utilize existing limited resources. The principles of participation derive from and acceptances that peoples are at the heart of development. They are not only ultimate beneficiaries of development. The rationale behind people participation in development is that participation strengthens as people behind peoples participation in development is that participation strengthens as people's capacities and their efforts to create and sustain the collective growth and development (Ngsussie, 2007).

According to Help Age International (2008) participation is the level of involvement of all stakeholders/ actors in the budget process, directly or through legitimate intermediaries. The process of budget preparation, approval, implementation, and review needs the participation of various stakeholders. It is through participation that people's perspectives can be brought to the attention of policy makers. It also allows citizens to hold the government accountable, to indentify weaknesses in a budget, to build consensus, and to mobilize the community effectively to meet a budget target.

Participation in a budget process is not a luxury; it is rather a basic right all citizen. It allows members of the community to raise issues of importance to them and, hence, influence budget allocations. It also allows different layers of government to know the most urgent unmet demands of the community. By doing so the government and the community can mobilize resources, provide more equitable distribution of budgetary allocations (without discrimination based on gender, ethnicity, region, rural/urban, and vulnerable groups) and effectively spend the resources. Thus to ensure efficient provision and more equitable distribution of budgetary allocations participation is inessential ingredient in the budget process to ensure efficient provision and more equitable distribution of budgetary allocations.

In many countries, however, the general absence of information on budget issues, especially in non-technical formats, has seriously hindered the effort of nationals and local organizations to participate in discussion on the distribution of public resources. However, the ability of civil society to participate in the budget discussion is dissatisfied by legal, institutional, and political barriers.

As a result, many agencies attempt to define what they mean by participation in their own context. World Bank (1997) defines participation as it is a process through which stakeholders influence and share control over development initiatives and the decision and resources which affect them. It is the process whereby all those with an interest play an active role in decision making, and in consequent activities which affect them, USAID (1997) also defined as it is the active engagement of partners and customers in sharing ideas, committing time and resource, making decisions and taking action to bring about a desired development objective. In all above cases, participation is sharing of activities, make decisions, resources and responsibilities in a certain intervention. Basically, participation is sought to make development intervention successful by using local knowledge, institutions, materials and labor resources and scientific knowledge cited in (Thomas, 2010).

2.3.3 Financial Resource Utilization in Education

According to Help age International (2008) the answerability of decision makers and implementers with regard to budgetary processes at the formulation, approval, implementation and performance review stages to those whose interests are affected by their actions or inactions. Resources mobilized for expenditure come basically from three sources: taxes, external aid and external borrowing. Taxes come directly from the people and aid is given to the government on behalf of the people of Ethiopia. Loans are raised in the name of the population and the whole population will be responsible for repaying them. Thus, the money the government is spending is not its own but belongs to everyone. This means the government should be accountable not only for how it use up these resources also for budget outputs and outcome. This makes accountability an important ingredient in a budget process.

Equality and inclusiveness mean ensuring opportunities to maintain and improve the wellbeing of diverse groups in any given social or political setting, in terms of budgetary

allocations. Budgets should also be governed by the principles of equity and inclusiveness without discrimination. Budget allocations should be fair and just, and should redound to all citizens equally, without discrimination based on gender, ethnicity, social class, age, geography, etc. in particular, vulnerable sectors of society should not be discriminated against in a budget (Help Age International, 2008).

2.4 Community Participation and Source of Educational Finance

2.4.1 Community Participation in Education

In Ethiopia, the MoE in its ESDP-II (2002) community participation is one of the strategies that shall be promoted to achieve the set goal. During ESDP-I Conducive situations were created for the community to work in close cooperation with schools. As a result, there are now indications that a significant shift has been observed in this area during the last few years. A sense of ownership is observed and there are strong evidences from current practices that communities are actively participating in the management and administration of schools. As demand for education is increasing, school committees are assuming greater role in the improvement of their schools. Woreda Education and Training Boards will be strengthened and shall be required to provide appropriate decision-making and follow up, and to initiate motivating programs at woreda level. Moreover, community organization like women's associations, youth associations and others, which are operating in the community shall have roles in enhancing the enrollment of girls and quality of education and shall serve as experience sharing forums (ESDP-III, 2005).

The success of schooling depends, to a large measure upon the value that communities attach to education. Where education is highly valued and actively sought, the mission and goals of the school are shared and supported by the community. Therefore, schools shall take the lead to involve the community through initiating activities that demonstrate the community's underlying interest in the role and functions of schools.

Hence, community discussions, meetings, parental education and training can result in the community assuming greater responsibility for its own welfare and development. Training parents as to how to assist and encourage their children after school, at home, contributes to the

quality of education. Awareness creation activates will, therefore, increase commitment of the communities that can lead to the desired educational objectives at all levels.

Head teachers play a pivotal role in maintaining healthy relationship between the schools and the communities. They are responsible for creating trust between the parents, community and the school. Discharging this responsibility shall require special skills on the parts of the head teachers in school management and human relations. On-the-job training programs shall also be developed and implemented for the head teachers to achieve this goal (ESDP-II,2002).

2.4.2 Sources of Educational Finance

Admass College (as cited in EdPm, 2007) the main source of finance for the expansion for education in Ethiopia Is the government. However, the financial labor and material contribution of the community as well as school`s internal income would complement to a certain extent the government efforts in this regard. In addition, there could be support from non-governmental organization and the private sector. The government covers the lion`s share of the cost for educational activities. The government`s budget should be used as last resort finance to fill the financial gap required for the constriction and furnishing of schools, for teachers salaries as well as for running cost. Schools have the responsibility to generate and use their own income.

Schools would be held accountable for the transmission of financial rules and regulations, wastage of money and delay of planed educational activities without a reasonable cause. Thus, a regulation should be prepared at regional level allowing schools to fully use their internal revenue without dispensing it to the woreda finance office. Although schools may have the right to use their internal income for various purposes, it is advisable that the money is utilized in such a way that could be successful and support the educational efforts to the government cited in (MoE, 1994 E.C).

2.4.3 Utilization of School Finance

Schools` financial income is obtained from black grant allocated by the government, internal revenue of schools and the contribution from the community and humanitarian organizations. There ought to be a proper financial handling and accounting systems to use the money

obtained from these income sources for the purposes planned and outlined by schools. Since the woreda's resources and the utilization of its resources should be known, schools should report any additional obtained income, apart from the amount indicated in the budget, at the end of the fiscal year as they would report the actual budget. In addition, the labour and contribution made in kind would be calculated in terms of money and be reported. The accountant, the cashier and the director's should join hands to create an effective and efficient finance handling and utilization mechanisms (MOE, 1994 E.C).

According to the decentralized economic policy that the country is pursuing now, woredas have full mandate to handle their resources. Handling and having a full mandate on one's resources means controlling the process right from the preparation of budgetary plans to utilization of the available resources. The budgetary plan of woreda education offices starts from schools.

The woreda education office would make sure that the budgetary plans of the office and the schools are prepared in accordance with the budgetary ceiling, and then submit them to the woreda council. The woreda council in its turn would examine and approve the plan making the necessary amendment.

Financing education is therefore considered as a joint responsibility of government's communities and private sector. The participation of parents and the community will contribute significantly to the achievement of universal basic education (UBE) program objective. Many scholars recommend the establishment of strong and viable parents' students' teachers association (PSTA) as a medium for getting parents to participate actively and meaningfully in the effective implementation of the universal basic education (UBE) program.

The best alternative management of education is prudence in the use of those financial resources which are available. When a given level of financial resources is utilized effectively more services are provided and more goods produced. This is the mark of efficiency in management.

2.4.4 Managerial Resourcefulness in Education

The primary goal of management is to ensure that system goals are optimally achieved through the clear allocation of roles and resources, and through the monitoring of organizational tasks. The level of efficiency achieved in the performance of managerial tasks is highly dependent on the manager's resource management abilities. Resourcefulness measured in terms of productivity can be defined as the ability to combine various factors of production to achieve a desired level of productive.

Resourcefulness can generally be defined as the ability to act effectively in the achievement of goal that require the use of resources, in defining resourcefulness as the ability to find quick, clever and efficient ways of doing things, Hornby (2000:999), identifies a resourceful person as one who is "clever at finding ways of doing things." These definitions highlight that resourcefulness in management is a combination of effectiveness and efficiency in handling organizational matters. Effectiveness enables the manager to keep the organization's goals in constant view, while efficiency enables the manager to aim at prudence in the achievement of organizational goals.

Akubue (1991:134) describes prudence as "the ability to plan, regulate, and calculate possible causes, effects and results as well as to cover loopholes for fraud, cheating and temptation." Here, prudence is a sensible and careful attitude that averts wastage in the use of resources. A resourceful education manager is sensible and careful attitudes that avoid wastage in the use of resources. A resourceful education manager is therefore prudent in the application of scarce resources to the implementation of education policies and programs.

The achievement of economy in the use of educational resources includes good knowledge of educational resources and the ability to adequately explore the many sources of such resources. The education manager in this case is expected to have good knowledge of various sources of educational resource .However; knowledge of resource is in adequate without an accompanying knowledge of what constitutes relevant resources for the particular level and type of education being managed. The most common sources of education resources are the government, local communities and International aid. Likewise, knowledge of educational resources and their various sources is not enough if the resources harnessed by the school

system, are not effectively manipulated to achieve educational objective. Effective resource manipulation skills are also necessary in the achievement of prudence in resource management. Resource manipulation in this case includes distributing resources into task areas, and ensuring that they are properly utilized in task performance (IJSRE, 2010).

2.4.5 Strengthening Financial Systems and Purchasing Procedure in School

Article 29 of the finance and Economic Development bureaus financial administration proclamation no. 57/1989 that requires schools to submit their internal incomes, which they had not utilized, should be amended to make the financial administration of schools viable and effective. Apart from controlling that schools have properly utilized the budget allocated to them, it is not proper to force them to return revenues, which had not been utilized. In addition, the Woreda should give resource and financial management training to directors, members of the parent student Teacher Association and staff of schools finance section. Regional Finance and Economic Development Bureaus, Regional Education Bureaus, woreda finance offices and Woreda education offices have the responsibility to organize various awareness-raising forums to facilitate the implementation of this guideline for educational financial organization (MoE, 1994 E.C.).

As Admass College (cited in Edpm,2007) Although schools carry out the purchase of equipment and services in accordance with the directive issued by the government, if donors and creditors forward compelling terms, the purchase would be made in pursuant to the agreement made between the government and these parties. When schools, before the actual procurement, make a purchasing requisition, the items to be procured would be classified according to their quantity. The woreda would make major purchases, while the schools would undertake minor procurements. Major purchases would have the opportunity to get price discount as they are made in much quantity. (The purchasing committee would be formed according to the objective reality of the educational institutions accountable to the woreda, the Zone and the region).

2.4.6 Capacity Development for Improved Management

In all regions, many training activities were undertaken, in line with decentralization. These training programs have touched a wide range of people: regional, and woreda expert, KETB members, PSTA members and school leaders. The needs however remain high and many staff does not receive training upon appointment. But, many woreda offices of the emerging regions and there schools do not have sufficient experts to perform their tasks efficiently. The training programs should have helped overcome these technical weaknesses (ESDP- IV).

At the woreda level, planners lack competencies in data collection and analysis, projection and simulation. The pool system for the management of financial resources at the woreda level also requires competencies in the preparing a budget and planning ahead of time to ensure the necessary supplies and equipment for schools are delivered before the beginning of the school year. As they are the actors who are the closest to the kebeles and schools –being responsible for training kebele education officers ;recruiting, training and developing teacher and head teachers; and supporting the kebele offices –they need skills in planning data collection ,reporting and supervision (Oulai,D. et al(2011).

2.5 Concepts, Processes and Monitoring of the Budget

Budget is financial plan of total admission money and expenditures. It is based upon a means of implementing a plan created by an enterprise to meet the program of the enterprise in educational finance. A budget can also be considered as a plan of financial operation incorporating an estimate proposed expenditures for a given period (usually one fiscal) year or purpose and the proposed means of financing them (Admas College,2007).

According to Help Age International, (2008) the budget is central to realizing national objectives, goals and programmers linked the role of the government in financial matters. The public budget can be defined as follows:

- The public budget is a process by which government sets levels of expenditure, collects revenues and allocates the spending of resources among all sectors to meet national objectives.
- The financial plan of action for the year, reflecting government priorities on expenditure, revenue, and overall macro-economic.

2.5.1 Importance and Preparing Budget to School

“Budget” is defined as a planned pattern of revenues and expenditures to achieve educational goals over a specified period of time (Jordan, et al, 1985:152).

According to Help Age International (2008) the school needs to prepare a budget since it has to plan the extent of its expenditure and revenue. In most cases, the available revenue for school is limited compared to the demands for funding, although it varies from school, in most circumstances there is a gap between revenue and expenditure. School cannot finance all the activities that need expenditure. They have to decide what they can do within a given time and available revenue, and this is made possible by preparing a budget. No school can afford to make unplanned decisions on expenditure and revenue.

By citing Condoli et al (1984:128) Abebaw (2006) indicated that some of the benefits of budgeting as that it is useful to establish a plan of action for the future; it requires an appraisal of past activities in relation to planned activities; it necessitates the establishment of work plan; it necessitates for seeing expenditure and estimating revenues; it requires orderly planning and coordination throughout the organization; it establishes a system of management control and it serves a public information system.

A budget also has another benefit to the school. It enables the government to analyze its expenditure and revenue in light of its overall objectives. Hence, budget could also indicate whether the school is moving in accordance with its overall economic objectives or not (Help Age International, (2008).

2.5.2 Budget Approval, Implementation and Management

Individual budget managers are responsible for ensuring that financial planning is carried out effectively and efficiently. Outside the Spending Review process budget managers should ensure that all proposals with resource implications (or other financial considerations) are cleared with their finance teams in line with the guidance on finance included in the section on the “Roles and involvement of finance”.

As cited Help Age International (2008) good financial management should ensure that the following conditions are met.

- Staff in charge of delegated budgets. Both for administration costs and program expenditure, have clear guidance on the size of the budgets, what they may be used for and how far they can be varied.
- Specific authority is obtained for expenditure beyond the approved purposes of the delegated budget (even if the amount can be contained within the budget).
- Actual expenditure is monitored against budgetary provision and corrective action taken if necessary.
- Managers operating budgets have clear guidance as to whether the delegated budget authority carries with it delegated purchasing authority or whether the actual purchasing will be undertaken elsewhere.
- Managers authorizing the taking on the commitments e.g. ordering goods and services, making grant offers, entering into contracts of work purchases, have clear guidance as to the extent of their delegated authority for individual cases
- Staff is aware that guarantees indemnities and similar arrangements which may lead to public expenditure in the future (no matter how remote that possibility may appear) may not be entered into without specific authority.

- Staff involved in authorizing and making payments arising from commitments including pre-payment checks to be made.
- All desk instructions are up to date; that they provide for adequate separation of duties; and otherwise contain appropriate prohibitions to combat the possibility of fraud.
- The operation of the procedures contained in desk instructions is monitored to ensure compliance and that working effectively.

Why does government expenditure move away from the budget? This may be the result of

- **Poor financial management:** lack of effective planning and implementation, dumping of spending on the last quarter.
- **Corruption:** due to weak financial management system public officials can use a host of tricks to siphon off public funds
- **Fund diversion:** the government often diverts funds to other programmers;
- **Unexpected events:** the government has contingency reserve to deal with unexpected events (e.g. disasters)
- **Inadequate funding:** sometimes the budget fail to fund a program me adequately
- **Weak oversight:** capacity limitation.

A budget process needs to be governed by principles such as participation, transparency, accountability, equity and inclusiveness. These are the ideals but not all budgets follow them. Each budget system should be considered in terms of these standards.

The same source (Help Age International, 2008) identified that there are four stages in the budget process/Cycle at any level of jurisdiction. These are budget preparation (drafting/design process), budget approval and appropriation (legislative process), budget

execution (implementation process), and budget control (performance monitoring- audit and evaluation process).

In the first stage, the budget preparation is the central agency (usually ministry of finance) circulates a budget call letter and guideline to all public bodies. Every public body is required to prepare their budget requirement and submit it to the central agency. The central agency is responsible for summarizing and consolidating the national budget and finally presenting it before the council of ministers and/ or parliament

In the second stage, once the recommended budget is reviewed and adjusted by the council's district, it is then presented to the parliament for debate and approval. Annual appropriation of the approved budget will then follow.

The third stage is disbursement of the approved budget to the relevant agencies, implementation of planned activities, and recording expenditure. This is the process of the transfer and spending of the money which ensures that activates can happen to reach the required goals.

The fourth stage budget monitoring is the process that is undertaken to find out if public resources are distributed equitably and efficiently. The objective of budget monitoring is to improve the budget process and the delivery of public services. It helps to find out if the targets are achieved and government is meeting its obligations. In a situation where targets are not met, it helps to design new plan to improve the next budget process.

A well- functioning budget system is vital to the formulation of sustainable fiscal policy and facilitates economic growth and development. A weak budget system and poor budget choices aggravate social problem. Moreover, even where budgets are allocated to reach the poor and vulnerable groups, the funds may not reach the intended beneficiaries due to weak expenditure and programmed/financial management. All these factors justify the need for budget monitoring. Budget monitoring helps to check action plans and development targets; it increases the responsiveness of the government to the needs of citizens; by promoting transparent policy making and budget processes it paves the way for proper scrutiny of expenditure priorities; helps to find out whether the government is meeting their development

obligations and informs us of the extent to which budgets have addressed the equity and efficiency issues in the distribution of public resources helps to promote transparency and accountability on the part of the government, and active participation of the community and civil society (Help Age International, 2008).

2.6 Ethiopia's Budget Process

Budget preparation is guided by a document known as the Macro-Economic and Fiscal Framework (MEFF) prepared by MoFED. Regional bureaus formulate regional education policy and strategies. They also administer and manage primary and secondary education, junior colleges, technical and vocational college and teachers training institutes. The zone education office plays the roles of coordination, supervisions and provides technical and professional assistance to lower levels of the education system (Ministry of education service delivery in an efficient, effective and responsive manner, The WEO is structures and organized with its own manpower. The Woreda education service involves the education sector and community representatives like KETBs and PTAS members in the woreda and other actors outside the woreda. The main participants in the delivery of education services at woreda level are the communities, regional and zonal bodies, private organizations, sectoral offices and the woreda administration through the provision of general guidelines and technical supports (MoFED, 2008).

The ESDP- I attempted to put into action the 1994 education policy, which included a sector plan, backed by a consortium of donors, designed to enhance enrolment, particularly in primary schools, decentralization, and community empowerment. ESDP II was launched in 2002/3 and will run to 2004/5. An annual joint review process evaluates progress against performance milestones. The ESDP action plan stressed that greater institutional capacity at all levels is the first priority of the program. Regions especially will concentrate on capacity building in the initial period of ESDP, especially in the areas of educational administration, procurement, financial management material. Head teachers and officials at all levels will be given training in education management, and a reporting and monitoring system will be put in place to facilitate their accountability.

2.6.1 Budget Administration by Schools and Allocation of Block Grant

If there had capacity, it would have been better to allocate all the capital and current budget in block grant , school grant and enable schools to be self-reliant and self supportive. However, currently most of the schools do not have the skilled man power and the necessary experience to administer the capital and recurrent budget. Non salary recurrent expenditure will be managed by schools it would have been better to allocate it in block grant and school grant so that schools could utilize it on the basis of their priority needs. The recurrent expenditure would be used for the procurement and publication of books purchase of chalk, stationeries, and maintenance of doors, windows laboratory chemicals and other furniture and to cover water, telephone and electric bills and etc. The budget would be allocated to the schools based on the required expenditure per a student and calculating it with the total; number of students in the school (World Bank, 1988).

According to MoE (1994 E.C) there are various requirements to give non salary recurrent budget to schools in a form block grant. However, this guising takes the number of students as the basis for such procedure. This is believed to make the allocation of block grants fair and transparent. A school that accommodates more students would get more where as the school that enrolls less number of students gets less block grant, but the necessary inspection should be made to control schools not report more than the actual block grant. Stiff measures should be taken against such illegal deeds. The allocation of block grant to the first cycle primary school would be birr 10 times the number of students from grade 1-4, the allocation of block grant to the second cycle primary school would be birr 15 times the number of students from grade 5-8. The allocation of block grant to the first cycle secondary school would be birr 20 times the number of students from grade 9-10 and the share of the second cycle secondary school would be birr 50 times the number of students from grade 11-12 (MoE 1994 E. C, P. 59)

2.6.2 Monitoring and Evaluation Strategy

Monitoring

Monitoring is a systematic and continuous process of collecting and using of information for the purpose of management and decision-making. It is an activity, which assesses whether project inputs are being delivered, are being used as intended (to create outputs), and are having the initial effects as planned. It therefore, represents an exhaustive and regular examination of the resources, outputs and results of a project. Monitoring is an internal project activity, an essential part of good management, and therefore, an integral part of day to day activity. So monitoring is a tool to identify strengths and weaknesses and provide the people responsible for the project with sufficient information to make the right decision at the right time to improve its quality (MoFDE, PP.14-15, 2008).

Monitoring involves: establishing indicators of efficiency and effectiveness; setting up systems to collect information relating to these indicators; collecting and recording information; analyzing information and using information to inform day-to-day management.

Evaluation

According to MoFDE, (2008) Evaluation can be defined as a process that attempts to determine, as systematically and objectively as possible, the achievement of results in light of relevance, efficiency effectiveness, impact and sustainability of activities. It is a systematic process of collecting and analyzing information in order to determine whether and to what degree the objectives of a project have been, or are being achieved. Evaluation is often more periodic and ask more fundamental questions about the overall progress and direction of a project. It looks at the dynamics of development interventions and identifies the reasons for both success and failure and how one can learn from both. It is an instrument for an in-depth review to assess the degree to which objectives have been achieved and to measure net impact of development interventions.

In general, evaluation involves examining the relevancy and the objectives that wanted to be reached; assessing the progress towards what is to be achieved; looking at the strategy of to be

implemented; looking at how the plan works (effectiveness and efficiency); assessing sustainability factors, and drawing lessons for the design of future implementation of the plan.

Therefore, the main purpose of monitoring and evaluation system is to ensure a clear basis for decision-making, empowerment, accountability, greater focus on achievement of results and promotion of institution learning and knowledge sharing.

Moreover, detailed information is needed for day-to-day management on utilization of resources, implementation of planned activities according to schedules and production of planned outputs. Generally speaking, a quality review should be adequate, relevant, accurate, timely, and useful.

Problems encountered in the implementation of activates can be resolved through mutual discussions at the Annual education conferences held between the regional Bureaus and federal ministry of Education and through other relevant meetings.

In the Serbia, for instance, the Treasury is responsible for keeping a record of all transactions executed from the treasury single account. In this treasury ledger, there is a full record of all payments according to an organizational, functional, and source of financing classification. In addition to the treasury ledger, first-line budget –users are required to with regard to Ethiopia, the head of each public body keeps financial records for the responsibilities of the public body, in a form directed by MoFED. It is also required to provide monthly reports showing the financial transactions of public body and close its accounts and report to MOFED within three months after the end of the fiscal year (FDRE, 2009).

2.6.3 Auditing School Budget and Reporting

Auditing School Budget

According to Tilahun (2010) Audit in the public sector has the important function of giving the ultimate decision-makers (parliament and government) and or citizens` regular assurance of the quality of reports of how taxpayers` money has been spent, and the management of assets and liabilities under public control (Allen and Tommasi, 2001) Nowhere in the world is the relationship between auditor and auditee an easy one. Within government administrations,

those activities which are secret or politically sensitive are most likely to expect exemption from, or special treatment in, the conduct and reporting of outside audits (OECD, 1996).

Small number of highly sensitive data has to be omitted or information has to be generalized before reporting publicly FDRE(2009) states that each public body is required to close and submit its account to the office of federal auditor general (OFAG) within three months from the end of the fiscal year. It also submits to the house of peoples` Representatives the audit report together with its performance report of the period within one month from the receipt of the last year audit inspection report.

Auditing would be carried out in the woreda to make sure that the planned activities and the finance utilization have been carried out in accordance with the finance rules and regulations. Accordingly, the woreda education office auditor would undertake an audit on the utilization of the finance allocated to the woreda educational activities at the end of every quarter of the year. Auditors of the woreda finance and Economic Development office would also carry out auditing twice a year, i.e. during half of the year and at the end of the budget year the regional auditors would also carry out auditing at the end of the budget ear. On the basis of the audit reports, necessary corrective measure would be taken by pertinent government bodies (MoE, 1994 E.C.).

Reporting utilization of School Budget

At every level, quarterly, semi-annual and annual work and financial performance reports; and possible solutions will be given. The reports shall concentrate on:

- Progress in production of planned outputs.
- Implementation of activities
- Utilization of inputs; and information on actual capital and recurrent expenditure.
- Implementation of recommendations.
- Weaknesses, strengths and lessons learned in implementing ESDP.

The quarterly report shall mainly serve the day-to-day management purposes at implementation level. The semi and annual reports shall be the main source of information on progress and achievements of the entire program compared to plans. These shall also serve the sector management at regional and national level as well as the member of the donor community to monitor the progress of the program (ESDP-II, 2002).

According to MOE (1994 E.C) Schools would prepare their reports and get it evaluated along with the kebele Education and Training Management Board and submit the reports to the woreda education office within five days after the end of the quarterly year. The Woreda education office would compile the schools reports along with its report and get them evaluated by the woreda education and training Management Board. The office, then, would present the final draft of the report to the Woreda Council, the Zone Council and the Regional Education Bureau within the first 15 days of each quarterly year. Apart from the quarterly reports, a 6 and 9 months report would also prepare. After receiving the reports from the woreda education office, the regional Education, Bureau Would submits its report on finance utilization to the regional council as well as to regional finance and Economic Development Bureau. The regional finance and economic Bureau, in its turn, submits the report to the Federal Ministry of finance and Economic Development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study is aimed at investigating some of the major financial resource utilization challenges in some selected government primary schools of Damot Pluassa Woreda of SNNPR. For this purpose, both quantitative and qualitative approaches were employed. The study design is descriptive survey which is based on the nature of the data because the methods are assumed to enable the researcher to find out the solutions for the existing problems. Under this section data sources; population and sampling procedures which consists sampling techniques, sample size; data collection instruments which are used primary data collection that include structured questionnaire, in-depth interview, focus group discussion and secondary data sources, methods of data analysis and organization of the study are presented.

3.2 Data Source

Both primary and secondary sources of data were used. For primary data sources both quantitative and qualitative approaches were employed. Quantitative data was collected using a structured questionnaire consisting of close ended and open ended from Teachers, and Principals working the study schools. Qualitative data was collected using key informants who representatives of stakeholders to the study schools. These were Woreda Civil Service Office Head, Woreda Education Office Head, Woreda Education Office Experts and Supervisors, Woreda Finance Office Head, Woreda Finance Office Auditors. Again focus group discussion participants were used for qualitative data. In this regard, five focus group discussions were conducted in all five study schools. The focus group discussion participants comprise Kebele Education and Training Board Chairpersons, Parent Students Teacher Association (PSTA) representatives, Teachers representatives

and kebele Women and Youth Associations Representatives. Moreover, document analysis related to financial resource utilization, including reporting and auditing practices were made during the field work.

3.3 Population and Sampling Procedure

3.3.1 Sampling Techniques

In the process of primary data collection, a random sampling technique was employed. There are 23 government primary schools in the woreda. 5 schools were selected using simple random sampling technique. Furthermore, the respondents were principals, vice principals and teachers of selected schools. Damot pulassa woreda is the targeted Woreda for the study and the sampling for its ease of accessibility of information for the researcher.

3.3.2 Sample size

For quantitative data a total of 150 respondents were selected. That is 140 teachers were sampled randomly while 10 principals with vice principals were selected purposively. Using structured questionnaire quantitative information was collected from the indicated respondents. For qualitative information 10 key informants were sampled for in-depth interview. The informants comprised of woreda civil crevice office head, education office head, two woreda education office experts and three supervisors, woreda finance office head, woreda finance office auditors. In addition, for qualitative information 35 (32 males and 3 females) focus group discussion participants were participated in five focus groups with at least 6 participants in each group discussions that were conducted in the study areas.

3.4 Data Collection Instruments

In this study the major instruments used are questionnaires, semi- structured interview guides, focus group discussion guide and relevant secondary documents in schools.

3.4.1 Questionnaire

The process of data collection was mainly through questionnaire because of its suitability for survey study that has large size of respondents. In the structured questionnaire, both close-ended and open-ended questions were prepared to be filled by the teachers and principals who were used as respondents. The questionnaire had 33 items (25 closed-ended and 8 open-ended). Each questionnaire was checked its reliability by adviser.

3.4.2 In-depth Interview

The key informant interview guide was prepared and employed with key persons in the Woreda civil service, Education and Finance and Economy Development Offices. The interview has similar items on semi structured items with possible flexibility.

3.4.3 Focus Group Discussions

The focus group discussion (FGD) guide was prepared and conducted with Kebele Education and Training Board and Parents Students Teachers Association (PSTA) in five selected schools in the woreda for the study. Five FGDs were held with 7 members in each group. The purpose of the FGD was to substantiate data gathered through questionnaire survey, key informant interview and document review.

3.4.4 Secondary Data Sources and document analysis

Published and unpublished document reviews were made concerning revenue, expenditure, accounting books in schools. Pertaining to document analysis attempt was made to review pertinent documents on financial resource utilization focused on financial performances, monitoring activities, reporting practices and applying the expected auditing system in the schools.

3.5 Method of data Analysis

The data gathered through primary and secondary methods and analyzed using both mixed data analysis methods, i.e., quantitative and qualitative ways of presenting the data collected in the course of questionnaire using SPSS application and descriptive statistics such as tables and numbers with percentage. Qualitative method of data analysis was also employed for feedbacks obtained using open ended interview and focus group discussion guides.

CHAPTER FOUR

4. Presentation, Analysis and Interpretation of the Data

This part of the thesis deals with the presentation, analysis and interpretation of the data gathered through quantitative and qualitative research tools: questionnaires, interviews and relevant documents. It focuses on presentation of characteristics of teachers, principals, vice principals from the five sample primary schools respondents used for quantitative information and for qualitative information the Woreda Civil Service office Head, Woreda Education Office Head, Woreda Education Office Experts and Supervisors, Woreda Finance and Economy Development Head, Woreda Finance and Economy Auditors, members of kebele education training board and members of Parent, Student, Teacher Associations who were involved during key informant interviews and focus group discussions.

For quantitative data 150 copies of structured questionnaires were distributed to the respondents. Out of these questionnaires 10copies were distributed among principals and vice principals, 140 copies were distributed among the five sample primary schools teachers.

All the distributed copies of the questionnaires (100%) were completed and returned to the researcher on time. As an additional input for the questioner responses, key informant interview, focus group discussions and document analysis were also obtained on time with a view of triangulating the findings from different sources.

4.1 Demographic Characteristics of Participants

In this study five primary schools having grades 1-8 level namely: Shanto, Lera, Warbira-Suqqe, Olola and Galcha Suqqe primary schools selected randomly out of the 23 primary schools found in Damot Pulassa Woreda.

As presented in Table 1 below, according to the statistical data of 2006 E.C there were 10,158 students that were learning in the study schools. Out of these students more than

half or 5,312 (52.3%) were males and 4,846 (47.7%) were females. Specifically, by each study school there were 2,431 students (1257 males and 1174 females) in Shanto primary school; 2,321 students (1,287 males and 1,034 females) in Lera primary school; 1,839 students (906 males and 933 females) in Warbira Suqqe primary school; 1,862 students (954 males and 908 females) in Olola primary school and 1,705 students (908 males and 797 females) in Galcha Suqqe primary school. There were 10 (5 principals and 5 vice principals) and 140 teachers in the study schools during the study. Specifically, by the number of teachers in each school, in Shanto primary school there were 36 teachers (25 males and 11 females); in Lera primary school there were 28 teachers (26 males and 2 females); in Warbira Suqqe primary school 31 teachers (26 males and 5 females); in Olola primary school there were 28 teachers (26 males and 2 females) and in Galcha Suqqe primary school there were 27 teachers (23 males and 4 females).

**Table 1: Distribution of number of principals, teachers and students by sex in 2006
E.C in the study schools**

Name of Study School by Grade Level	No of Principals		No. of Teachers			No. of Students		
	M	F	M	F	T	M	F	T
Shanto Primary School (1-8)	2	0	23	11	36	1257	1174	2,431
Lera Primary School (1-8)	2	0	24	2	28	1287	1034	2321
Warbira Suqqe Primary School (1-8)	2	0	24	5	31	954	933	1839
Olola Primary School (1-8)	2	0	24	2	28	954	908	1862
Galcha Suqqe Primary School (1-8)	2	0	21	4	27	908	797	1705
All Schools	10	0	116	24	150	5,312	4,846	10,158
	6.7	0.0	77.3	16.0	100.0	52.3	47.7	100.0

During the study all 150 (teachers, directors and vice directors) in the study schools were used as respondents to generate quantitative information using structured questionnaire prepared for the study. Out of all respondents used for the study more than four-fifth (84%) were males and the remaining 16% were females. However, when we look to positions of

principals no females were found in the leadership positions. Concerning the marital status of the respondents 72.7% were married and more than a quarter (27.3%) was unmarried.

With regard to the educational background of the respondents about one fourth (26%) were graduates with certificate, half (50%) of them were diploma holders and nearly one fourth (24%) were graduates with first degree in different teaching profession. Concerning age of respondents about 43.3% of the respondents were in youth age categories i.e. in between 20-29 years old; about 41.3% were in the age categories of 30-39 years old and about 15.4% were 40 and above years old. With regard to the work experiences of the respondents, about three fourth (75.3%) of the respondents have 1-10 years work experiences and nearly a quarter (24.7%) of the respondents have more than ten years work experiences in teaching profession.

To confirm findings of the study that data gathered through quantitative methodology, qualitative information was collected towards financial resources utilization challenges in the study primary schools in Damot Pulassa woreda, selected for the study. The qualitative information was collected by conducting focus group discussions with key persons whom serve as school financial management committee members in the study schools. According to the government financial management system in schools there kebele education training board members, that include Kebele administration chairman, director of school, teachers association representative, parent student teacher association representatives, women and youth associations representatives. Hence, during this study five focus group discussions (FGDs) were conducted, one in each study school in which participants were selected from the above mentioned committee members who manage financial resource in schools.

Totally, 35 persons who are responsible for school financial management bodies were participated in five focus group discussions (FGDs) that carried out in five study schools. The first focus group discussion was held in Shanto primary school in which seven members participated; the second was conducted in Lera primary school with seven members, the third was carried out in Warbira Suqqe primary school in which eight members participated, the fourth was took place in Olola primary school in which six

members participated and the last was conducted in Galcha Suqqe primary school in which seven members participated.

With regard to the demographic characteristics of the focus group discussion participants as presented in Table 2 below, 32 (91.4%) of the them were males and 3 (8.6%) were females. Regarding age of participants: one (2.9%) of them were in the age categories of 20-24 years old; four (11.4%) of the participants were in the age categories of 25-29 years old; ten (28.6%) of them were in between 30-34 years old; six (17.1%) were in age categories of 35-39 years old; seven (20%) were in age categories of 40-44 years old; two (5.7%) were in age categories of 45-49 and five (14.3%) were 50 and above years old.

Regarding the marital status of the focus group discussion participants: only two (5.7%) of them were not married and the rest majorities 33 (94.3%) were married. Concerning the educational status of the participants: nine (25.7%) of them have primary education (1-8 grades) level; six (17.1%) of them have secondary education (9-12 grades) standard; two (5.7%) were certificate holders; eight (22.9%) of them were diploma holders and the remaining ten (28.6%) were first degree holders.

With regard to the work experiences of the participants: 40% of them have no work experiences. Some of them were who live in kebele where their respective schools situated and serve as committee members in school management including financial utilization; 8.6% of the participants are employed who have 1-5 years work experiences, about a quarter (25.7%) of the participants have 6-10 years work experiences, 17.1% of them have 11-15 years work experience and 8.6% of them have more than 16 years work experiences.

In the second stage for qualitative information the in-depth interviews were conducted with key informants in the study areas. For this purpose ten key informants involved. They were: woreda civil service office head; woreda education office head; three woreda education office supervisors and two experts; woreda finance head and two woreda finance auditors who were used as important sources to provide financial resource utilization and management towards schools in the woreda.

Regarding sex of the key informants all of them were males that show females participation in the leadership is still none. Concerning age of the key informants 20% were in the age categories 25-29 years old age; again 20% of them were 30-34 years old; 30% were in age categories of 35-39 years old; 20% were in age categories 40-44 years old, only 10% of them was in the age categories of 45-49 and no one 50 and above years.

Pertaining to the marital status of the key informants four fifth (80%) were married and the remaining 20% were not married.

With regard to educational level of the key informants 20% have diploma and 80% were first degree holders. Concerning work experiences of key informants, 30% have 1-5 years experience, 10% have 6-10 years, 30% have 11-15 years work experience and the other 30% have more than 16 years work experiences with regard to the qualification and experience of the respondent, it was thought that the information they provide would be dependable and logical due to their academic backgrounds, position and experience (Table 2).

Table 2: Demographic Characteristics of Respondents, Focus Group discussion Participants and Key Informants by Sex, Age, Marital Status, Educational Level and Work Experiences

Demographic Characteristics		Respondents		FGD Participants		Key Informants	
		N	%	N	%	N	%
Sex	M	126	84.0	32	91.4	10	100.0
	F	24	16.0	3	8.6	0	0.0
	Total	150	100.0	35	100.0	10	100.0
Age	Below 20	0	0.0	0	0.0	0	0.0
	20-24	22	14.7	1	2.9	0	0.0
	25-29	43	28.7	4	11.4	2	20.0
	30-34	41	27.3	10	28.6	2	20.0
	35-39	21	14.0	6	17.1	3	30.0
	40-44	9	6.0	7	20.0	2	20.0
	45-49	7	4.7	2	5.7	1	10.0
	≥ 50	7	4.7	5	14.3	0	0.0
Total	150	100.0	35	100.0	10	100.0	
Marital Status	Married	109	72.7	33	94.3	8	80.0
	Single	41	27.3	2	5.7	2	20.0
	Total	150	100.0	35	100.0	10	100.0
Education Level	Primary Education (1-8)	0	0.0	9	25.7	0	0.0
	Secondary Education (9-12)	0	0.0	6	17.1	0	0.0
	Certificate	39	26.0	2	5.7	0	0.0
	Diploma	75	50.0	8	22.9	2	20.0
	1 st Degree	36	24.0	10	28.6	8	80.0
	Total	150	100.0	35	100.0	10	100.0
Work Experiences	1-5	51	34.0	3	8.6	3	30.0
	6-10	62	41.3	9	25.7	1	10.0
	11-15	19	12.7	6	17.1	3	30.0
	≥ 16	18	12.0	3	8.6	3	30.0
	Not Known	0	0.0	14	40.0	0	0.0
	Total	150	100.0	35	100.0	10	100.0

4.2 Information and Knowledge towards Financial Resource Utilization in Schools

During the study investigation towards the challenges of financial resource utilization in the study schools, the subjects used for the study were asked through quantitative and qualitative data collection procedures about their level of information and knowledge towards financial resource utilization in their respective schools.

In this regard, the respondents used for quantitative information were asked to point out the sources of finance for their schools. They stated that the financial sources for their school are the budget allocated by government, internal incomes from the schools and donations from NGOs. Specifically, more than half (52.7%) have reported that financial sources for their schools is the budget allocated by government, one third (33.3%) pointed out the sources of school budget are internal incomes from the schools and 14% of the respondents have reported that the financial sources are donations of NGOs for their schools (Fig. 1).

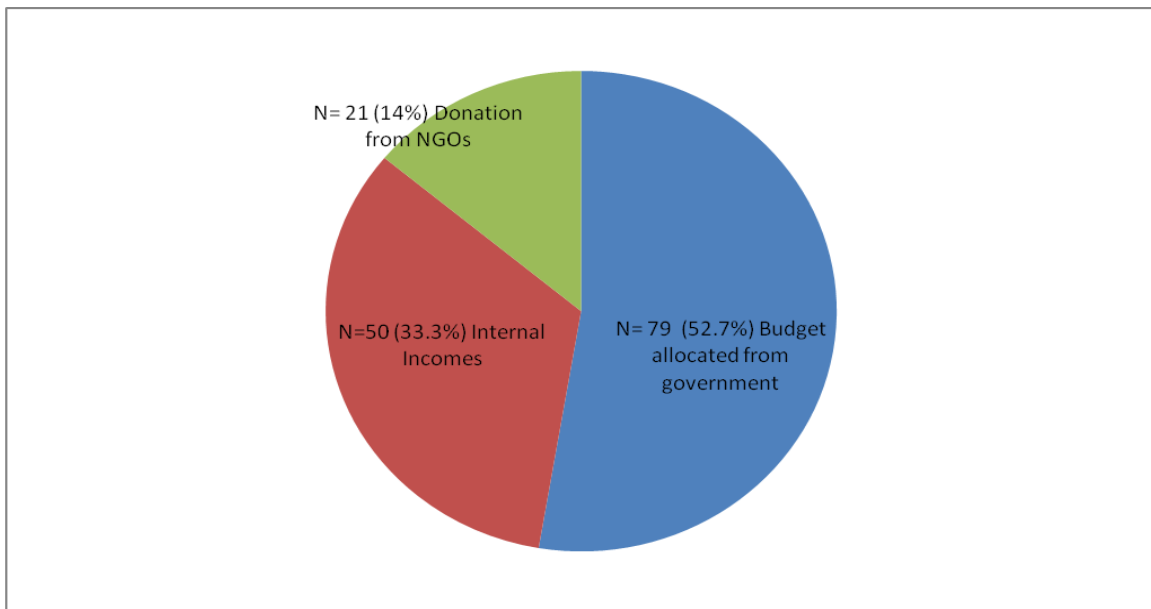
Pertaining to the qualitative data collected using the in-depth interview, all key informants reported that block grant is allocated form Woreda Administration Council . While school grants were from NGOs. The interviewees further declared that budget is allocated on the basis of the number of students in each school. None the less, all informants reflected delay in releasing budget from regional government, zonal and woreda administrations.

FGDs participants on the other hand reported about the internal source of income for the schools and the majority of participants reflected that agricultural activities(like farming, tree and grass selling, etc.) are the major source of internal revenue. While twelve members of all the focus groups echoed the above experience and they further described farming, selling trees and grass as the major sources of income for the schools. Moreover, the overwhelming majority of FGD participants declared that donations from some NGOs also help the schools as part of the internal income.

The data collected from secondary sources show that government funds for education can be raised from both government budgetary source and non-government sources. In developing countries like Ethiopia the government is the main source of finance for the expansion of education. However, the financial labor and material contribution of the community as well as schools' internal income and the support from non-governmental organizations could have their own contributions. In developed countries like China, since the early 1980s, the financing of education has undergone a fundamental structural change from a formerly centralized system with narrow revenue base to a decentralized

system with diversified revenue base. This financial reform in education took place in the context of large public-finance reform in the country (Tsang and Dign, 2005). Similarly, the Admass College (2007) report shows that schools' financial income is obtained from block grant allocated by the government, internal revenue of schools and the contribution from the community and humanitarian organizations.

Figure 1: Distribution of financial source of incomes for school



In addition, to approve the internal incomes as financial sources for schools, the respondents were asked about having source of internal income to schools. To this regard, more than four fifth (82.7%) of the respondents have reported that there are internal sources of incomes to schools. To examine the effective financial utilization of schools which they get finance from internal sources of incomes the respondents were also asked about for what purposes giving priority the schools use the finance they get from internal sources of income.

As presented in Table 3 below, 46.8% reported that the internal incomes used for allowance, 17.7% reported it is used for school facilities, 16.1% stated the budget is used for library services, 11.3% reported it is used for operational activities and 8.1% pointed the budget is used for school maintenance. The finding shows that the minimum source of internal income was used for school maintenance. This indicates that researched schools couldn't utilize their budget on the basis of priority need activities. Again in this study, the respondents were asked about the schools have undergone any maintenance work since 2003 E. C. to date. More over four fifth (86.7%) of the respondents mentioned that there was no any maintained work undergone in their schools since 2003 E.C. In general, the finding shows that there is poor financial resource utilization in schools which they get from the internal incomes.

The qualitative information gathered from the key informants and the FGDs participants pointed out there many sources for schools from internal incomes. However, the principals assigned in schools misuse the internal incomes of schools without financial budget releasing system. This shows that the financial resource utilizations in schools are poor and exposed to corruption and misuse which is identified as a serious challenge in financial resource utilizations in schools.

Table 3: Distribution of respondents by knowledge to internal source of incomes, Purposes the internal incomes used and maintainer to schools since 2003 E.C.

Is there any source of internal income to school?	N	%
Yes	124	82.7
No	21	14.0
I do not know	5	3.3
Total	150	100.0
Purposes the internal incomes used according to priority		
For Allowance	58	46.8
For School Facilities	22	17.7
For Library services	20	16.1
For operational Activities	14	11.3
For School Maintenance	10	8.1
Total	124	100.0
Has school undergone any maintainer work since 2003 E.C to present?		
Yes	20	13.3
No	130	86.7
Total	150	100.0

4.3 Stakeholders Participation in School Financial Resource Utilizations

During the study effort was made to investigate the stakeholders' participation in school management and financial resource utilizations.

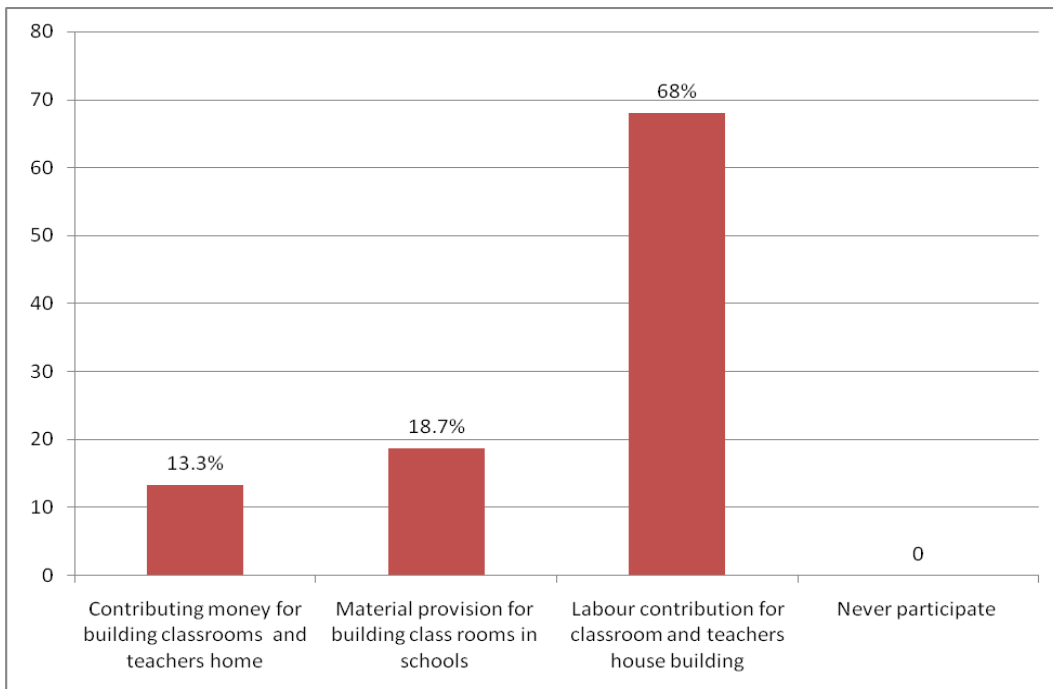
Thomas (2010) pointed out, basically participation is required to make development intervention successful by using local knowledge, institutions, materials and labor resources and scientific knowledge participation is sharing of activities, make decisions, resources and responsibilities in a certain intervention.

According to Help Age International (2008) participation is the level of involvement of all stakeholders/ actors in the budget process, directly or through legitimate intermediaries. The process of budget preparation, approval, implementation, and review needs the participation

of various stakeholders. It is through participation that people’s perspectives can be brought to the attention of policy makers. It also allows citizens to hold the government accountable, to identify weaknesses in a budget, to build consensus, and to mobilize the community effectively to meet a budget target. Participation in a budget process is not a luxury; it is rather a basic right all citizen. It allows members of the community to raise issues of importance to them and, hence, influence budget allocations

The respondents of this study were asked about the role and participation of the community in school development and financial utilization. In this regard, as presented in figure 2 below, 13.3% of the respondents stated that the local community participates in contributing money for building classrooms and teachers’ home, 18.7% reported that community participates in provision of materials for building class rooms in schools and homes for teachers, and 68% of the respondents have responded that community participates in contributing labor for building classrooms and houses for teachers.

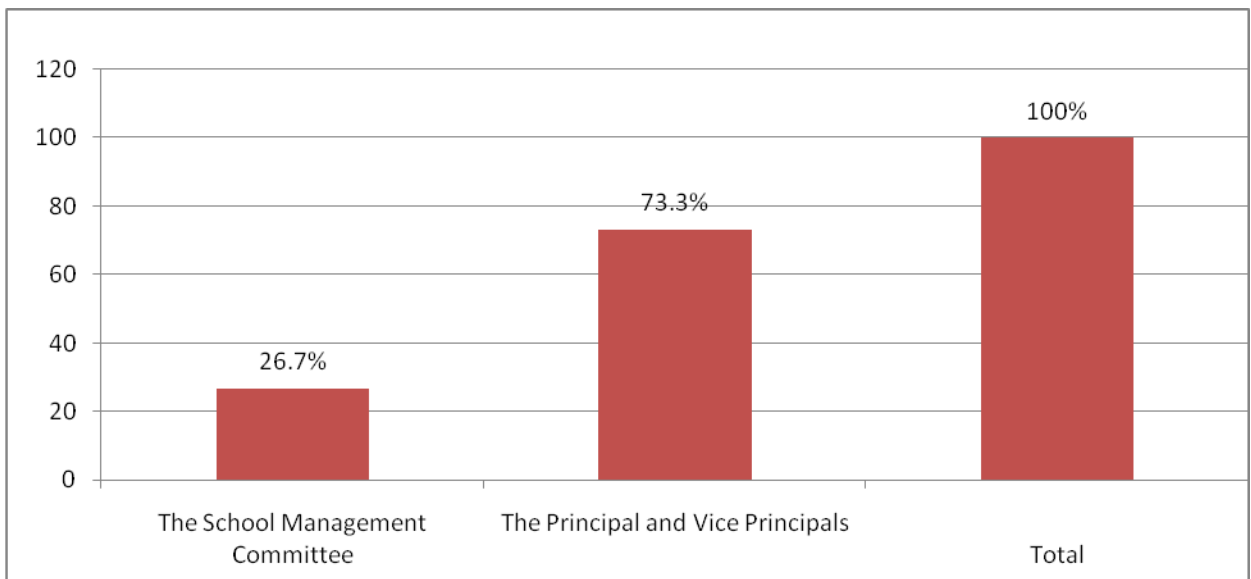
Figure 2: Activities in which community participate in school development



Preparing well organized annual budget for school with the involvement of school management in which there is community involvement and it is a guarantee for school development and effective financial utilization in school by avoiding corruptions. Incidentally, in this study the respondents were asked about who prepares the annual plans in their respective schools?

Little more than a quarter of respondents (26.7%) indicated that the school management committee prepares the annual budget plans in their school and nearly three fourth (73.3%) have reported that the school principals (head principals with vice principals) prepare the annual budget plan for the school. In the in-depth interview conducted with the key informants particularly supervisors, education office head and experts strictly pointed out that the schools principals are not transparent and they are not willing for the participation of responsible stakeholders in budget planning and financial resource utilizations in schools. Therefore, the finding shows that the schools principals abuse their power in schools' financial resource utilizations which is critical challenge identified in this research study.

Figure 3: Responses to responsible body in preparing annual budget plan in schools



The respondents were asked when the prepared budget for school released. In this regard, more than three fourth (78%) of the respondents indicated the budget released later than

October after most of the school activities started. During all focus group discussions conducted in the study schools the participants pointed out that the delaying in releasing budget to schools have created serious problems to carry out the teaching learning activities as per planned in schools. This shows that not releasing the school budget in time is the serious challenge of the schools financial resource utilization in schools.

It is obvious making clear and participatory the stakeholders and transparent about the budget allocated to schools is highly important to achieve the intended teaching leaning activities of the schools. In this regard, the respondents were asked about that the school management regularly report to the stakeholders (Teachers, PSTA and KETB) about the allocated and released annual budget of the school. Pertaining to this, about four fifth (79.3%) of the respondents pointed out that the schools do not regularly report to stakeholders (Teachers, PSTA and KETB) about allocated and released annual budget of school. This also shows that there is no transparency between the school management and the stakeholders towards financial systems in schools. This also the critical challenge to the financial resource utilizations in schools.

It is clearly stated in the secondary data sources participation of stakeholders in all school activities are highly important. For instance, according to Admas College (2007), schools would prepare their reports and get it evaluated along with the Kebele Education and Training Management Board and submit the reports to the woreda education office quarterly.

To expand and promote quality education, it is mandatory to make sure that the required finance is obtained on time and the available resources are utilized properly. Hence, there is a strong need to create a transparent system that clearly indicates the source of finance as well as its allocation and utilization.

Table 4: Annual budget released and information to stakeholders

When did the budget release to your school?		
In July	10	6.7
In August	3	2.0
In September	6	4.0
In October	14	9.3
Later than October	117	78.0
Total	150	100.0
Does the school regularly inform Teachers on release/allocated of school annual budget?		
Yes	12	8.0
No	119	79.3
I don't Know	19	12.7
Total	150	100.0

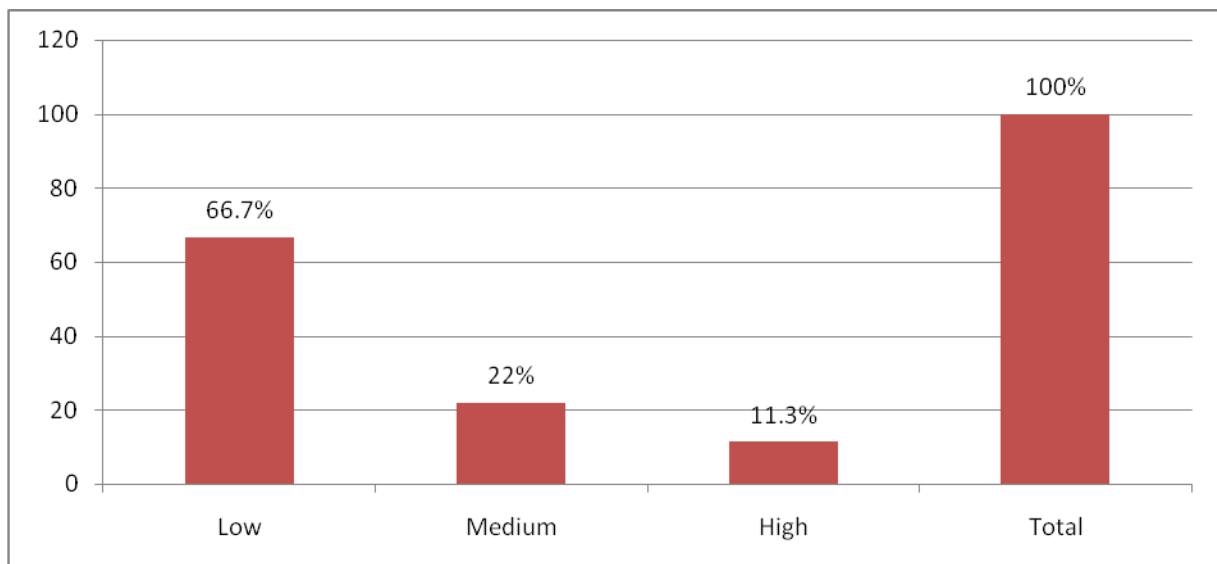
On the other hand, the respondents were requested to rate the participation of stakeholders (PSTA and KETB) in financial management of school. To this end, as presented in Figure 4 below, about two third (66.7%) of the respondents mentioned that the participation of stakeholders in schools' financial management is low, 22% reported the participation of stakeholders in schools' financial management is medium and 11.3% stated the participation of stakeholders in schools' financial management is high.

During the in-depth interview, the key informants were reported that the school principals mostly carried out the purchasing activities by their own and bring only for approving that open door for abusing the finance used.

In addition, the kebele chairpersons were reported to have no financial system and expertise to use the system, they were overloaded by other kebele works and no payment for the position and hence they give no attention for the authority. This also opens door for misuse of finance by the school principals.

According to the in-depth interview and focus group data, the school accountant is also Teacher Association representative who has no know how about accounting and gives no attention and careless to control very seriously the budget utilizations in schools and overcrowded by teaching profession other than controlling the financial utilization in school. The data confirms the dominant role of the principals in school budget so; the school principals use all these opportunities to misuse the finance of the school as he/she wishes and likes.

Figure 4: Percentage Distribution of Stakeholders Participation in Schools Financial Management



It is obvious that if there had capacity, it would have been better to allocate all the capital and current budget in block grant, school grant and enable schools to be self-dependent. Good knowledge and the appropriate utilization of these major classes of resources are vital in the achievement of effectiveness in the resource management in the school system, especially in the present context of global economic crises and a consistent decrease in the federal monetary allocation to education.

The school manager must be well informed of the existence of education resources and know when to collect and use such resources (IJSRE, 2010: 100).

In this study, the respondents were asked who controls the school budget. To this regard 66% of the respondents revealed that the school principals control the school budget, and 34% pointed out the school committee controls the school budget and the respondents stated that there is no internal auditors who controls the school budget (Table 5).

Table 5: Controlling of Budget in Schools and skilled manpower that controls effective budget utilization in school.

Who controls the school budget?		
The School Principals	99	66.0
The School Committee	51	34.0
Internal Auditor	0	0.0
Total	150	100.0
Do you think that the school has adequate skilled manpower that controls effective budget utilization?		
Yes	30	20.0
No	113	75.0
I do not know	7	4.7
Total	150	100.0

Finance is the major input to achieve the set educational plane and goals. So, skilled manpower is obligatory to attain the plan and objectives of education. However, currently most of the schools do not have the skilled man power and the necessary experience to administer the capital and recurrent budget (Admass Colleges, 2007). In this study, the respondents were asked about that the schools have adequate skilled manpower that controls effective budget utilization. To this end, three fourth (75.3%) of the respondents indicated that the schools have no adequate skilled manpower that controls effective budget utilization. Also the data collected from key informants and focus group discussions participants show that there is no skilled manpower to control the financial utilization in most of the schools budget.

Generally, the findings of the study show that lack of trained, experienced and skilled manpower in schools lead the financial utilizations to be corrupted and abused. This is also another challenge to the financial resource utilizations in schools.

4.4 Mode of Schools’ Financial Depositing and Delivering System

Depositing money in bank has numerous advantages that protect the abusing and corruption of money and help the financial resource utilization effectively in planned ways. During this study effort was made to investigate the schools financial resource utilization particularly the mode of depositing the collected money of schools in schools’ bank account. In this regard, the respondents were asked what mode of depositing systems the schools use after collecting money particularly when they deposit in the bank account. None of the respondents reveal that the schools deposit the school money they collected in schools bank account immediately after the daily cash collected; only 6.7% claimed that they deposit the school money at end of the week after collection; 16% reported they deposit the school money at the end of the month they collected and the majority (77.3%) indicated the schools never deposit the collected school money in the bank. So, the finding of the study show that the financial resource utilization is poor that exposes for abusing and corruption, which is identified as a challenge.

Table 6: Period of time of depositing the school money in schools bank account after collection

What is the mode of depositing the collecting money in schools bank account?	N	%
Immediately after the daily cash collected	0	0.0
At the end of the week after cash collected	10	6.7
At the end of the month after cash collected	24	16.0
The money collected not at all deposited in school’s bank account	116	77.3
Total	150	100.0

It also provides opportunities to strengthening local governance, increases of sense of accountability, and broadens the participation of communities. Efforts have been made to build the capacity of the woreda offices particularly Woreda education office through intensive training organized in the areas of educational planning and management, financial

management, auditing and procurement. It is also noted that schools and parent student teachers associations need build their capacity before more responsibility could be given in the area of financial management (MoE, 2005).

To assure the participation of the stakeholders in the financial management of the schools the respondents were asked whether the stakeholder (KETB and PSTA) get any relevant training on financial control of the utilization. To this regard, 60.7% stated the stakeholders have no relevant training on financial control of the utilization. In qualitative data collection process, the focus group discussion participants stated that “the half day training is given once a year at the beginning of the budget year to the chairperson (KETB), the principal and the accountant (Teacher Association Representative) and Cashier who is member of PSTA” by the Woreda education office. All these people may leave the position and replaced by the new ones who have no training or orientation towards controlling financial resources utilization and continue the work with the principal. This gap was identified in this study that there is no continuity on training to financial utilization system.

Similarly the respondents were asked about that they believe the school principals and stakeholder give serious attention when they prepare the school budget plan. To this regard, only 5.3 % reported that the stakeholders and principals give serious attention and nearly four fifth (79.3%) of the respondents reflected their beliefs that the stakeholders and school principals give no serious attention when they prepare the school budget plan and about 15.3% reported that they have no knowledge about giving serious attention by stakeholders and principals when they prepare the school budget plan (Table 7).

Again the key informants used for the study reported that the school principals do not want to have knowledge to stakeholders about budget utilization and the principals abuse the financial systems. As result of many school principals disqualified from the positions. Therefore, the findings indicate that the stakeholders and school principals never plan together and work together in financial resource utilizations in schools. Planning of school budget should be left to the principal alone this is serious challenge in school financial resource utilization (Table 7).

Table 7: Relevant training to stakeholders and attention given in preparing the school budget plan

Do the stakeholder get any relevant training on financial control of the utilization in your school?	N	%
Yes	59	39.3
No	91	60.7
Total	150	100.0
Do you believe that stakeholders give serious attention when they prepare the school budget plan?		
Yes	8	5.3
No	119	79.3
No Idea	23	15.3
Total	150	100.0

In the process of the study the researcher tried to investigate how the school committee (PSTA and KETA) make follow ups to determine proper utilization of the school budget. To this point the respondents were asked how often the school committee participates in determining proper utilization of the school budget. No respondent reported the school committee (PSTA and KETA) make always follow ups to determine proper utilization of the school budget, 1.3% pointed out the school committee (PSTA and KETA) make most of the time; follow ups to determine proper utilization of the school budget, 38.7% stated that the school committee (PSTA and KETA) sometimes make follow ups to determine proper utilization of the school budget 60% of the respondents responded that the school committee (PSTA and KETA) never make follow ups to determine proper utilization of the school budget (Table 8).

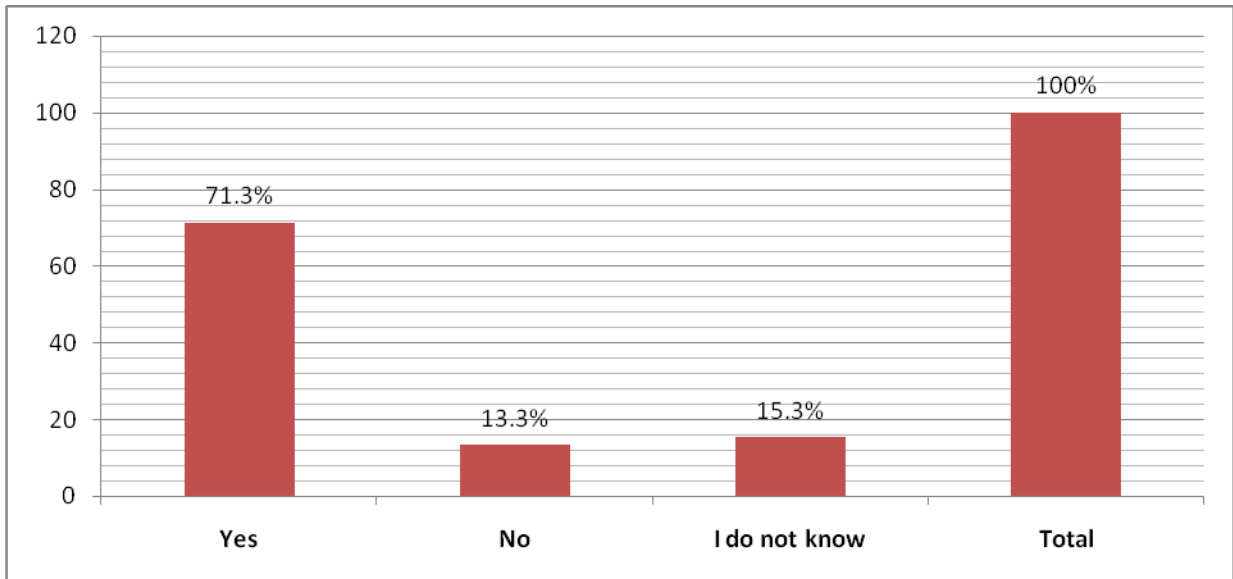
Table 8: The school committee (PSTA and KETA) follow ups to proper utilization of the school

How often does the school committee make follow ups to determine proper utilization of the school budget?	N	%
Always	0	0.0
Most of the time	2	1.3
Some times	58	38.7
Never	90	60.0
Total	150	100.0

During qualitative study the key informants reported that the committee has no how about financial utilization, overloaded by retinue activities and being careless they left the work to be shoulder by the principals.

Presenting budget request on time is very important for effective utilization of financial utilization and to carryout activities as per planned particularly in educational works in schools. To this end in this study the researcher tried to explore how much the schools present their annual budget request on the deadline. About 71.3% stated that the schools present their annual budget request on the deadline, 13.3% responded that they do not present their annual budget request on the deadline and about 15.4% reported that they do not know either the schools present or not their annual budget request on the deadline.

Figure 5: Presentation of schools annual budget request on the deadline



Regarding their agreement towards mismatch practice between the plan and the budget allocated to the schools 44.7% of the respondents stated that there is wide mismatch practice between the plan and the budget; 32.7% reported that there is no wide mismatch practice between the plan and the budget and 22.7% reported they have no idea regarding the plan and the budget. The finding shows that there is gap or lack transparency among teachers and the school management towards planning and budget utilization in schools that could be a challenge to financial resource utilizations in primary schools of the woreda. The focus group discussion participants and the key informants used for the study indicated that those people have no knowledge and skill in planning the budget that created problem and brought mismatch practice and work without plan sometimes which bring a challenge in financial utilization resources in schools.

Table 9: Distribution of respondents' agreement on mismatch between plan and budget

Do you agree that there is a wide mismatch practice between plan and budget in your school?		
Yes	67	44.7
No	49	32.7
No Idea	34	22.7
Total	150	100.0

4.5 Budget Implementation Efficiency and Effectiveness in Schools

During the study the researcher tried to investigate how much the schools are efficient and effective in the financial utilization. To this regard, first the respondents were asked how schools utilize the approved budget as per planned. To this question only 10% of the respondents reported that the schools effectively and efficiently utilize the approved budget as per planned, more than three fourth (76.7%) reported the schools do not utilize the budget as per planned and about 13.3% indicated that they have no idea.

In relation to this, the respondents were also asked about how much the schools submit financial utilization report to the responsible bodies regularly. Less than ten percent (8.0%) of the respondents were stated that the schools submit financial utilization report to the responsible bodies regularly, more over four fifth (85.3%) of the respondents mentioned that the schools do not submit financial utilization report to the responsible bodies regularly and only 6.7% reported that they have no information about schools submit financial utilization report to the responsible bodies regularly.

Table 10: Efficiency and effectiveness of budget utilizations in schools

Does your school utilize the approved budget according to plan?	N	%
Yes	15	10.0
No	115	76.7
No Idea	20	13.3
Total	150	100.0
Does your school submit financial utilization report to woreda education office regularly?		
Yes	12	8.0
No	128	85.3
I do not know	10	6.7
Total	150	100.0

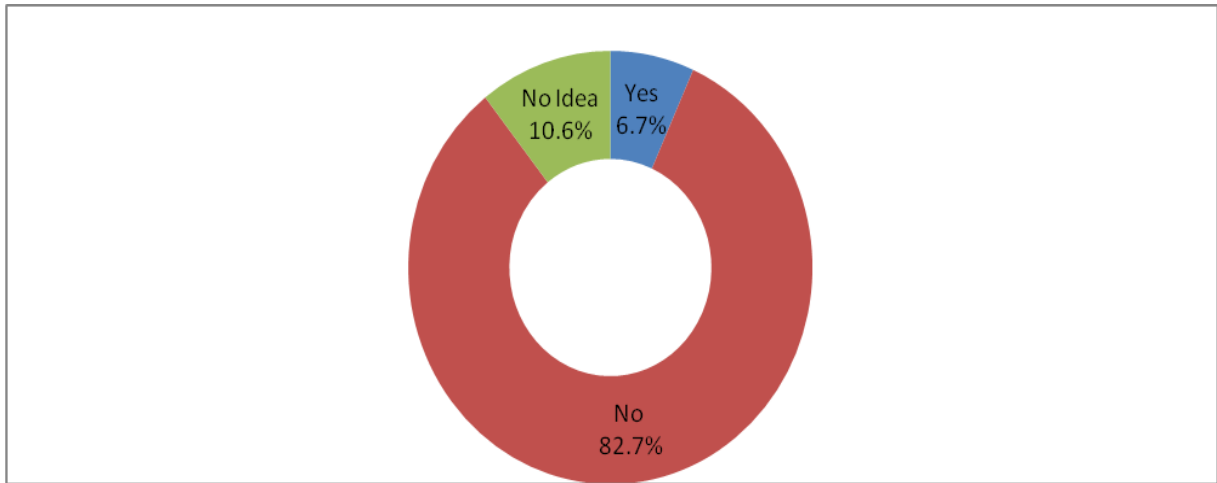
Still to examine the efficiency and effectiveness of budget utilizations in schools the respondents were asked about under utilization and over utilization trend of budget in schools. To this end, only 4% stated that there are underutilization trends of budget in schools, more over half (58.7%) of the respondents mentioned that there are no underutilization trends of budget in schools and 37.3% reported that they do not know about the utilization trends of budget in schools. On the other hand, 69.3% of the respondents indicated that there are overutilization trends of budget in schools, 10.7% pointed out there are no overutilization trends of budget in schools and 20% stated that they have no idea about the overutilization trends of budget in schools.

Table 11: Distribution of underutilization and overutilization trends of budget in schools

Is there underutilization trend of budget in your school?	N	%
Yes	6	4.0
No	88	58.7
I do not know	56	37.3
Total	150	100.0
Is there overutilization trend of budget in your school?		
Yes	104	69.3
No	16	10.7
No Idea	30	20.0
Total	150	100.0

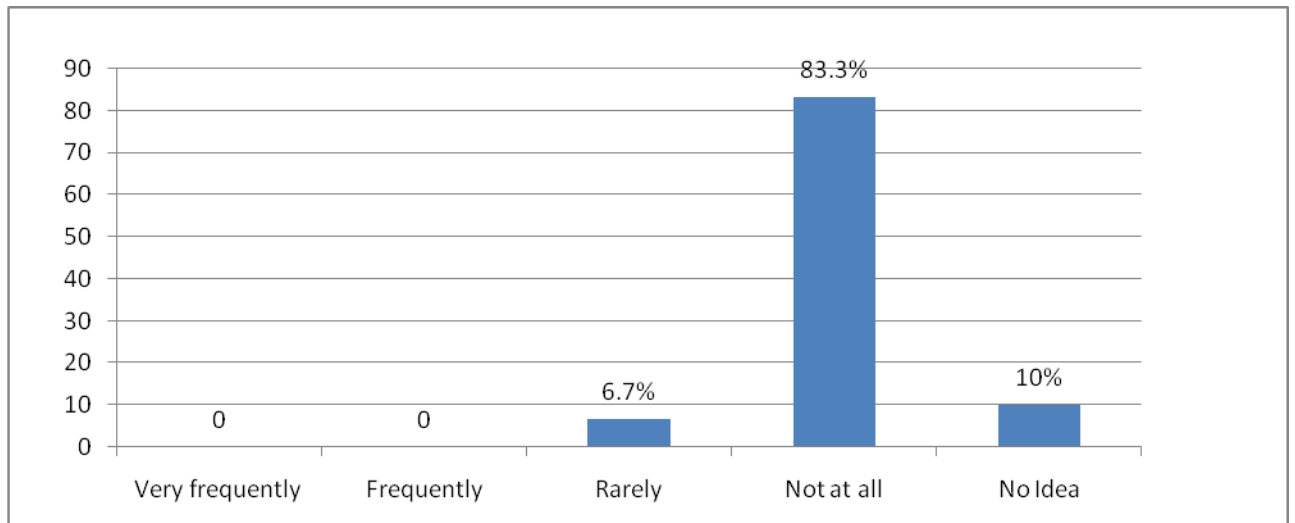
Similarly, to ensure the budget implementation efficiency and effectiveness in schools the respondents were asked about their thought that the schools are efficient and effective of budget implementation that can be ensured by financial auditing. To this regard, as indicated in Figure 6 below, only 6.7% of the respondents reported that the schools are efficient and effective in budget implementation that is ensured by financial auditing, the majorities (82.7%) reported that the schools are efficient and effective in budget implementation that is not ensured by financial auditing and only 10.6% of respondents reported that they have no idea either schools are efficient and effective in budget implementation ensured by financial auditing or not.

Figure 6: Respondents to schools efficient and effective budget implementation ensured by financial auditing



Again to measure the extents of the internal and external auditors' efficiency and effectiveness the respondents were asked that how much the internal and external auditors accomplish their duties and responsibilities towards financial resource utilization in schools. With regard to internal auditing activities accomplishments in schools, Figure 9 below shows that only 6.7% of the respondents answered that the internal auditor accomplish financial auditing activities in schools, the majority (83.3%) of the respondents assured that no internal auditing activities are carried out in schools and 10% have reported that they have no idea about internal auditing activities in schools.

Figure 7: Percentage distribution of internal auditing activities accomplishments in schools



On the other hand, the respondents were asked about the external auditing activities accomplishments are carried out in schools. To this end, as presented in Table 12 below, none of the respondents indicated that there are no external auditing activities carried out in schools in quarter and semester of a year; only 8% reported that once a year external auditing activities carried out in schools; the vast majorities (86.7%) assured that no external auditing activities carried out in schools throughout a year and 5.3% have stated that they have no idea about external auditing activities accomplishments that carried out in schools.

Table 12: Distribution of external auditing activities accomplishments in schools

How often the external auditing carried out in your school?	N	%
Once a semester	0	0.0
Once a quarter	0	0.0
Once a year	12	8.0
None at all	130	86.7
I do not know	8	5.3
Total	150	100.0

MoE, (1994 E.C.) Auditing would be carried out in the woreda to make sure that the planned activities and the finance utilization have been carried out in accordance with the finance rules and regulations. Accordingly, the woreda education office auditor would undertake an audit on the utilization of the finance allocated to the woreda educational activities at the end of every quarter of the year. Auditors of the woreda finance and Economic Development office would also carry out auditing twice a year, i.e. during half of the year and at the end of the budget year.

4.6 Critical Challenges in Financial Utilization of Budgets in Schools

In this study one of the basic questions to be researched was “What are the critical challenges for ineffective utilization of financial resource in schools”?

Regarding this basic question the respondents were asked about the reasons that might hinder budget utilization in their respective schools. To this end, 40% of the respondents reported that lack of trained human resources to carry out the budget allocated hinders budget utilization in their respective schools; 38% of the respondents mentioned that the budget allocation is not disbursed on time is that hinders budget utilization in their respective schools; about 8% reported the process of budget utilization is not suitable; 7.3% stated unplanned activities and 6.7% claimed that the budget allocation doesn't coincide with the need of the school are factors hindering budget utilization in their respective schools.

Table 13: Reasons hindering budget utilizations in schools

What are the reasons that might hinder budget utilization in your school?	N	%
The budget allocation is not disbursed on time	57	38.0
The budget allocation doesn't coincide with the need of the school	10	6.7
The process of budget utilization is not suitable	12	8.0
Lack of trained human resources	60	40.0
Unplanned activities	11	7.3
Total	150	100.0

In addition to in-depth interviews with the principals of five schools, document analysis was made on financial performance, reporting practices and the application of auditing system. The study found that there were problems of not reporting regularly and using the auditing system.

As reported by the respondents, key informants, FGD participants and document analysis show the critical challenges of financial utilizations in study schools are:

- Lack of skilled manpower who training in financial management
- Delay of budget to schools on time
- Lack of participation and transparency on school budget to stakeholders
- Lack of internal and external auditing system timely;
- Engagement of school management on different duties and poor attention towards financial management;
- Lack training to stakeholders on financially management system on timely basis and sustainable ways;
- The working participation of untrained personnel currently in the financial activities;
- No planning and performing the school activities together with stakeholders;
- Not submitting the utilized budget report to responsible bodies on timely basis;
- School principals working by their own without inviting stakeholders;
- Lack support to members of KETB and PSTA from woreda education office on timely bases;
- Lack of team work approach according to budget utilization among KETB, PSTA and school principals;
- School management committee taking financial works as supplementary work and not priority to it as independent work;
- Interferences of school principals in all works in multiple tasks here and there;

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

This chapter deals with the summary of the major findings of the study, conclusions and recommendations.

5.1 Summary of Findings

The success of school can center on the quality of its financial management sound financial management ensures that schools resources are effectively used to achieve a schools mission, and its school improvement plan (SIP) and school development plan (SDP).

In line with this, the study has raised questions related with the objectives of the study. It asked the extent of stakeholders' participation in preparation and implementation of budget in schools, the presence of skilled man power to administer their financial resources, to what extent are the financial rules and regulations including monitoring and evaluation mechanisms applied in schools, critical challenges for ineffective utilization of financial resource in schools and possible solution strategies to be recommended to minimize the critical challenges for effective utilization of financial resource in schools.

With the objective of addressing these and related questions this study has assessed the major challenging factors affecting effective utilization of financial resources at primary schools in Damot Pulassa Woreda, i.e. the participation of stakeholders in school budget preparation and implementation process; the potential of skilled manpower to carry out financial resources in primary schools; the external and internal factors affecting the application of existing financial rules and regulations in primary schools, financial performance practice and corresponding utilization gap and possible solutions to the critical financial utilizations challenges in schools.

In this regard, related literature from local and international sources was reviewed, and primary data was collected using interviews, focus group discussion and analysis of documents. Accordingly, the data from various sources with different data collection methods were critically discussed.

The quantitative data gathered through structured questionnaire reveal the following major findings towards financial utilization challenges in primary schools of Damot Pulassa woreda.

- 66.7% mentioned that the participation of stakeholders in schools' financial management is low;
- 73.3% reported that school principals prepare annual budget plan for the school without participation of other stakeholders;
- 75.3% indicated that the schools have no adequate skilled manpower that controls effective budget utilization;
- 79.3% reflected their beliefs that the stakeholders give no serious attention when they prepare the school budget plan;
- 60.7% respondents stated that no relevant training on financial utilization and control for stakeholders in school;
- 60% of the respondents declared that the school committee never make follow ups to determine proper utilization of the school budget;
- 83.3% of the assured that no internal auditing activities are carried out in schools;
- 86.7% assured that no external auditing activities carried out in schools throughout a year;
- 85.3% mentioned that the schools do not submit financial utilization report to the responsible bodies regularly;

- 69.3% indicated that there are overutilization trends of budget in school;
- 78% reported the budget allocated to schools released later than October after most of the school activities started;

In addition, the critical challenges of financial utilizations identified in quantitative data collected by open ended questionnaire from 150 respondent and qualitative data collection in which 45 responsible persons from school financial management bodies were used as key informants and focus group discussion participants and document analysis include:

- Lack of participation and transparency on school budget to stakeholders
- Lack of skilled manpower trained in financial management
- Lack training to stakeholders on financially management system on timely basis and sustainable ways;
- Not submitting the utilized budget report to responsible bodies on timely basis,
- Interferences of school principals in all works here and there
- Lack of internal and external auditing system timely;
- Engagement of school management on different duties and poor attention towards financial management;
- The working participation of untrained personnel currently in the financial activities;
- Delay of budget to schools on time

5.2 Conclusion

Based on the major findings derived from the discussions and interpretation of the data collected through interview, focus group discussion, and document analysis, the following conclusions are made:

The study found low participation of stakeholders in preparation and implementation of budget in schools. Abuse of schools principals in preparing annual budget planning for schools, lack of planning and performing the school activities together with stakeholders and absence of reporting the finance utilized in schools to stakeholders regularly and lack of transparency on school budget to stakeholders. The findings of this study also shown that school principals working by their own without inviting others, interferences of school principals in all works here and there and lack of team work approach among KETB, PSTA and school management.

The study has shown that lack of skilled manpower who are trained in financial management and the working participation of untrained personnel currently engaged in the financial activities of schools. No relevant training on financial control and utilization to stakeholders and not giving serious attention by stakeholders and school principals when they prepare the school budget plan;

The study has indicated that absence of internal and external auditing activities carried out in schools throughout a year and lack efficient and effective implementation of financial rule and regulation. Consequently, schools were not submitting financial utilization report to the responsible bodies regularly and there was overutilization trends of the budget. Overall, there was no practice of monitoring and evaluation of financial resources to ensure proper budget utilization in schools.

It could be learnt from the study that the critical challenges for ineffective utilization of financial resource in the studied schools are a release of budget allocated to schools very lately, lack of adequate skilled manpower who controls effective budget utilization and engagement of school management on different duties.

5.3 Recommendations

The main intention of this paper is to identify financial utilization challenges in Damot Pullasa woreda schools and suggest possible recommendations to overcome the challenges. Therefore, based on the findings of the study, the following recommendations are suggested to the concerned bodies.

- Woreda education office should pay attention to the school budget preparation, implementation and review needs the participation of relevant stakeholders. So, school financial utilization process should not operate in an isolated manner by school principal, because such practices lead to abuse of financial resource.
- Damot pulassa woreda primary schools need a transparent system in school that clearly indicates the sources of budget as well as its allocation and utilization. So, the woreda education office recruit appropriate person in schools who have adequate knowledge and skills on the finance, i.e. the right person should be assigned to the right place is obligatory to primary schools of Damot pulasa woreda.
- Damot pulassa WEO and WFEDO should release the budget of schools on time, to promote quality education in schools.
- Schools of Damot pulassa woreda are expected to utilize the budget properly for the intended purposes and report their performance of budget to WEO and WFEDO regularly.
- The financial resource utilization auditing activities of the schools should be carried out regularly by the woreda education office and finance and economy development office in accordance with the financial rule and regulation.
- The woreda education office need continues training to build the capacity of Schools, members of kebele education and training board and members of parent student teachers associations in the area of financial management, before more responsibility could be assigned.

In general, woreda education office and other concern bodies should take all possible and remedial actions to correct the observed weaknesses and avoid repetition of the financial utilization challenges in schools; because financial resources are the major-input to achieve the set educational plans and goals of schools.

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APPENDICES

Addis Ababa University
School of Graduate Studies,
Department of Educational Leadership and Management

Instrument I:

Structured Questionnaire Prepared to Principals, Vice Principals and Teachers.

Dear Respondents,

I am a postgraduate student in Addis Ababa University, College of Education and Behavioral Sciences Majoring Educational Leadership and Management. I come to this woreda to conduct a study for my MA thesis.

Title of research study is: *Financial Resource Utilization Challenges in Schools of Damot*

Pulasa Woreda

The aim of this interview questionnaire is, to assess the financial resources utilization and corresponding challenges in schools of Damot Pulasa Woreda. The information you are going to provide would be very important and valuable for the success of the study. Therefore, you are kindly requested to be honest and frank in responding all the interview questionnaires you have been asked. Be sure your responses will be confidential and used only for research purposes only. There is no need of writing your name in any page of the questionnaire.

DIRECTION: For close-ended questions with alternative answers please give your response by circling the letter of your choice and for open-ended questions write brief answers in the black spaces.

Part I. Demographic Information

1. Sex of the respondent A. Male B. Female

2. Educational Level of the respondent:

 A. Certificate C. First Degree E. Any (other specify)

- B. Diploma D. Second Degree

3. Your work experience (in years)

 A. 1-5 years C. 11-15 years

 B. 6-10 years D. More than 15 years

4. Age of the respondent in years /_____/_____/yrs old.

5. Marital Status of the respondent

 A. Married B. single

 C. Divorced D. Widowed E. Any other (specify) _____

6. Name of the kebele where the respondent lives: _____

7. Name of your school _____

8. Year of the school established _____

9. Level of grades in the school A. Grades 1-4 B. Grades 5-8 C. 1-8 Grades

10. Your job position in the school A. Teacher B. Director C. Vice Director

Part II. Information and Knowledge towards Financial Resource Utilization and Challenges in Schools of the Woreda

21 What are the sources of finance for your school? (*you can choose more than one response*).

- A. Budget allocated by the government
- B. Student fee
- C. contribution made by the local community
- D. Donation given by non-governmental organizations
- E. Internal income
- F. Other (specify) _____

22. Is there any sources of internal income to school? A. Yes B. No C. I do not know

23. If your answer is “yes”, for question #22, for what is it allocated for? Put in order of priority (by writing 1, 2, 3...)

_____ For Operational activities

_____ For School maintenance

_____ For Library service

_____ For allowance

_____ For other school facilities

For any other (specify) _____

24. Has the school undergone any maintenance work since 2003 E.C? A. Yes B. No

25. Who controls the collection of school fees?

- A. The school principal
- B. The school committee
- C. The school Teacher
- D. Internal audit
- E. Any other (specify)_____

26. In your school, in which activity/ies does the local community participate? (***you can choose more than one response***).

- A. In contributing money for building class room and teacher home
- B. In material provision for building class room and teacher home
- C. Labor contribution In building class rooms
- D. Labor contribution In building class rooms and building house for teachers
- E. Never participate

27. Who prepares the annual budget plans in your school?

- A. The school management committee.
- B. The principals and Vice principals
- C. Teachers
- D. The Department Heads.
- E. Any Other (Specify) _____

35. How often does the school committee (PSTA and KETB) make follow ups to determine proper utilization of the school budget?

- A. Always B. Most of the time C. Some times D. Never

36. Does the school present its annual budget request on the deadline?

- A. Yes B. No C. I do not know

37. Do you agree that there is a wide mismatch practice between plan and budget in your school?

- A. Yes B. No C. No idea

38. If your answer is “Yes”, for question # 37, what are the reasons, in your opinion?

39. Do you think that the school has adequate number of financial skilled manpower that conducts effective budget utilization? A. Yes B. No C. I do not know

40. Does your school utilize the approved budget according to plan?

- A. Yes B. No C. No idea

41. If your answer is “No”, for question # 40, what is your opinion?

42. Does your school submit financial utilization report to woreda education office regularly? A. Yes B. No C. I do not know

43. Is there underutilization trained of budget in your school?

- A. yes B. No C. I do not know

44. Is there overutilization trained of budget in your school?
- A. yes B. No C. No idea
45. To what extent does the internal auditing activity accomplished in your school?
- A. Very frequently B. Frequently C. Rarely D. Not at all
46. How often the external auditing carried out in your school?
- A. Once a semester B. Once a quarter C. once a year D. none at all
47. Do you think that your school is efficient and effective of budget implementation that can be ensured by financial auditing? A. Yes B. No C. No idea
48. What are the reasons that might hinder budget utilization in your school?
- A. The budget allocation is not disbursed on time.
- B. The budget allocation doesn't coincide with the need of the school.
- C. The process of budget utilization is not suitable
- D. Lack of trained human resources.
- E. Unplanned activities.
- F. All of the above
49. What is your idea on the coordination and integration among different actors (kebele education training Board, parent student teacher associations and school principal) in budget process _____
- _____
- _____

50. Write the problems of the kebele education training Board faces in fully carrying out its duties and responsibilities in budget process? _____

51. What about the problems the PSTA to fulfill its assigned duties and responsibilities in budget process? _____

52. In your opinion what are the critical challenges of educational budget utilization in your schools? What is the solution? _____

53. In general, what should be done to improve school budget preparation, execution and control? _____

Thank you for your cooperation!

Addis Ababa University
School of graduate studies
Department of Educational planning and management

A. Interview Guide for key information (woreda council member)

Dear Informant,

The objective of this interview questionnaire is to assess the financial resources utilization and corresponding challenges of school in Damot Pulasa woreda. The information you are going to provide would be very important and valuable for the success of the study. Therefore, you are kindly requested to be honest and frank in responding all the interview questionnaires you have asked. Be sure your responses will be confidential and used only for research purpose.

Part I. Profile of informants :-

1. Sex of the respondent_____.
2. Age of the respondent in years /_____/_____/yrs old.
3. Educational Level of the respondent: _____ .
4. Job position of respondent in the woreda_____
5. Work experience (in years) _____
6. Marital Status of the respondent_____
- 7 .Name of the woreda where the respondent lives:

Part II.

1. What are the main sources of income for the woreda education services? When do they secure it?
2. What are the major limitations in timely allocation of financial resources for effective implementation of Education service delivery in the woreda? What is the solution?
3. How do you implement the budget allocation of school in terms of set standard per student?
4. Are the woreda levels educational having programs to build the capacity of key stakeholder on the utilization of education budget? But how?
5. Is there adequate skilled man power to administer financial resources in all schools of the woreda? If no, what are the challenges and solution?
6. In your opinion what are the critical challenges of educational budget Utilization at your woreda schools? What are the possible solutions to reduce the problems?

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B. Interview guide for key informants of woreda Education office heads and Supervisors.

Dear Informant,

The objective of this interview questionnaire is to assess the financial resources utilization and corresponding challenges of school in Damot Pulasa woreda. The information you are going to provide would be very important and valuable for the success of the study. Therefore, you are kindly requested to be honest and frank in responding all the interview questionnaires you have asked. Be sure your responses will be confidential and used only for research purpose.

Part I. Profile of informants :-

1. Sex of the respondent_____.
2. Age of the respondent in years /_____/_____/yrs old.
3. Educational Level of the respondent: _____ .
4. Job position of respondent in the woreda_____
5. Work experience (in years) _____
6. Marital Status of the respondent_____
7. Name of the woreda where the respondent lives:

Part II

- 1 What are the major limitations in timely financial resources allocation for effective implementation of Education service delivery in the schools? What is the solution?
- 2 Is there key stakeholders' (KETB and PSTA) participation in education Budget utilization in school? in what level?
- 3 Are there adequate capable of handling powers of financial resources in the schools? If no, what is the solution?
- 4 How is monitoring and evaluations (audit) activities of financial resources utilization conducted in schools?
- 5 When do the schools submit financial utilization report to woreda education office?
- 6 In your opinion what are the critical challenges in education budget utilization in your schools? What is the solution?

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C. Interview guide for key informant of woreda finance and economy office
Heads and auditor.

Dear Informant,

The objective of this interview questionnaire is to assess the financial resources utilization and corresponding challenges of school in Damot Pulasa woreda. The information you are going to provide would be very important and valuable for the success of the study. Therefore, you are kindly requested to be honest and frank in responding all the interview questionnaires you have asked. Be sure your responses will be confidential and used only for research purpose.

Part I. Profile of informants :-

1. Sex of the respondent_____.
2. Age of the respondent in years /_____/_____/yrs old.
3. Educational Level of the respondent: _____ .
4. Job position of respondent in the woreda_____
5. Work experience (in years) _____
6. Marital Status of the respondent_____
7. Name of the woreda where the respondent lives:

Part II

1. What are the main sources of revenue for the woreda to deliver education service?
2. What authorities and responsibilities practice the woreda finance and economic development office for budget utilization in school?
3. When budget utilization performances of schools are auditing in woreda finance and economic development?
4. Would you mention the types of audits undertaken by schools in fiscal years? If yes, What finding is absorbed
5. Are there adequate financial skilled man powers in the schools of woreda? If no, what are the challenges and solution?
6. Are the schools of woreda use internal revenue based on finance rule and regulation? If no, what are the solutions?
7. Are the schools in woreda utilizing their budget based on financial rule and regulation? If no, what are the main challenges?
8. In your opinion what are the critical challenges of educational budget utilization in schools of your woreda? What is the solution?

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School of graduate studies
Department of Educational planning and management

**D. Interview guide for focus group discussion of kebele education training
Board members and parent student teacher associationmembers.**

Dear Informant,

The objective of this interview questionnaire is to assess the financial resources utilization and corresponding challenges of school in Damot Pulasa woreda. The information you are going to provide would be very important and valuable for the success of the study. Therefore, you are kindly requested to be honest and frank in responding all the interview questionnaires you have asked. Be sure your responses will be confidential and used only for research purpose.

Part I. Profile of informants :-

1. Sex of the respondent_____.
2. Age of the respondent in years /_____/_____/yrs old.
3. Educational Level of the respondent: _____
4. Name of the kebele where the respondent lives: _____
5. Name of school _____

Part II

1. Do you think kebele education training Board members fulfilled their assigned duties and responsibilities properly? If no, what are the problems encountered?
2. Is there any kind of support provided to KETB by woreda education office?
3. How do you see the coordination among kebele Education trainings Board, parent Teacher Associations and School in education budget utilization in school? If no, what are the problems?
4. What are the achievements made by the participation of kebele Education Training Board in school budget process? If no, what are the problems?
5. In your opinion what are the critical challenges of Educational budget utilization in your schools? What are the solutions?

Instrument prepared for Document Analysis

Questions prepared to investigate documents on the practical financial utilization in the study school (This will be completed by the Researcher).

1. Name of school _____

2. Staff type and size in the school:

A. Teachers by sex: Male _____ Female _____
Total _____

B. Supporting Staff: Male _____ Female _____
Total _____

3. Number of students in the study school by grade level and sex:

Grade Level	Sex		
	Male	Female	Total
Grade 1			
Grade 2.			
Grade 3			
Grade 4.			
Grade 5.			
Grade 6.			
Grade 7			
Grade 8			
All Grades			

No.	Description of Responses	yes	No
4	All expenditures are sufficiently documented		
5	All internal income is sufficiently documented		
6	Your school keeps complete budgetary records in accordance with the country's financial administration proclamation and regulations		
7	Expenditures are show in appropriate account codes		
8	Payment is executed always based on full documents and evidences.		
9	Budget implementation reports are consistent with plans.		
10	Financial performance audit is conducted in your school internal auditor		
11	The financial statement of your school is audited regularly by an independent auditor		

Declaration

I hereby, declare that this thesis is my original work and has not been presented in any other university. All the materials used in this thesis have been duly acknowledged.

Name: Tadiwos Lera

Signature_____

Date:_____

Place: AAU, College of Education

Department of Educational planning and management

This thesis has been submitted for the examination with my approval as a university adviser.

Name: _____

Signature_____

Date :_____