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**SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF ACCOUNTING AND FINANCE**

**DETERMINANTS OF BUDGET CONTROL IN PUBLIC
ORGANIZATION
(CASE OF BENISHANGUL GUMZU REGIONAL STATE)**

**A Thesis Submitted to the Department of Accounting and Finance
Presented in Partial Fulfillment of the Requirements for the
Degree of Master of Science in Accounting and Finance**

**By:
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**June, 2017
Addis Ababa, Ethiopia**

STATEMENTS OF DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university, and that all source of materials used for the thesis have been duly acknowledged.

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STATEMENTS OF CERTIFICATION

This is to certify Geletaw Demera Gomeru has carried out his research work on the topic entitled „„Determinants of budget control in public organizations at BGRS“““. The work is original in nature and is suitable for submission for the award of the Degree of Master of Science in Accounting and Finance.

Advisor: Abebe Yitayew (PhD): _____

Abstract

The main purpose of this study was to investigate the determinants of budget control in the Benishangul Gumzu regional state public organizations. This investigation is focused on five purposely selected public organization that are expected to represent all other bureaus. From the total population of 428, (Watson 2001) formula was used to determine sample of 207 respondents. The management teams, the internal and external auditors, budget experts, finance officers, tax and planning experts of the selected public organization were the sources for the required data to the researcher through the questionnaires administered. The SPSS version 24.0 was used to analyze the data using descriptive statistics, including mean, standard deviation and logistic regression used to analysis inferential output. For this study, seven independent variables were identified including budget planning process, management support, competent internal audit staff, organizational commitment, budget monitoring and evaluation, information and communication and cost reduction. The dependent variable is degree of budget control which was measured under Binary logistic regression. According to the logistic regression output, information and communication, cost reduction, competent internal audit staff, management support, budget monitoring and evaluation were contributed for the budget control in the public sector significantly and positively. The remaining two variables; the budget planning process for the budget control is negatively related and insignificant with $EXP(B) = 0.890 < 1$ and the organizational commitment were positively related with the budget control, but its contribution for the budget control were statistically insignificant at 5% level. All of these seven independent variables are making 78% of the contributions for budget control in the public organization. Then, the researcher recommend that public organizations should understand the contributions of these five variables collectively significant and their odd ratio were greater than one to infinity indicate the relationship type between those predictors and the outcomes and add values for the budget control in the public sector offices.

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ABBRIATIONS

BGRS	Benishangul gumzu regional state
BoFED	Bureau of finance and economic development
CIMA	Chartered Institute of Management Accountants
EFY	Ethiopian fiscal year
FDRE	Federal Democratic Republic of Ethiopia
FGE	Federal Government of Ethiopia
FTA	Financial transparency and accountability
GTP	Growth and Transformation Plan
IBEX	Integrated Budget and Expenditure
IFMS	Integrated Financial management System
IIA	Internal institute of auditing
ISPPIA	International Standards for the Professional Practice in Internal Audit
MoFED	Minster of finance and economic development
NPM	New Public Management
OFAG	Office of Federal Auditor general
ORAG	Office of regional auditor general
PB	Program budgeting
PBS	Program base budgeting system
PEFA	Public Expenditure and Financial Accountability
PFM	Public finance management
SAP	Structural Adjustment Programmes
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the world today, organizations have developed a variety of processes and techniques designed to contribute to the planning and control functions. One of the most important and widely used of these processes is budgeting. Budgeting involves the establishment of predetermined goals, the reporting of actual performance results and evaluation of performance in terms of the predetermined goals. Then, Budgeting is defined as a form of financial planning and as such budget is utilized to impose the strategy of a country. Consequently, a budget is composed of different functional budgets that could help a country for development such as agriculture, technology, tourism and other (Smith and Mcgeary 1997). Also among the essential reasons for having a budget plan are to effectively allocate resources, coordinate, and render service to the public and measure the activities of the country.

Then budgetary control can be explained as the process of using budgets as control mechanism to evaluate organizations' performance by considering deviations from budget figures to actual figures. Accordingly, budgetary control is a system that uses budgets as a controlling and planning tool. Furthermore, the Chartered Institute of Management Accountants of England (2007) defined the process of budgetary control in the following way:

“Budgetary control is the establishment of budgets relating to the responsibilities of executives of a policy and the continuous comparison of the actual with the budgeted results, either to secure by individual action the objective of the policy or to provide a basis for its revision.”

The advantage of using budgetary control is that top management is able to detect deviation from the plan and is able to react accordingly in order to increase efficiency throughout the activities (Venkatasivakumar 2009). Budgetary control systems are universal and have been considered an essential tool for financial planning. The purpose of budgetary control is to

provide a forecast of revenues and expenditures this is achieved through constructing a model of how organization might perform financially speaking if certain strategies, events and plans are carried out (Churchill 2001).

Most organizations use budget control as the primary means of internal controls, it provides a comprehensive management platform for efficient and effective allocation of resources. Budgetary controls enable the management team to make plans for the future through implementing those plans and monitoring activities to see whether they conform to the plan, effective implementation of budgetary control is an important guarantee for the effective implementation of budget in the organization (Carr and Joseph 2000). Organizations have adopted broad budgetary control that ensures that the entire budget system is a control system, which it is the formation of a prior, during and after the whole process of control system through the budget preparation, budget evaluation, reward and punishment by monitoring of budget execution. With a narrow budgetary control, an organization can prepare a good budget as a basis for performance management and standards on a regular basis in order to compare actual performance with the budget to analyze differences in the results and take corrective measures, which mainly involves the process of budget implementation, evaluation and control (Hokal and Shaw 2002).

1.1.2 Budget Control in Ethiopia

In Ethiopia, Public sector offices are part of the public body which is partly or wholly financed by government budget and concerned with providing basic government services to the whole society which is achieved through controlling public finance and, controls are mainly in-built in the public financial management system. Public financial management includes the legal and organizational framework for supervising all phases of the budget cycle, including the preparation of the budget, internal control and audit, procurement, monitoring and reporting arrangements, and external audit. The broad objectives of public financial management are to achieve overall fiscal discipline, allocation of resources to priority needs, and efficient and effective provision of public services (MoFED 2004).

The compositions of the public sectors are varied by their function and purposes, but in most cases, they are designed in order to enable the public sectors to achieve their goals through control of budget. Because of this Ethiopian government introduce program budgeting (PB) system for the intention to bring about the effectiveness in budget control and utilization which led to show the outcomes of budget on public organization (Fenta and Abebe 2012).

Currently Ethiopian government is investing in various infrastructures like the Grand renaissance dam, railway, building of condominiums, roads and industrial parks to accelerate the growth and development of the country. To achieve these, Ethiopian government implemented the Growth and Transformation Plan (GTP). According to the base case scenario of Growth and Transformation Plan (GTP) by the end of the first GTP period EFY(2007), that total government budget will reach Ethiopian Birr (ETB) 201.1billion, up from its ETB 71.3 billion in 2003, which depends on the basic principles of budgeting and the features of budget process (Mohammed and Asfaw 2014). It was under these premises that as Benishangul-Gumuz regional government is one part of regional state to achive the growth and transformation plan by means of enhancing budget credibility and control through a repetitive cycle of planning and control and usually followed by appropriate information about actual result to the management for comparing them against the budgeted and initiating a control action is necessary; but, according to PEFA assessment report (2010) there is no complied data on types of government procurement and lack of internal control in public organization; this make researcher eggon to conduct study on determinants of budget control at Benishangul Gumzu region.

1.2 Background of the study area

The Benishangul Gumuz Regional State (BGRS) is a specific region which was chosen as a specific area of this research study.

According to the 1994 Constitution the state of BGR is one of the 9 regional states of the Federal Democratic Republic of Ethiopia. The region has international boundary with the Sudan in the west and is bordered by the Amhara region in the north and northeast, Oromiya in the southeast and Gambella in the south (See Apendix-IV). The regional capital, Asossa is

located at a distance of 687 km west of Addis Ababa and 210 km of Grand Ethiopian Renaissance Dam (GERD) which is located about 40km east of Sudan. The region is divided into three zones and 20 woredas (two of them special woredas) and 427 kebeles, (the lowest administration unit).

The region has a total area of approximately 50,380 km² with altitude ranging from 580 to 2,731 meters above sea level (masl). Agro-ecologically, it is divided into Kolla about 75% (lowlands below 1500 masl), Woina Dega about 24% (midland between 1,500-2,500 masl) and Dega about 1% (highland above 2,500 masl) which are some part of wembera woreda (D/ziet). Annual rainfall varies from 800 to 2000 mm. The temperature reaches a daily maximum of 20^o C to 25^o C in the rainy season and rises to 35^o C to 40^o C in the dry season.

The population composition of the region has diverse ethnic groups five of which are indigenous. The indigenous ethnic groups in their order of population number are Berta (26.7%), Gumuz (23.4%), Shinasha (7.0%), Mao (0.6%) and Komo (0.2%). Significant numbers of Amhara (22.2%), Oromo (12.8%) and others (7.1%) also reside in the region. Significant numbers of resettles brought to the region from various parts of the country as a result of the national resettlement program conducted by the past government are found. The religious affiliation of the population of the region is Muslim (44.1%), Orthodox Christian (34.8%), traditional religions (13.1%), Protestant (5.8%), Catholic (0.5%) and others (1.5%) (CSA 2007).

There are sector bureaus at the regional level who execute their own budget after approval by the regional council. Likewise, at the Woreda level the Woreda offices execute their own budget after approval by the Woreda council.

1.3 Research Problem

Many organizations recognize the need to have a developed and comprehensive budget control system in order to minimize budget variance, costs and maximize effectiveness as budget control is a crucial as cash itself and any theft, waste, excessive use could lead to organizations poor performance.

Most public organizations in Ethiopia have shifted focus to budgetary control as a way of enhancing effectiveness in their services (help age international training workshop in Addis Ababa 2008). But research studies indicate that budget control is not tight in many organizations and has lead rush expenditure toward the end of the budget year which has effect on the public organization (Tilahun 2010). Recognizing the role of budget and budgetary control has gained attention which has led some organizations to establish departments for implementation. This has attributed budget monitoring and project implementation committees as an integral part of the administrations to governmental organizations in Ethiopia (MoFED 2014/2015 annual report).

In Benishangul Gumzu regional state budget credibility and control in is low and not implemented as planned due to lack of internal control, lack of comprehensiveness of information included in budget documentation, poor budgetary control resulting in embezzlements, misappropriations and misapplication of funds culminating in over expenditures, and no complied data on the type and method of procurement used by bureau/offices¹.

Studies had been done in relation to budget globally and locally:

Globally, studies like (Carolyn et al. 2007) examined the association between effects of budgetary control on performance using a sample of large US cities Financial Bonds and found that effective level of budgetary control is significantly and positively related to bond rating. Dunk (2007) carried out a study in Europe on budgetary participation and managerial performance in non profit making firms and concluded a positive correlation between budgetary participation and managerial performance in non profit making organizations.

Epstein and McFarlan (2011) carried out a study in Denmark on measuring efficiency and effectiveness of a non profit,,s performance, it was found that budgetary control was one of the important tools in achieving efficiency of in non profit making organizations.

¹ BGRS Public Expenditure and Financial Accountability(PEFA) assessment report (2010)

Nyageng'o (2014) carried out a study to identify determinants to effective budget implementation among local authorities in Kenya. The results of the study revealed that effective budgetary control led to improved performance of local authorities.

Besides, locally, (Tilahun 2010) carried out the study on budget management and control by emphasizing on ministry of national defense by using descriptive and qualitative research approach and come up with that budget of the ministry of defense was prepared without considering reasonable cost estimation and current market price. He also revealed that there is the idle cash in the ministry of defense due to the lack of consistent purchase program which lead to rush expenditure toward the end of budget year.

Birhanu (2011) studies evaluation of budget practice of Ethiopia in comparison with two east African countries(Kenya and Uganda) focusing on budget practice and transparency by using qualitative research approach and revealed that the level of transparency with regard to full disclosure of all relevant budget information is very poor in Ethiopia, Kenya and Uganda. And he also recommends that the need to increase transparency is important in each budget cycle so as to increase citizens' participation in the budget decision.

Abera (2014) study on budget preparation and utilization of educational finance in public secondary schools of shashemene town, oromiya region by employing descriptive survey and the study revealed that the level of transparency and accountability in budget process and effectiveness and efficiency in utilization of budget is more or less positively related.

Ketema (2015) examined assessment of budget preparation and utilization in Addis Ababa city administration health bureau and revealed that there is no accountability in budget and no market oriented cost estimation because of lack of adequate and experienced expert in the budget department.

From the review of past research, most studies have concentrated on budget preparation, practice, transparency and accountability, and budget implementation in the public sectors, but as best of the researcher knowledge, little studies on determinants of budget control which is the last stage of budgeting cycle and there is a problem of linking the work plan with expenditure and purchasing of goods and services is not based on the annual action plan by

sectors (Mohammed and Asfaw). Though, this study sought to fill the gap by addressing the determinants of budget control in the public organizational at Benishangul Gumzu regional state and exploring opportunities which factors had the most effect on budget control. Specifically, how budget planning process, management support, competent internal audit staff, organizational commitment, budget monitoring and evaluation, information and communication and cost reduction influence public organizations budget control were examined and answered which used to know the remedial action public organization take overcome lack of internal control. To achieve this objective the researcher attempted to answer the following research question:

What are the most determinants of budget control in public organizations at Benishangul gumzu regional state?

1.4 Objective of the Study

1.4.1 General objectives

Based on the gap in the existing literature, the general objectives of this study is to identify the determinants of budget control in public organization at Benishangul Gumzu regional state.

1.4.2 The specific objectives were:

1. To assess the effect of budget planning processes on budget control in public organization at BGRS
2. To examine the contributions of management support for budget control in public organization at BGRS
3. To examine the contributions of competent internal audit staff on budget control in public organization at BGRS;
4. To establish the effect of monitoring and evaluation on budget control in public organizations at BGRS;
5. To examine the role of organizational commitment on budget control of public organization at BGRS

6. To examine the role of information and communication on budget control in public organization at BGRS.
7. To examine the results of cost reduction on budget control in public organization at BGRS

1.5 Research Hypotheses

In line with the broad purpose statement, the following hypotheses were formulated for investigation. Hypotheses of the study stands on the theory are related to determinants of budget control in public organization. The results from the literature review (to be established in the next chapter) were used to establish expectations of the different determinants on budget control. Hence, based on the objective, this study tested the following hypotheses:-

H01: Budget planning process has no significant effect on budget control in public organization;

H02: Management support has no significant effect on budget control in public organizations;

H03: The competent IA staffs in the public organization have no significant effect on the budget control;

H04: organizational commitment has no significant effect on budget control in public organization;

H05: monitoring and evaluation have no significant effect on budget control in public organization;

H06: Information and communication have no significantly determines the budget control of public organization;

H07: Cost reductions have no significant effect on budget control in public organization.

1.6 Significances of the studies

The study was intended to establish the determinants of budgetary controls and their effects within public organizations“ to assist management of the organization to improve their operational effectiveness and added value to the knowledge base on budget controls and serve

as an impetus for financial decision making. Then, this study is important to the government, managers, employees and general public through provides relevant information regarding budget control and the determinants of budget control.

In addition this research is important for the empirical evidences for the public organization to examine their policies and procedures, and for the future researchers also important to develop a conceptual literature development.

1.7 The scope and limitation of the studies

All government organizations need effective budget control mechanisms. However, for the sake of effectiveness and efficiency, and to manage the limited project time and budget, This study was confined only to know the determinants of budget control at Benishangul Gumzu regional state particular by focusing on 5 purposively selected bureaus; BoFED, office of regional auditor general (ORAG), region revenue authority bureau, the region administrative council and budget and finance standing committees. The study did not cover the other regional organizations, and city administrations. Then, the data analysis was based on the questionnaire collected from 204 respondents of five selected public organizations; the paper was limited to personal and emotional matter of those selected respondents.

Owing to the nature of the subject area, i.e., excessive confidentiality, and because of limited access, it was not easy to get all relevant information from respective offices.

Besides, lack of research studies and availability of sufficient current literature on the topic were some of the constraints. However, the researcher hopes that readers will get some valuable ideas on the subject area.

1.8 Organization of the paper

In addition to the preliminary page, this research paper consists of five chapters. The first chapter

with its sub topics was introductory parts incorporated the introduction, background of study area, statement of the problem, research objectives, research hypotheses, significant of conducting the study, scope and limitation of the study. The second chapter describes the detail review of related literatures with regard to budget control and the variables which

determine the BC. The third chapter expresses the information regarding the methodology and sampling techniques used to conduct the research. The fourth chapter is the analysis, discussions and presentation part of the research findings and finally, the last chapter describe about the conclusions and recommendations of the case study followed by the references and appendixes.

CHAPTER TWO

REVIEW OF RELATED LITREATURE

2. Introduction

This section covers the theoretical framework of the study; it discusses theories that support budget and budgetary control and variables that determine budget control as well as the definitions of concepts.

To assist in identification of existing gaps in the literature, empirical literatures were also reviewed in this chapter.

2.1. Theoretical Literature Review

There are three theories that support budgetary control of organizations namely the theory of budgeting, budgetary control model and accounting theory in budgetary control as discussed below:

2.1.1. Theory of budgeting

“Budget” and “Budgeting” are concepts traceable to the bible days, precisely the days of Joseph in Egypt. It was reported that nothing was given out of the treasure without a written order. History has it that Joseph budgeted and stored grains which lasted the Egyptians throughout the seven years of famine. Budgets were first introduced in the 1920s as a tool to manage costs and cash flows in large industrial organizations (Bartle 2001). The emergence of scientific management philosophy however laid emphasis on detailed information as a basis for taking decisions thus leading to tremendous development of management accounting and budgeting techniques (Bartle 2008). At early stage of development, budgeting was concerned with preparing and presenting credible information to legitimize accountability and to permit correct performance evaluation and consequently, rewards (Hindereth 2002), however, over the years, the function and focus of budgeting has shifted considerably as business organization became more complex and their environment become dynamic.

Hirst (1987) explains that a budgetary control solves an organization's need to plan and consider how to confront future potential risks and opportunities by establishing an efficient system of control, a detector of variances between organizational objectives and performance (Shields and Young 1993). Budgets are considered to be the core element of an efficient control process and consequently vital part to the umbrella concept of an effective budgetary control.

Budgets project future financial performance which enables evaluating the organizations financial viability of a chosen strategy. In most organizations this process is formalized by preparing annual budgets and monitoring performance against budgets. Budgets are therefore merely a collection of plans and forecasts (Silva and Jayamaha 2012).

Budgets can further influence the behavior and decisions of employees by translating organizations objectives, and providing a benchmark against which to assess performance. Hancock (2009) even considered such operational planning as the backbone of management.

During budget preparation procedures, consideration of alternative courses of action becomes an integral part and leads to increased rationality. A budget allows a goal, a standard of performance to be established with subsequent comparison of actual results with the created standard. It requires those involved to be forward looking rather than looking back (Scott 2005). Budgets have therefore been identified as playing a number of roles which include making goals explicit, coding learning, facilitating control, and contracting with external parties (Selznick 2008). Fisher exemplified this by "linking compensation to performance measures against the budget", thereby making goals explicit, communicating goals and thereby coding learning and clarifying performance measures for individual employees of an organization (Goldstein 2005).

2.1.2 Budgetary Control Model

Budgeting system is a tool used by the organization as a framework for their spending and revenue allocation. To ensure its resources are not wasted, the organization must be able to come out with an effective budgeting system. This is important as it ensure that the outputs

produced and services delivered achieve the objectives. According to this theory, a good budgeting system must be able to address the effectiveness of the organization's expenditure. The organization has to put proper controls that ensure that the budget is properly maintained and allocated. This is achieved through cutting costs in order to increase the quality service offered by the organizations. However, if an organization has lesser revenue generation sources they might have to find a way to fund their estimated budget by borrowing and tax restructuring (Robinson and Last 2009).

Budget also can be used as an indicator of the performance of the ruling government. It is a statement of whether they are competent in administering the organization and the national resources (Sawhill and Williamson 2001). One of the models of budgeting system is Performance Based Budgeting System. According to (Robinson and Last 2009), performance-based budgeting system (PBBS) aims to improve the efficiency and effectiveness of public expenditure.

That is why the budget is mostly regarded as the control of expenditure. The government of Ethiopia is investing public budget on social and economic infrastructure (education, health, water, road, power, communication etc...) in order to provide public services and enabling environment for private sector to invest (Mohammed and Asfaw 2014).

Benishangul gumzu regional state is being responsible for delivering majority of basic services to the people of the region through budget control for the enhancement of public organizations performance (Alemu and Kidane 2010).

2.1.3. Accounting Theory in Budgetary Control

Accounting theory is aimed towards provision of a coherent set of logical principles that form the general frame of reference for the evaluation and development of sound accounting practices and policy development (Kaplan and Norton 1996). Then Budget had been defined as accounting device used to plan and control resources of operational department of government and divisions (Abdullahi & Angus 2012).

According to (Otley and Pollanen 2000), the purpose in developing a theory of accounting is to establish standard for judging the acceptability of accounting methods. Procedures that meet the standard should be employed in practice of accounting. (Horvath 2009) argues that the accounting methods that fail to meet the standard should be rejected. Accounting theory helps in explaining and guiding management actions in identifying and locating information necessary to be used in budget preparation. The money measurement concept in accounting has contributed to a greater extent in providing yardstick for quantifying, conversion and translating various inputs in relation to materials, and machines required in the preparation of budget (Horvath and Seiter 2009).

Theory in accounting guide in the selection of principles and roles to be applied in particular circumstance. The accounting theory in budget control has come up with different models of analysis for example revenue analysis and standard costing which serve as a standard setting in budgeting. Theory has an important normative role in the evaluation of budget and control procedures to be adopted. Theory has assisted in making predictions of the likely outcome of budget action in a given set of circumstance and effect of any change in circumstances.

Hornngren (2002) argues that accounting theory view a firm as a separate entity in which its activities are distinct from its owners. These principles serve as an impetus to the general philosophy of budget itself as a tool for effective management (Hornngren et al. 2002).

Accounting theory has developed models in which standard can be set. Management accounting theory also provides several yardsticks to be used for control. That is variance analysis. Since budget is an instrument of plan. It provides a framework of given feed back to the management on the implementation of budget. When implementing the accounting theory historical data is instrumental since this data serve as an input for making forecast. The cost accounting theory developed by Wedgwood in early 20th century which stress on cost identification, allocation and revenue maximization has provide a basic insight and blue print in budget and control in organization. The matching concept in accounting also plays a role as reference issue in budget analysis (Hopwood 1976).

The need for accountabilities and effective of service delivery in public organizations across Africa and in Ethiopia, put's public organizations at the fore front in establishment of control systems. Most of the public sector reform programmes that have taken place in developing countries during the 21st century were introduced as part of the Structural Adjustment Programmes (SAPs) of the World Bank in the 1980s. However, most of the more recent reforms, under the influence of the New Public Management (NPM), have been driven by a combination of economic, social, political and technological factors, which have triggered the quest for effective and for ways to cut the cost of delivering public services. Additional factors, particularly for Africa, include lending conditionality and the increasing emphasis on good governance. With budgetary control systems being at the center of increasing organizational effectiveness and controlling costs, then the need to examine the role of the system in organization's performance is of paramount importance (Kingston 2011).

By establishing the cost for various programmes government set up, the criteria by which government programmes are to be review and evaluated. Budget has become the main instrument by which government attempt to manage economic growth and development. Budget become accounting instruments by which officials are held accountable for what government does and does not manage to accomplish (Yakubu 2011). Hence, it is important that a country must be able to follow accurately all the methods of preparing and control of an annual budget. Budgeting is defined as a form of financial planning and source budget is utilized to impose the strategy of a country. Consequently, a budget is composing of different functional budget that could help a country for such development such as agriculture, technology, tourism, and other budget (Smith and Megeary 1997).

Government use budgets as a guiding tool for planning and control of its resources, be it financial or otherwise. The use of budget involves knowing how much money you earn and spend over a period, particularly one year. When a budget of an establishment, department or ministry is created, it means creating a plan for spending and saving money (Abdullahi and Augus 2012).

Abokun and Fagbemi (2012), explain that another use of budget for control purpose is in evaluating performance. They argue that organizational plans are carried out by people, thus,

control is exercised not over operations, revenue, costs, but over the persons responsible for those operations and the related revenue and expenses. Then the accounting for all Sub-programs will be governed by respective government accounting policies and procedures.

To sum up, budget control can be explained as the process of using budgets as control mechanism to evaluate managers, as well as organizations performance by considering deviations from budget figures to actual figures. Accordingly, budgetary control is a system that uses budgets as a controlling and planning tool (Fadi Baker 2013).

2.2 Empirical Literature Review

Joshi and Abdulla (1996) examined some aspects of budgetary control and performance valuation systems by utilizing data based on a questionnaire survey of 42 medium and large size companies located in the State of Bahrain. The study found that the conventional form of budget controllability principle was practiced to a great extent. It was concluded that bonus is affected by budget performance along with new assignments, but not salary.

Chemweno (2009) evaluated how the firm has employed an operational budget as a management tool in Kenya. It set out to determine how operational budgeting practice is actually done, the basis of budget formulation and to what extent the budgets are used as a management and control tool. The data was collected mainly through detailed questionnaires and analyzed using descriptive statistics by way of summary statistics, tables and percentages. The study revealed that budgets are normally prepared on an annual basis. It was found that all the major Kenyan mortgage financing institutions have an operational budgeting process which they considered extremely important since it is outlined in the organizations objectives, targets, means of achievements, cost of achievement and responsibilities.

Badu (2011) conducted an investigation of budgeting and budgetary Control at Ernest Chemist Lauea. The aim of this study was to conduct research concerning the budgeting practice in Ernest Chemist, a pharmaceutical company based in Ghana, and identify the perception of the budgeting experts in the company and assess their views towards the current status of the company. This research was necessary in order to assess the possibility of solving any problem this organization may face in designing an effective budgeting and

budgetary control system. A self-designed interview questionnaire was sent to a member of staff in the company to seek his views on the problems and concerns regarding budgeting and budgetary control in the organization. The results of the study indicated that the appropriate system of budgeting and budgetary control had been adopted and used to prepare the pharmacy's budgets but there were a few problems associated with ethical issues which need further investigation.

Marcormick and Hardcastle (2011) carried out a study on budgetary control and organizational performance in government parastatals in Europe. A sample of 40 government parastatals were used for establishing the relationship between budgetary control and organizational performance, secondary data was used and a period of ten years was reviewed. A regression model was used for data analysis and the results of data analysis revealed a positive relationship between budgetary control and organizational performance of government parastatals.

In their study, (Nickson and Mears 2012) examined the relationship between budgetary control and performance of state ministries in Boston Massachusetts, a sample of five ministries were examined to test the relationship between budgetary control and performance of state ministries, secondary data was used and a review of 10 years was used, a regression model was used for data analysis and a statistical positive relationship was found between budgetary control and performance of state ministries. The results of the regression analysis concluded that proper budgetary control measures led to performance of state ministries.

Fadi Baker (2013) studies the effects of tight budgetary Control on managerial behaviour in the Swedish Public Sector. The objectives of the thesis is to determine the effects of tight budgetary control on managerial behaviour in the Swedish Public Sector based on a sample of 62 managers from different municipalities and universities throughout Sweden by using quantitative research approach and the result of the thesis research study revealed that the majority of the local managers in the Swedish public sector actually experience tight budgetary control and the statistical test of the created hypotheses showed that the behavioural factors, both, organizational commitment and stress were respectively negatively and

positively related with tight budgetary control. However, for the behavioural variables of motivation and satisfaction no significant results have been found.

2.2.1 Related empirical studies in Ethiopia

Few studies were conducted by different researchers in Ethiopia on the budget management and control, evaluation of budget practice, budget implementation, and preparation and utilization in governmental as well as in NGOs.

The following section presents the related study of the researchers locally;

Tilahun (2010) did a study on budget management and control with special emphasis on Ethiopia ministry of defense for his thesis in Addis Ababa University. The aim of the study was on the process by which military budgets are developed, implemented, recorded and monitored. The researcher targeted all budget holders in the ministry of defense for his study. The researcher concluded the following points based on his analysis.

Even if Ministry of national defense issued budget guideline, the concerned body did not move to enforce the practicability of the rule. If it were, the above summary findings would not occur.

Unavailability of adequate and experienced manpower has added for the worsening results of plan and budget preparations disparities.

Lack of awareness of budget users about the role of plan and budget to the institution;

Budget holders have various understandings during budget preparations;

Budgets are prepared without considering reasonable estimations and current market prices.

The researcher concluded that the causes for idle cash are mainly due to the lack of consistent purchase programs which lead to rush expenditure towards the end of the budget year. Although the nature of the institution forces to consider unforeseen situations, additional duties of budget users are not usually backed up by supplementary budgets.

Planning and Budget department does not arrange regular workshops and short term training to improve the skill of budget personnel engaged in budget holders. Apart from accountability of the specific budget users, the department takes the lion's share of responsibility for budget preparation and implementation problems. Although much deviation has not been observed in budgetary records, the adoption of modified cash basis of accounting system has not been implemented fully.

There is no carrot-and-stick strategy. No incentive mechanism is employed for good performers, and punishment as well for poor achievements unlike what is observed in other counterparts. Audit opinions given by Office of Federal Auditor general (OFAG) are signals of the institution's weak compliance with the rules and regulations of the country.

Birhanu (2011) did a study on evaluation of budget practices of Ethiopia in comparison with two east African countries. The aim of the study was to assess similarities and differences between Ethiopia and two east African countries with respect to budget practice and procedures. The researcher concludes that the general public in Ethiopia cannot significantly involve in the country budget process and citizens have no access to monitor and evaluate the budget performance. Factors that limit citizens' participation in the budget process are limited accessibility to budget information; budget language and country population. Lack of involvement of citizens in the budget process would minimize a way of improving budget formulation, efficiency in resources allocation and better oversight of the budget process.

There is a legal stand for transparency such as the constitution however, budget information is no available for citizens in accessible, timely and clear and easy to use manner. Government has a duty to make an effort to increase budget transparency because; it allows citizens to properly assess government financial position and performance. Scarcity of budget information might decrease the level of public participation in the budget decision process.

Mohammed and Asfaw (2014) publish journal article on government expenditure management and control in Ethiopia. The objectives of the article were reviewing public expenditure management and controlling of financial resources as it is crucial because society's needs and demands are unlimited whereas resources are limited in nature. Therefore,

the result showed that there is a problem of linking the work plan with expenditure budget preparation. It is also revealed that purchasing of goods and services is not based on the annual action plan by sectors. In other word, this indicated that there is a problem of budget preparation and execution. On the other hand, In relation to budget approval, the result indicated that Legislature has effective systems of check and balance on public expenditure. The test was also undertaken to check auditor's satisfaction in relation to the support they get from management to conduct their task. The test result indicated that auditors have a problem of motivation with the financial and material support to carry out audit work to achieve their objectives for the accomplishment of organizational goals.

Esayas (2014) study on assessment of budget implementation and control by using qualitative type of research approach at case of Kolfekeranyo Sub-city finance and economic development bureau by using judgmental probability sampling and the author select 20 samples from total of 44 personnel found in the sub-city. The main objectives of the study was to be asses the comprehensive factor that affect budgetary implementation and control system to find potential solution to the problem at sub-city. The results of the studies shows that

Even if the sub-city implements its budget effectively, variance were occurred, when compared actual results with budgeted estimation the reason for the occurrence of variance was the sub-city is not perform it activities. Performance report can be effective, especially if it is presented continuously. However, the sub-city constantly presented the performance report.

poor database for planning and budgeting, lack of incentives and lack of experienced personnel in the various departments are some of the problems the sub-city encounters in budget preparation and control, operational difficulty, low morale and delays are other problems the sub-city encounters in the budget implementation. There is active participation of all the departments in the budget preparation and implementation as every department submits their inputs into the annual budget proposals.

Yesuf (2015) carried out the study on budget and budget monitoring practice in NGOs operating in Ethiopia. The purpose of this study is to evaluate effect budget and budget monitoring practice in NGO in Ethiopia and to achieve the objectives the author used convenience sampling method for selecting 20 charity organizations. And out of 102 recommended by the manager 81 staff was taken as respondent from program of finance and support services. Then, the finding shows that the overall budget system in the sample organization missed the participation of concerned staff, which have effect on budget monitoring and implementation.

Ketema (2015) conducted studies on assessment of budget preparation and utilization in the case of Addis Ababa City Administration Health Bureau by taking five out of seventeen budget holders was taken and ten key informants were selected from each budget holders with a total of 50 respondents. The results of qualitative analyses demonstrate that there was no accountability in budget utilization; there are no market oriented cost estimation practices. Lack of adequate and experienced budget experts is other issue that contributes to worsen the problems and also there is no evidence based evaluation mechanisms in the budget utilization at each level of the Health Bureau.

2.2.2 Budget control in organization

Roxana Stegorean and Corina Gavrea (2011) Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Thus, many economists consider organizations and institutions similar to an engine in determining the economic, social and political progress.

In relation to this, budgetary control in organization involves the preparation of a budget, recording of actual achievements, ascertaining and investigating the differences between actual and budgeted performance and taking suitable remedial action so that budgeted performance may be achieved effectively (Controllers report 2001). Budgetary control is the system of controlling costs through budgets. It involves comparison of actual performance with the budgeted with the view of ascertaining whether what was planned agrees with actual performance. If deviations occur reasons for the difference are ascertained and

recommendation of remedial action to match actual performance with plans is done (Coates 2005).

2.2.3 Determinants of budget control

There are several determinants to effective budget control among organizations. Then for the purpose these study budget planning process, management support, organizational commitment, competent internal audit, monitoring and evaluation of the budget, information and communication and cost reduction were referred (Srinivasan 2005).

2.2.3.1 Budget planning processes

In order to carry out budgetary control, it is necessary to formulate a fully co-ordinate detailed plan in both financial and quantitative terms for a forthcoming period. The duration of the period is usually one year. The plan needs to be in line with the long term development strategy of the organization, although in the shorter term of a budget year, conditions may prevail which could dilute this aim. For example a depressed economy could lead to a temporary departure from the long term plans. Therefore, before formulating the budgets, the policy to be pursued during the forthcoming trading period needs to be established (Dunk et al. 2001).

In order to prepare proper budget plan, three preconditions were recommended by (Anwar S. 2007) as follows:

1. The preparation process has to consultative and participatory in order to ensure ownership to both the process and the approved budget;
2. A systematic process of prioritization of programs and expenditures, which is based on informed choices, must take place.
3. Planned outputs, activities, and expenditure allocations in the annual work plan and budget estimates must be realistic, and achievable

Once budgets are operating throughout an organization, it is important that feedback is made available to the managers responsible for its operation. This is often done by means of

monthly budget reports. These reports contain comparisons between the budget and the actual position and throw up differences which are known technically as variances. The budget plans must be properly co-ordinate in order to eliminate bottlenecks. Individual budgets should be coordinated with one another to ensure that the implementation process is conducted effectively in order to save time and costs (Horngren et al. 1997).

To facilitate proper planning, the management team should determine overall projections of economic growth, revenue and expenditure of the country for about 3-5 years that the organization is undertaking. The macro-economic forecast gives the forecast of Gross Domestic product based on past performance and estimates for future years, and provides baseline information in preparing the fiscal forecast. A predetermined budget of possible costs that was incurred carrying out the activities planned in a project should be made. Realistic planning of finance is key to the implementation of a project or programme (Joshi and Abdulla 1996).

In Ethiopia, the federal and the member states are responsible for planning their own budget normally by the guidance of MoFED for the delivery of most basic services to the public. Then regions' budget planning processes start by estimating the budget sources. The planning stage considers the expected federal subsidy, own revenue and foreign loan and aid. Some Regional Bureaus of Finance and Economic Development (BOFEDs), prepare multi-year projections of expenditures using Macroeconomic Fiscal Framework (MEFF) Plans and Public Investment Programs (PIP).

After receiving tentative pre-ceilings on the expected federal government subsidies from MOFED in early or mid-February, Regional BOFEDs determines allocations to regional public bodies or sector bureaus (such as health, education, water, rural development, etc) for the following budget year.

Regions and Woredas develop two types of budgets: recurrent and capital budgets.

Recurrent budget is spending on items that are consumed and are repeated every budget year, such as salaries for teachers, health workers, agricultural extension workers and development

assistants, offices' operational costs, medicines, books and electricity. Salaries for employees of public bodies dominate the recurrent budget.

Capital budget is spending on items that will last for several years, like buildings, roads and water points. Money is needed to build schools, health post, water points, and roads. Once constructions under the capital budget, for schools, health posts, etc., are completed, the maintenance and service provision in most cases continues to be assigned in the recurrent budget.

Finally, Regions adjust their work plans, where outcomes and required resources to achieve these outcomes are presented, to the approved budget. Thereafter, financial action plans, indicating monthly disbursement requirements, are submitted to MOFED². And planned budget are going to be disclosed on public notice for its transparency and accountability.

2.2.3.2 Management support

Budget department have a close relationship with organizations management in their day to day activities. They need good support and perception from their management to be use budget allocated wisely for the achievement of organizational objectives. Management support is expressed in terms supporting the budgeting control by fulfilling the necessary resource, finance, training, new technology and other facilities that facilitate the work of controlling budget through encouraging auditor of the organization (Mihret and Yismaw 2007).

2.2.3.3 Competent Internal Audit Staff

Adequate staffing is essential for a system to its full capability. Weakness in staffing can lead to mismanagement, error and abuse, which can negate the effect of other controls (MoFED 2004). The size of IA staff and the competency of internal audit are the critical characteristics of IA quality that can't be separated. This means at the absence of one dimension the other cannot contribute to the quality of internal auditors.

² Federal government of Ethiopia financial proclamation No-57/1996 , Article-19,28,29 &51

Auditors must comply with minimum continuing education requirements and professional standards published by their relevant professional organizations (IIA, 2001). In addition to the above dimension of IA quality, the competence of internal auditors can be measured in terms of academic level, experience and the efforts of staff for continuous professional development and compliance with audit standards. Both the quantity of audit effort and the quality of professional care exercised will determine the overall quality of the internal audit work (Cohen and Sayag, 2010); (Leung and Cooper 2009); (Belay 2007).

According to (Havens 1999), the following elements are the benefits of effective auditing for public budget control:

1. Determine the reliability of reports on budget execution and other financial data;
2. Provide reliable data about program results as a basis for future adjustments in budget allocations;
3. Identify instances and patterns of waste and inefficiency that, if corrected, will permit more economical use of available budget resources;
4. Detect irregularities involving the misuse of public funds and identify related weaknesses in management controls that may imperil the integrity of the organization and the effective implementation of budgetary and other policy decisions.

To accomplish this, internal audit functions have been reformed at the federal level and rolled out to the Benishangul Gumuz Regional Government. Accordingly, the inspection department in BoFED and the audit sections in each Bureaus use the internal audit manual. The manual meets the professional standards like International Standards such as the International Standards for the Professional Practice in Internal Audit (ISPPA) issued by the institute of internal Auditors which focuses on systemic issues. Training in the region has also been given to internal auditors at wombera-Debre-Zeit³. Then internal audit in Beneshingul regional state are operational in the majority of the bureaus while at zonal and woreda level the zonal and

³ BoFED Internal Audit and Inspection Department, ORAG 2004 Report

woreda finance offices provide internal audit functions through a pool system which playing a great role in managing public budget.

2.2.3.4 Organizational commitment

Budget control can be done using a participative or top-down approach. According to (Eker 2006), there are two benefits from a psychological and cognitive perspective with managerial participation in the budgeting process. The participative approach benefits from the managers' identification and the ego-involvement with budgets objectives. Furthermore, as stated by (Buchanan 1974), organizational commitment includes involvement, identification and loyalty towards an organization. Thus, it could be assumed that if managers are able to identify themselves and be involved in the budgeting control, it should have a positive effect on their organizational commitment, as well as, towards goal achievement. However, a participative budgeting approach is related towards a decentralized structure, which implies lose control.

Organizational commitment can refer to identification, involvement and loyalty (Buchanan 1974). According to this, identification refers to the adoption of organizational goals and values by a person who is working for an organization.

Involvement refers to a person's participation in the companies' activities and to act as a decision maker or to be directly involved in the organization's strategy formulation process and their objectives. Loyalty refers to the concern and commitment toward his or her organization (Buchanan 1974).

Organizational commitment has interested and attracted many researchers to examine whether employee's commitment has a positive or negative effect on performance (Mowday et al. 1979). For many years, organizational commitment has been an often used case study, as it was considered to positively influence performance (Larson & Fukami, 1984; Van Maanen 1975). Therefore it is believed that employees who are committed to their organization will perform better than employees that are less committed. Some other researchers studied and investigated employees' commitment in the private and public sector, and the results which have been found in these studies are mixed and show some differences in organizational

commitment between employees in the private sector and employees in the public sector. However, employees working in the public sector are less committed than employees working in the private sector (Gortner et al. 1987). (Hoy and Sousa 1984) found that more participation in decision-making will increase employee's loyalty in the public sector.

2.2.3.5 Budget Monitoring and evaluation

Budget monitoring and evaluation is a key determinant for effectiveness, through an evaluation and monitoring, the organization can clarify what direction the evaluation should take based on priorities, resources, time, and skills needed to accomplish the evaluation. To enhance effectiveness and transparency the management team should be actively involved in the process of monitoring and evaluation of budgetary control processes and procedures (Hancock 2009).

The process of developing an evaluation plan in cooperation with an evaluation workgroup of stakeholders will foster collaboration and a sense of shared purpose this highly contributes towards achieving an effective budgetary control (Simiyu 2002).

Budget evaluation refers to the final stage of the budget cycle when there is an assessment of whether public resources have been used appropriately and effectively. In order for this stage to actually support good governance and the effective and efficient use of public resources, assessments of the budget implementation and its impact must include assessments by bodies that are independent of the government and that have sufficient capacity and resources to perform their task.

Then in Ethiopia, Budget monitoring and evaluation are necessary for closer supervision of work programs and projects. This involves a continuous monitoring of the plans and budget in order to identify achievements and bottlenecks. Basically, monitoring, and evaluation focus on:

Accountability – to ascertain appropriateness of expenditure and revenue and their conformity to the authorities through financial reports; and,

Management assistance – for providing management with information on performance

Mechanisms for monitoring and evaluation

Periodic reporting and follow up and formats have been issued for budget monitoring through; Internal Audit, external Audit, Parliamentary control, Budget Review and Adjustments; and, Project inspection. However, the overall evaluation and monitoring of public expenditure is now affected largely through an Integrated Financial management System (IFMS). This is a computerized system which links up most of the government paying stations in (MOFED /BOFED). Therefore most payments are centralized and controlled. Hardly expenditure or commitment can be incurred without financial provision from IFMS.

Major outputs from IFMS include:

- Monthly flash reports on revenue collections and expenditure;
- Quarterly and annually performance reports;
- Control of excess spending beyond approved budgets;
- Specific reports based on user requirements; and,

In addition to IFMS there are sub-treasuries in all the regions for processing payments from decentralized government Ministries and Regions. Efforts are underway to establish sub-treasuries in all the Regions (MOFED 2004).

2.2.3.6 Information and communication

In a good organization, information system is essential to guide its operation process. Information systems produce reports, containing operational financial and compliance – related information that makes it possible to run and control an organization (COSO 1992). It should consist of accounting information system to ensure that the accounting process is valid and reliable.

Then information and communication refers to the process of identifying, capturing, and communicating of relevant information in an appropriate manner and within timeframe in order to accomplish the financial reporting objectives of the organization (Aldridre and Colbert 1994). However, effective communications should occur in a wider sense with information within the various sections of the organization (Theofanis et al. 2011). Most of

the recent literature on internal control system frameworks gave concerned on information and communication as one of the internal control system components, because of their importance in influencing the working relationship within the organization at all levels (Mesfin Yemer 2016). Then, effective information and communication systems enable the organization to control their budget through information flow among the organization which led Management ensure there are adequate means of communicating with, and obtaining information from, external societies that may have a significant impact on achieving organizational goals (Guy et al. 1999).

In Ethiopia context, currently the government uses *Integrated Budget and Expenditures system (IBEX)* for tracking revenues and expenditures of all federal and regional budgetary institutions. This IBEX system capture the accounts module records the financial transactions of the budgetary institutions and their aggregated monthly accounting reports and provides accounting reports for ledgers, financial statements, management reports, transactions, expenditures, and revenues. Further, at federal level MoFED has been consolidating the budget and accounting data for the entire country. This allows for the generation of regional and national consolidated report. Hence, this study also, evaluate whether the existing IBEX enhance budgeting and financial management, the extent to which the information system provide, timely quality and adequate information, and the adequacy of computers for undertaking budgeting and financial management practices. In this regard, the researcher assumes that well functioning IBEX has a positive effect on implementing sound budgeting control practices.

2.2.3.7 Cost reduction

Budgeting and budget control represents the higher level of organization development and allows focusing on long-term results, effective use of financial resources, business, assists in making sound and timely managerial decisions. Budgeting helps to effective cost management and financial performance of the organization, allows you to compare all the planned costs and anticipated revenues for the coming period.

Cost Reduction is a systematic effort to accomplish projects by eliminating all forms of waste and unnecessary expense without impairing the generation of revenues.

Cost reduction in public organization implies the retention of essential characteristics of a quality services and thus it must be confined to permanent and genuine savings in the costs administration, evaluation and controlling by elimination of wasteful and inessential elements form the design of the output and from the techniques and practices carried out in connection therewith. In other words, the essential characteristics and techniques and quality of the services are retained through improved methods and techniques used and thereby a permanent reduction in the unit cost is achieved. This will require frequent information (accounting or otherwise) about operations in order to plan for the future, to control present activities, and to evaluate the past performance of managers, employees, and related bureaus or offices (chukwuma obara 2014).

2.3 Conceptual Framework

As outlined in figure 2.1, and discussed above the independent variables include, budget planning process, management support, competent internal audit, organizational commitment, monitoring and evaluation, information and communication and cost reduction, while the dependent variable is budget control in public organizations at Benishangul gumzu regional government. It is presume that the foretaste independent variables affect budget control in the region.

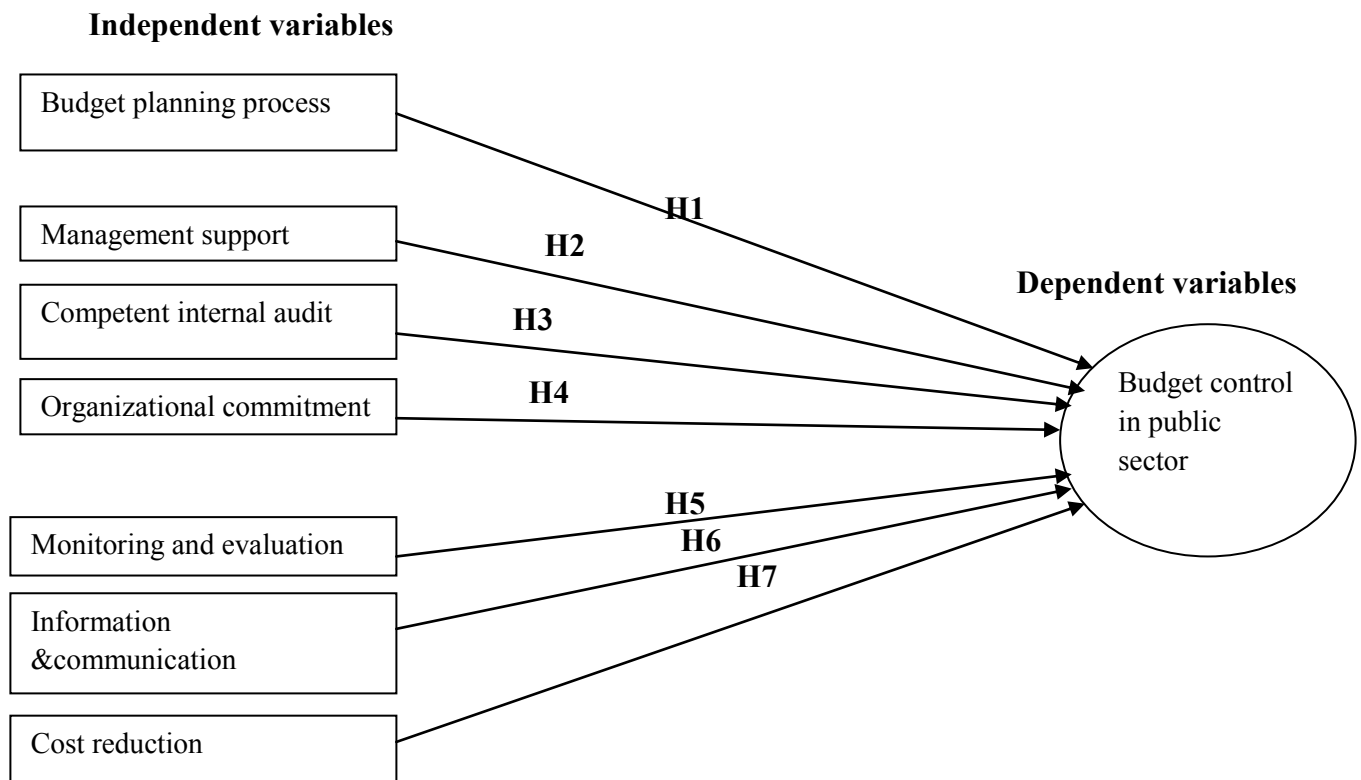


Figure-1: sources - own construction based on survey

2.4 Summary of Literature Review and Research gaps

Budgets are considered to be the core element of the control process and consequently vital part to the umbrella concept of performance measurement. Research has shown that there is no single approach to budgeting suitable for all organization for governmental or nongovernmental. Instead, the suitability of a particular approach is argued to be contingent upon characteristics of organizations including its size, strategy, structure, and also management's perception of the uncertainty of the environment within which it operates to best link its budgetary control procedures that is planning, evaluation, monitoring and control.

Previous studies in public organizations show that there is a direct relationship between budgetary participation and performance. It is also indicated that budget preparation, budgetary control and budget implementation significantly influence budget variance.

An organization with well formulated budgetary controls easily assigns its managers the responsibility for the use of designated financial resources to achieve their assigned operational objectives and budget controls provides comparisons of actual results against budget plan (Abdullahi 2012). The government plays a leading role in shaping and development of any nation by apparatus public finance administration, a field which refers to the manner in which federal, state, and local institutions with their procedural, legal, regulatory, financial are organized, institutionalized and managed with respect to regulatory, revenue generation, speeding and procurement functions, and the provision of such services as defense, social service, and economic infrastructures (Kenneth 2012).

In case of Ethiopia as it is supported by (Tilahun 2010) who explains that even if Ministry of national defense issued budget guideline, the concerned body did not move to enforce the practicability of the rule, (OFAG) report indicate that institution weak compliance with the rules and regulations of the country, budgets are prepared without considering reasonable estimations and current market prices, and this have effect for the organization to achieve objectives. From the above literatures, little has been done in relation to budgetary control on public organizations; this is however geared to establish the determinants of budget control in public organization by the researcher.

Moreover, studies that conducted in governmental organization specifically in case of Benishangul Gumzu regional state was to give idea on those factors that contribute to budget control and leads to identify like internal control problem, lack of comprehensiveness of information included in budget documentation, poor budgetary control resulting in embezzlements, misappropriations and misapplication of funds culminating in over expenditures, and no complied data on the type and method of procurement used by bureau/offices⁴ as they are rationales of the study and what factors are important in overcoming this irregularities. Then, based on those different studies, budgetary control is used

⁴BGRS Budget Proclamation EFY 2004

by organizations as a tool for proper management of resources in the organization and its activities.

CHAPTER THREE

RESEARCH METHODOLOGY

3. Introduction

This chapter discusses the approaches and techniques that the researcher was used when collecting data, analyzing the data and presenting the findings. These include the research design, target population, sampling and sampling techniques, data collection methods, data analyzing and model specification.

3.1 Research Design

The types of research used under this study are descriptive. This study describes and critically assesses factors that determine budget control in public organization at Benishangul Gumzu regional state. Descriptive research studies are designed to obtain information, which concerns the present status of phenomenon (Saunders, Lewis, and Thornhill 2007). This approach is chosen because of the researcher would not control the variable but to describe the phenomenon that existed at the time of the study. The use of descriptive research enables the researcher to bring to light the determinants that contribute to the budget control practice. It also describes the extent to which these elements stated above can affect the work of budget control in the public sector.

3.3 Target Population

The study was conducted in Benishangul Gumzu regional state by focusing on regional bureaus which are found in Assosa town. As of Novmber 2016 the total main regional bureaus were Seventeen ⁵

Due to the difficulty of covering all the total existing public bureaus, and because of the population have not equally important use of purposive sampling is more essential to obtain a typical and representative of the whole universe (Kothari, 2004). Then, researcher obliged to

⁵ BOFED 2009 EFY Budget approval letter

minimize its study area by focusing on five purposively selected public bureaus with total population of 428 that were expected to be use as a representative of other bureaus which have greater impact to influence the region’s public budget and the region’s overall social and economic issues.

The selected public sectors were as follows

- Region finance and economic development bureau (BoFED),
- Office of regional auditor general (ORAG),
- Region revenue authority bureau and
- Region administrative council and budget and finance affairs committees

3.4 sample size determination

For this study to select sample size, a list of purposively selected bureaus as of November 2016 which are found in Assosa town were used. The total number of population of all sectors were 428 and the details presented below in table.

Table 3.1 List of Target population of the study

Focused bureaus	Population size
BoFED	184
Regional auditor general	108
Revenue authority bureaus	74
Region administrative council	56
Budget and finance standing committee	6
Total	428

BG unpublished report from each sector HRM EFY 2009

Therefore, in order to determine the sample for the study the following formula given by (Watson 2001) that take into account the precision of the results, confidence level, degree of variability, as well as the response rate in determining the sample used for the calculation.

$$n = \frac{\left[\frac{p[1-p]}{\frac{A^2}{Z^2} + \frac{p[1-p]}{N}} \right]}{R}$$

R

Where, n = sample size required

N = number of people in the population

P = estimated variance in population, as a decimal 0.5 for 50-50

A = Precision desired, expressed as a decimal of, 0.05 for 5%

Z = Based on confidence level 1.96 for 95% confidence

R = Estimated Response rate, as decimal 0.98

Then, the sample is:

$$n = \frac{\left[\frac{0.5[1-0.5]}{\frac{(0.05)^2}{(1.96)^2} + \frac{0.5[1-0.5]}{428}} \right]}{0.98} = \frac{202.4483}{0.98} = 207 \text{ respondents}$$

Table 3.2 sample size for the study

Target population	Number	percentage	Sample
BoFED	184	42.99	89
Regional auditor general	108	25.23	52
Revenue authority bureau	74	17.29	37
Regional administrative council	56	13.084	27
Region budget and finance standing committee	6	1.406	3
Total	428	100	207

Then, the researcher was distributed questionnaires to total of 207 respondents through selecting each respondents purposively to bureau heads, finance case teams, budget experts, internal and external auditors, tax and planning officers of the sampled population based on their knowledge about budget preparation, management, qualification and experience, because they are informative and very important for this study.

3.5 Data Collection

3.5.1 Data Collection Instruments

The types of instruments used to collect data were through questionnaire. The format of the questionnaire was adopted from prior authors and literatures and prepared in relation to rationale and objectives of the study after modification (Tilahun 2010, and Ketema 2015). Since, the appearance and layout of the questionnaire have a great importance in any survey where the questionnaires could be completed by the respondent (John et al. 2007). The layouts of the questionnaire were kept very easy, simple and prepared in two different versions (English and Amharic) which help to encourage meaningful participation by the respondents. The questionnaire was designed to have a 5-point Likert scale measurement which is a measurement with five response categories ranging from “Strongly disagree” to “Strongly agree” which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to explanatory variables. Since they are appropriate, abide by the principles of validity, reliability, and consideration (Likert 1932). The 5-point Likert scale measurement questionnaire consists of 7 sections for determinants of budget control measurements, alternative questionnaires to know the demographic profile of respondents and a dichotomous questionnaire was used either the budget holders of public sector at BGRS control their budget through comparison of budgeted with actual or not.

The independent variables consist of determinants of budgetary control which involves budget planning process, management support, competent internal audit, organizational commitment, monitoring and evaluation, information and communication and cost reduction. These variables are used in measuring the extent of budget control.

3.6 Data Analysis methods

The researcher reviewed the appropriate statistical data analysis tools namely descriptive, and test statistics. Before analyzing the data, raw data collected was cleaned and edited for completeness and consistency. It then systematically organized to confirm if it represents the target population and to facilitate objective analysis at a later stage. The responses also

screened for correctness and accuracy and then they were assigned numerical values which are representing various attributes being researcher measure and the filled in microsoft excel. The data can analysis to establish the measures of central tendency and variation that include the mean, maximum, minimum, range, frequency, and standard deviation highlighting the key findings.

The Statistical Package for Social Science (SPSS) version 24 used to analyze the data obtained from primary sources. Specifically, descriptive statistics tables, percentages, bars and logistic regression used for analysis of this study. The results were interpreted with the help of odds ratio (i.e. e^{β_i}), instead of the actual coefficient, as the interpretation of odds ratio is more intuitive. It would mean that for a unit change in the independent variable there would be a corresponding change in the Odds ratio.

In order to assess the reliability and consistency of the instrument the Cronbach's Alpha (α) analysis was conducted. Then to determine the relationship among the variables and to test the research hypothesis logistic regression were used.

3.7 model specification

Binary logistic regression is one of multivariable statistical analysis which used to calculate the probability of two possible outcomes (Bagley S. C. etal. 2001). In this research the two possible outcomes are either there is presence or absence of budget control in public sectors. Then the dependent variable(Y) is coded as 1(presence of budget control) and 0(absence of budget control).

Then the equation for Binary logistic regression was formulated as follows. (Guajarati 2003) gave the general expression for logistic model as

$$Li = \text{Ln} \frac{\pi(X)}{1-\pi(X)} = \beta_0 + \beta_i X_i + u_i, \quad i=1, 2 \dots 7$$

Where, L_i - logs of odds ratio/logit

Ln- natural logarithm

β_i - coefficient for each independent variable

β_0 -intercept of the regression

X_i – each independent variable and U_i - error term

From this general logit model, the following were derived and applied for this specific study

$$Li = \beta_0 + \beta_1 BPP + \beta_2 MS + \beta_3 CIA + \beta_4 OC + \beta_5 BME + \beta_6 INFO + \beta_7 CR + ui$$

Where, L_i - log of the odd ratio of budget control.

$$Y = \text{Ln} \left[\frac{\pi(X)}{1 - \pi(X)} \right] = \Rightarrow \begin{cases} 1 = \text{presence of budget control, let assume } P(Y=1) = \pi(X) \\ 0 = \text{absence of budget control ... } P(Y=0) = 1 - \pi(X) \end{cases}$$

Dependent variable is the degree of budget control in public sectors at Benishangul Gumzu regional state which was measured by Binary logistic regression to identify factors that determine budget control. Logistic regression is helpful when one wants to predict categorical variables from a set of predictor variables (Pallant 2005). Then here logistic regression was conducted to examine whether the seven variables, budget planning process, management support, competent internal audit, organizational commitment, budget monitoring and evaluation, information and communication and cost reduction significantly predict the public sectors budget controlling.

The independent variables were measured using a five point Likert scales ranging from strongly agree (5), agree (4), undecided (neutral) (3), disagree (2) to strongly disagree (1) as responses from respondents. The details are discussed below.

Budget planning process (BPP):- this was evaluated by use of a questionnaire and measured by 5 Likert scale item by defining the patterns of expenditure and revenue, prioritization of program, and macroeconomic forecast, and the werdas, city administrations and zones

participation in budget planning to accomplish the region strategic objectives of the organization and delivery of most basic services through wise budget control.

Management support (MS):- this was to determine the perception of management support on budget control. This was whether management perceives budget control value adding, the extent of implementation of budget control recommendation by management and aid that management provides for training, accustoming new technology and development of budget staff. This was measured through a five Likert scale-data.

Competent internal audit (CIA):- it measured in terms of academic level, experience, and the effort of staff for continuous professional development and compliance with audit standards. Besides, the benefits of effective auditing for public budget control was assessed by identifying instances and patterns of waste and inefficiency that if corrected will permit more economical use of available budget resources. This was measured through a five Likert scale-data.

Budget Monitoring and evaluation (BME):- were evaluated by using a questionnaire and 5-Likert scale item by asking of whether public resources have been used appropriately and effectively by sectors through determining the comparisons between the budget allocated and the actual position and the organization's budget deviations are reported to budget committees for evaluation on timely basis.

Organizational commitment (OC):- it determines the involvement, identification, and loyalty of employers toward budget control in the organization to achieve goals and values through participation and commitment. This was measured through a five Likert scale-type item.

Information and communication (INFO):- This was measured in terms of how public finance information is identified, captured, and communicated in the appropriate form and within stipulated time frame. Then this is measured by a five Likert scale-type item through assessing whether information regarding budget and budget control is disclosed to the public and public sectors use similar reporting format which was easy for evaluation and control purpose.

Cost Reduction (CR) is measured by five Likert scales questionnaire to know whether government procurements and projects are cost effective and accomplished on plan which is led to budget control.

3.7.1 Assumptions of Logistic Regression

Logistic regression does not require many of the principle assumptions of linear regression models that are based on ordinary least squares method—particularly regarding linearity of relationship between the dependent and independent variables, normality of the error distribution, and homoscedasticity of the errors (Tabachnick et al. 2001). Logistic regression requires large sample size, but if small sample used for the study it desirable to use bootstrap methods as suggested by different scholars (Anwar &Ng 2014). In addition, logistic regression can handle non linear relationships between the dependent and independent variables, because it applies a non-linear log transformation of the linear regression.

3.7.2 Evaluation of a Logistic Regression Model and Decision

According to (Park 2013), there are several parts involved in the evaluation of the logistic regression model. Among methods, the following is used in the study.

Global fit measure	Individual parameter measure
Omnibus tests of model	Wald statistic
Cox &snell and Nagelkeke R ²	p-value (significance) and Odd ratio
Hosemer-Lemshow test	B- cofficenet

CHAPTER FOUR

4. RESEARCH FINDINGS, ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The study findings were presented to establish the determinants of budgetary control on governmental organization at Benishangul gumzu regional state. The data was gathered exclusively from the questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. The discussion begins with the questionnaires' response rate followed by the descriptive statistics of the respondents related questions; like the gender, experience, profession, and level of education. The results of the reliability analysis and the logistic regression test also reported and finally the results of hypothesis testing were presented.

4.2. Descriptive Statistics

4.2.1 Response Rate

The data were collected and then analyzed in response to the problems posed in the first chapter of this study. The findings are based on the responses of those selected public sector with the help of questionnaire. 207 questionnaires were distributed and 204 returned from respondents and 3(2%) questionnaires were not returned. This represents a response rate of 98 percent. Therefore, data were analyzed based on the data collected using questionnaires from 204(98%) respondents.

4.2.2 Demographic Characteristics of the Respondents in the organization

In order to have clear understanding about the result of the study, it is important to be familiar with demographic characteristics of the sample respondents who are close to to public budget. 204 respondents were returned the questionnaire distributed to the 207 samples, which were

found in region BOFED, offices of regional auditor general, revenue authority bureau, regional administrative council and budget and finance standing committee.

Then in this sub section, variables such as sex, educational level, work experience and qualification of the respondents in the organization were analyzed. The information processed by SPSS is summarized as follows.

Table 4.1 Gender of the respondents

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Male	136	66.7	66.7	66.7
	Female	68	33.3	33.3	100.0
	Total	204	100.0	100.0	

(Source: SPSS output, 2017)

As it can be seen in the above table there were a large number of male respondents which accounts for 136(66.7%) and 68(33.3%) of female working on public finance and budget at selected organizations in Benishabgul gumzu regional state. This enables the researcher that there is no bias in the survey instrument related to the gender of the respondents.

Table 4.2 educational level of the respondents

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Diploma	6	2.9	2.9	2.9
	First degree	137	67.2	67.2	70.1
	Master degree	61	29.9	29.9	100.0
Total		204	100.0	100.0	

(Source: SPSS output, 2017)

Another commitment of employees to competence that contributes to effectiveness of budget control is the level of education the employees possesses. This competence is referred to as academic competence. The control system reveals that a good education level has a positively

determine the effectiveness of internal control in organizations. As summarized in the above table, majority of the respondents 137(67.2%) were qualified in first degree and 29.9% were master degree which is favorable and led to contribute the presence of budget control in the governmental organizations. This is an indication that the respondents are also at adequate education level to understand the concept of budgeting and budget control system.

Table 4.3 Job experience of the respondents

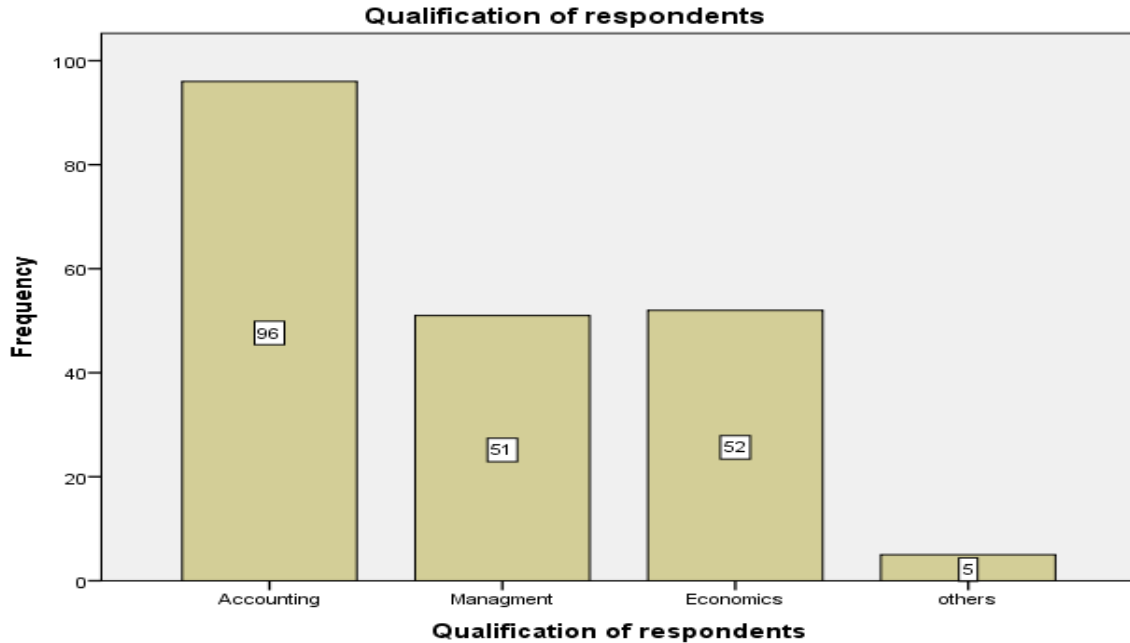
		Frequency	Percent	Valid percent	Cumulative percent
Valid	1-3 years	74	36.3	36	36.3
	4-6 years	64	31.4	31.4	67.6
	7-8 years	39	19.1	19.1	86.8
	Above 8 years	27	13.2	13.2	100.0
	Total	204	100.0	100.0	

(Source: SPSS output, 2017)

Experience is one of the competences to understand controlling activities in organization. Experience also referred to as professional competence which comes through practice. In the literature it is indicated that commitment to this competence by employees is one part of effective control system.

Then purpose of the above table is to assess the experience of the workers with the organization. Accordingly, in public finance sector, the highest share which is 36.3% goes to those who had experience within the organization for 1-3 years, the next highest percentage of the workers 31.4%, was those who worked 4-6 years in the organization, a bit lower and 19.1% and 13.2% was those who have experience of 7-8 years and above 8 years with the organization respectively. Hence the more experienced employees are the more they understand about the public budget control they execute; the researcher uses the information in the above table to identify such issue whether the workers in the selected sector at Benishangul regional state have the comparable experience. And also researcher conclude that the more experienced employees leave public sector, because they didn't satisfied with payments.

Table 4.4 qualification of the respondents



As shown on bar graph above, qualification of the respondents were composed of from Accounting 96 (47.1%), Management 51(25%), Economics 52(25.5%), and others fields 5 (2.5%). Here, the majority of respondents were a studied accounting, economics and management field respectively which shows the good assignment of professionals for their appropriate job in relation to public finance and budget.

4.3 Reliability Analysis

To measure the consistency of the questionnaire particularly the Likert-type scale, the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach's Alpha (α) is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Field 2009; Cohen and Sayag 2010) and according to Cronbach's (1951), a reliability value (α) greater than 0.600 is also acceptable.

Table 4.5 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha based on the standardized items	N of items
0.765	.820	7

(Sources: survey data, 2017 SPSS output)

From table 4.5 above, the value for Cronbach's Alpha (α) was 0.765 for all variables. When these calculated reliability values are greater than 0.700, and compared with the minimum value of alpha 0.600 advocated by Cronbach's (1951), then the responses generated for all of the variables used in this research were reliable enough for data analysis.

4.4 Determinants of budget control

The determinants of effective budget control in public organization were asked positively using likert scale through which respondent shown their level of agreement. The identified variables expected to improve the budget control. The respondent were asked to indicated their level of agreement with the factors on the following measurements scale such as 1=strongly disagree, 2= Disagree, 3=Neutral, 4= Agree, and 5= strongly agree. Their responses organized in the following manner.

4.4.1 Budget planning processes

According to (Anwar S. 2007), to prepare proper budget plan, three preconditions were recommended as follows:

The budget preparation and planning process has to consultative and participatory in order to ensure ownership to both the process and the approved budget;

A systematic process of prioritization of programs and expenditures, which is based on informed choices, must take place and planned outputs, activities, and expenditure allocations in the annual work plan and budget estimates must be realistic, and achievable. The respondents response in relation to this and budget control was interpreted as follows

Table 4.6 Budget planning process

	N	Min	Max	Mean	Std. Deviation
1. There are effective participation by the government body in the process of budget planning which help for budget control	204	1	5	3.12	1.404
2. During budget planning, through prioritization of program and macroeconomic forecast budget of the region is controlled	204	1	5	2.93	1.372
3. As our Region budget planning processes start by estimating the budget sources by considering the expected federal subsidy, own revenue, foreign loan and aid it open road for control	204	1	5	3.69	1.343
4. BOFED reviews the draft budget which submitted by zonal, Woredas and urban administrations based on strategic documents of the region and then passes to the Regional Cabinet for approval which are help for controlling purpose	204	1	5	3.14	1.507
5. The sectors have a long term and short term budget plans	204	1	5	2.99	1.505
6. Organizations departments prepare budget plans prior to the budget year which help for wise control	204	1	5	2.99	1.255
7. Our region offices have adequate number of professionals (budget officers) who prepare plan and budget	204	1	5	3.02	1.267
8. The annual budget process in the region is documented with tasks, responsibility assignment and deadlines are clearly stated	204	1	5	3.08	1.288
9. As your region offices utilizes the approved budget based on its plan it leds to budget control.	204	1	5	3.00	1.414
10. Budgeting and planning lays the foundation for continuous improvements of an organization's fiscal health	204	1	5	3.16	1.250
11. The current budget preparation, utilization and control of your region offices are sufficient	204	1	5	3.35	1.920
12. Planning and Budget Department have a means to take corrective action on the weaknesses of budget preparation, utilization and control	204	1	5	3.29	1.382
13. Most organization in the region has link the work plan with expenditure budget preparation which is important for control	204	1	5	3.28	1.352
14. The budget originate at the lowest levels of management and is refined and coordinated at the higher levels	204	1	5	3.24	1.270
Valid N (listwise)	204				

(SPSS Results and Own Computation, 2017)

As indicated in above table the mean value of the response computed based on Likert scale indicated the average agreement of respondents on existence and practice of each element of budget planning process. The overall mean of the budget planning process can be approximated to 3.16 which indicate not as such agreement in practices of budget control; then there be a need for improvement. The highest mean 3.69 indicates that majority of respondents agreed that the region budget planning processes start by estimating the budget sources by considering the expected federal subsidy, own revenue, foreign loan and aid, but there is no a road for controlling, rather mere planning. The result of the survey in line with the current budget preparation, utilization and control of the Benishangul gumzu region offices are sufficient is indicated by mean value of 3.35. This means majority of the respondents were neutral that the mere budget planning process is not contributed for the presence of budget control.

The above table also indicates that, budget planning process is not effectively determining the budget control in public sectors. The least mean 2.93 indicates that majority of the respondents disagreed that during budget planning, through prioritization of program and macroeconomic forecast budget of the region is controlled .In percentiles 50.5% of respondents disagreed and strongly disagreed with this statement while 44.6% of respondents either agree or strongly agree and the remaining undecided (Appendix II- BP03).

From the table it is also indicated that there is a doubt by the respondents; the current budget preparation, utilization and control of your region offices are sufficient (mean 3.35) and this element also indicated the highest standard deviation (1.920). Finally the mean 2.99 implies that majority of respondents were not agreed that, the sectors have a long term and short term budget plans and Organizations departments prepare budget plans prior to the budget year which help for wise control. Then the finding indicates that much as planning alone does not necessarily bring into effect a proposed course of action, so also is budgetary propositions which must have effective control for it to remain relevant.

4.4.2 Management support

Management support for employees whose their work is related to public finance is expressed in terms of supporting the budgeting process by fulfilling the necessary resource, finance, training, new technology and other facilities that facilitate the work of controlling budget through encouraging auditor, accountants, budget and finance department, tax officers and planners in the region. The result of the survey indicated in the table below shows that the degree of agreement ranged from 1 to 5 by respondents in all criteria's of management support for budget control.

Table 4.7 Management support

	N	Min	Max	Mean	Std. Deviation
15. Employees get the necessary resources (facilities) that help them to perform the activities of the sector	204	1	5	3.83	1.079
16. The office/sectors support employees who's their position is related government budget by providing training in order to improve their skill and update with the field if needed.	204	2	6	4.18	.825
17. The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary	204	2	5	4.11	.900
18. Auditors, accountants, budget and finance department, tax officers and planners in the region have got financial and material support to carry out their work to achieve their objectives for the accomplishment of organizational goals through public budget control.	204	1	5	3.87	1.182
Valid N (listwise)	204				

(SPSS Results, 2017)

From the above table, the overall mean of the management support for the four questions can be estimated to 3.9975 which are very good.

The highest standard deviation of the response was showed in question number 18 which is about auditors, accountants, budget department, tax officers and planners of the region get support for accomplishing organizations objectives through controlling public budget.

The highest mean (4.18) indicated on table above confirm that majority of respondents agree that the office/sectors support employees who's their position is related to government budget by providing training in order to improve their skill and update with the field. In percentiles 52.5.3% of respondents agreed and 36.3% strongly agreed with this statement while only 7.4% of respondents disagree and the remaining 3.9% undecided (Appendix II-MS16). Subsequently mean of 4.11 indicated on the table also indicate that majority agree that the office/sector supports employees through accustoming with new technology, policy or procedures. Then the above table also indicates that, management support is effectively determinine the budget control in public sectors.

4.4.3 Competent internal audit staff

According to (Havens 1999), the benefits of effective auditing for public budget control are determining the reliability of reports on budget execution and other financial data, Provide reliable data about program results as a basis for future adjustments in budget allocations, identify instances and patterns of waste and inefficiency that, if corrected, will permit more economical use of available budget resources, and detect irregularities involving the misuse of public funds and identify related weaknesses in management controls that may imperil the integrity of the organization and the effective implementation of budgetary and other policy decisions. The survey result and analysis on this issue therefore; is presented as follows.

Table 4.8 competent internal audit staff

	N	Min	Max	Mean	Std. Deviation
19. In the region office/sector there are sufficient skilled internal auditors to control public budget. Most of them have certification in auditing and accounting	204	1	5	3.17	1.212
20. The audit procedures and evidence collections are completed on time, since skilled internal auditors are employed which led to control of government budget.	204	2	5	4.07	.785
21. The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software	204	2	5	4.06	1.051

22.Regional BOFED and ORAG auditors reconcile expenditures with approved budgets and make sure that there have been no financial irregularities which led the effective implementation of budgetary and other policy decisions	204	1	5	3.38	1.294
Valid N (listwise)	204				

From the table above, the overall mean of competent internal audit staff for the four questions can be estimated to 3.67 which are good. The highest mean (4.07 and 4.06) indicated on table confirm that majority of respondents agree that the audit procedures and evidence collections are completed on time, since skilled internal auditors are employed and the work of internal audit is performed with technology that uses computerized data tools and specific IA software respectively contribute to budget control in the sectors. Besides as seen from (appendix II CIA19-21), 65% of the respondents are agreed with the statements the presence of competent internal audit staff in governmental organization determine the presences of public sector budget control.

4.4.4 Organizational commitment

Buchanan (1974) assumed that if managers and employees are able to identify themselves and involved in budget control, it has positive effect on their organizational commitment toward achieving the goals. Then according to this, organizational commitment is the adoption of organizational goals and values by person who is working for organization by participation in the organizations' activities and to act as a decision maker or to be directly involved in the organization's strategy formulation process and public finance management to realize their objectives. Based on the framework of organizational commitment, the survey result and interpretation as presented below.

Table 4.9 organizational commitment

	N	Min	Max	Mean	Std. Dev
23. Your region office/sectors management committed toward budget control for the achievement of government objectives	204	1	5	3.30	1.177
24. Your region offices employee are loyal in budget control through active participation	204	1	5	3.53	1.303
25. Each employee and management in our region actively involve during budget planning and control because there is incentive for good achiever in effective use of budget	204	1	5	3.79	1.170
26. Your region office/sectors encourage you to more participative in decision making for budget control.	204	1	5	3.76	1.245
27. Employees in our organization are committed toward public budget control, because the budget allocated is for construction of infrastructure (roads, hospitals and schools...)	204	1	5	3.89	1.028
28. Budget force managers and employee to think about and plan for the future	204	1	5	3.54	1.322
Valid N (listwise)	204				

(SPSS Results and Own Computation, 2017)

As indicated in above table the mean value of the response computed based on Likert scale indicated the average agreement of respondents on existence and practice of each element of organizational commitment toward budget control is 3.635 for the six questions which are good, but need improvement.

The highest mean (3.89) indicated on table confirm that majority of respondents agree that the employees in the organization are committed toward public budget control, because the budget allocated is for construction of infrastructure (roads, hospitals and schools). Then the table indicate that the organizational commitment more or less determine budget control and for better committing employee, there is a need of encouraging sectors through participation in decision making for public budget control (Mean3.76)

4.4.5 Budget monitoring and evaluation

Budget monitoring and evaluation is a key determinant for effectiveness, through an evaluation and monitoring, the organization can clarify what direction the evaluation should take based on priorities, resources, time, and skills needed to achieve the evaluation. To enhance effectiveness and transparency the management team should be actively involved in the process of monitoring and evaluation of budgetary control processes and procedures (Hancock 2009).

Then the survey result and analysis related to budget monitoring and evaluation in public sector at Benishangul gumzu regional state is presented as follows

Table 4.10 budget monitoring and evaluation

	N	Min	Max	Mean	Std. Deviation
29.The region budget and finance standing committee hold budget conferences and meetings regularly to review performance of sectors budget	204	1	5	3.53	1.172
30.The organization’s budget deviations are reported to budget committees for evaluation on timely basis	204	1	5	3.82	1.240
31.There is a regular follow up on budget plans by the budget committee and departmental heads	204	2	5	4.01	.952
32.In the region, sectors are monitor and evaluate budget through continuous comparison of actual with budgeted and if variance take corrective action	204	2	5	4.03	.850
33.The regions organization has budget policies that monitors budget spending	204	2	5	3.93	.876
34. There is up to date Control of excess spending beyond approved budgets in our region organization	204	1	5	3.61	1.188
35.BOFED and ORAG of the region pursue and bolster the budget utilization of the sectors through establishing mechanisms of budget control	204	2	5	3.70	1.085
36.Our region use budget control as primary means of internal control for efficient and effective allocation of resources	204	2	5	4.07	.640
Valid N (listwise)	204				

(SPSS Results and Own Computation, 2017)

From the above table, the overall means of the budget monitoring and evaluation for the eight questions can be estimated to 3.8375 which are good.

The highest standard deviation of the response was showed in question number 30 which is the organization's budget deviations are reported to budget committees for evaluation on timely basis.

The highest mean (4.07) indicated on table above confirm that majority of respondents agree that the region use budget control as primary means of internal control for effective allocation of resources. In percentiles also 67.6% of respondents agreed and 21.1% strongly agreed with this statement while only 2.9% of respondents disagree and the remaining 8.3% undecided (Appendix II BME36). Subsequently mean of 4.11 indicated on the table also show majority agree that, in the region, sectors are monitor and evaluate budget through comparison of actual with budgeted and if variance, take corrective action; this led to presence of budget control. Then the above table indicates that, the budget monitoring and evaluation by the region finance and standing committee, BOFED and organizations determining the budget control in public sectors.

4.4.6 Information and communication

In organization, effective information and communication systems enable the organization to control their budget through information flowing down to (werdas), across, and up (regions) the organization by using similar reporting format which led Management ensure there are adequate means of communicating with, and obtaining information from, external societies that may have a significant impact on achieving organizational goals (Guy et al. 1999). Then the response computed based on Likert scale indicated below show the issues based on the agreement of respondents on information and communication.

Table 4.11 Information and communication

	N	Min	Max	Mean	Std. Deviation
37.All employees understand the concept and importance of budget controls, including the division of responsibility in organizations	204	1	5	3.47	1.221
38.Communication helps to evaluate how well guidelines and policies of the sectors/offices budget control system are working and being implemented	204	2	5	3.76	.964
39.Your region use integrated budget expenditure(IBEX) system till to werda finance and economic development office for controlling public budget	204	2	5	4.28	.858
40. Budget related information communicated to all societies through FTA by disclosing on public board notice and other medias like radio, news paper and different magazines.	204	1	5	3.98	1.062
41. Transactions related to budget transfer are promptly (on time) recorded and classified to provide reliable information which is help for controlling.	204	1	5	4.26	.755
42.Our region use similar reporting format among sectors in order to control budget	204	2	5	4.34	.642
Valid N (listwise)	204				

(SPSS Results and Own Computation, 2017)

As summarized in above table the minimum response to higher mean to information and communication is 2 and the maximum is 5. The respondents agreed that the information and communication helps to determine the outcomes that the similarity of reporting format among sectors and the integrated budget expenditure (IBEX) system till to werda finance and economic development office determine the presence public budget control with over all mean for six Likert scale question was 4.015 which is very good.

The survey result mean (4.34 and 4.28) indicates that 96% and 89.3% of respondents agreed to the statements ,and then information and communication highly determine the presences of budget control through sharing information to internal and external societies(Appendix II

INFO 39 & 42). Thus, element of information and communication degree of agreement varied among respondents with standard deviation of 1.22.

4.4.7 Cost reduction

Cost reduction in public organization implies the preservation of essential characteristics of quality services, a systematic effort to accomplish projects by eliminating all forms of waste and unnecessary expense without impairing the generation of revenues. In other words, the essential characteristics and techniques and quality of the services are retained through improved methods and techniques used and thereby a permanent reduction in the unit cost is achieved which led to controlling public budget. In relation to the issue, the survey result and interpretation as presented below

Table 4.12 Cost reduction

	N	Min	Max	Mean	Std. Deviation
43.The costs of activities and functions of the organizations are constantly reviewed by the executive committee which led the presence of budget control	204	2	5	3.51	1.112
44. The execution of its projects within the stipulated deadline by eliminating all forms of waste and unnecessary expense by the region led to budget control.	204	1	5	3.17	1.230
45.Cost effective procurement, thus surplus revenue through reducing operational costs led to the presence of budget control in the region	204	1	5	3.94	1.079
46. saving unnecessary expenditure(cost) and benefit paid to employee in the region control the organization budget	204	2	5	3.88	.941
47. Cutting costs in order to increase the quality service offered by the organizations to the public put proper control on budget	204	2	5	3.90	1.048
48. Cash expenditure tracking and reduces operational costs led to the presences of budget control in the region	204	1	5	4.24	.880
Valid N (listwise)	204				

(SPSS Results and Own Computation, 2017)

As indicated in above table the mean value of the response computed based on Likert scale indicated the average agreement of respondents on each element of cost reduction toward budget control is 3.77 for the six questions which are good.

The highest mean (4.24) indicated on table confirm that majority of respondents agree that the cash expenditure tracking and reducing operational costs led to the presences of budget control in the region. In percentiles 49% of respondents agreed and 42.2% strongly agreed with this statement while only 7.4% of respondents disagree and the remaining 1.5% undecided (Appendix II-CR48). Subsequently mean of 3.94 indicated on the table also indicate that majority of respondents agree that the cost effective procurement, thus surplus revenue through reducing operational costs led to the budget control in the region. Then the above table also indicates that, cost reduction during government procurement and cutting operational costs is effectively determining the presence of budget control in public sectors.

4.5 Binary logistic regression analysis

Under this study it is important to carry out a statistical analysis which would incorporate more than one predictor variable at a time. The regression analysis method adopted in this study is binary logistic regression, which would allow the identification of the effect of each of the selected predictor variables on budget control for the effects of other predictor variable

Table 4.13 Case Processing Summary and dependent variable encoding logistic regression

Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	204	100.0
	Missing Cases	0	.0
	Total	204	100.0
Unselected Cases		0	.0
Total		204	100.0

a. If weight is in effect, see classification table for the total number of cases.

Dependent variable encoding

Original Value	Internal Value
Absence of budget control	0
Presence of budget control	1

(SPSS output, 2017)

The *Case Processing Summary* simply tells us about how many cases are included in our analysis. The second row tells us that there are no missing data on all of the variables included in the analysis and the *Dependent Variable Encoding* reminds us how outcome variable is encoded „0“for absence and „1“for presence of budget control.

4.5.1 The assessment of prediction power of baseline model/null model

In this description, table 4.14 shows that the null model (constant in the equation i.e constant is analogous to the y-intercept in OLS regression) logistic coefficient (β) associated with the constant variable and the overall statistics prediction power of null models respectively. Table 4.14: the significance of the models with only constant at (0.015) which is less than the level of significance of 0.05 (i.e. $p < 0.05$). Moreover, the overall statistic is correct to extent of 84.8 %– so it is better than a cut point 0.5 (better than just guessing).

Block 0: Beginning Block

Table 4.14 Classification Table and Variables in the Equation

	Observed	Predicted	Classification Table ^{a,b}		
			Budget control		Percentage Correct
			Absence of budget control	Presence of budget control	
Step 0	Budget control	Absence of budget control	0	31	.0
		Presence of budget control	0	173	100.0
	Overall Percentage				84.8

a. Constant is included in the model. b. The cut value is .500

Variable in the equation		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 0 ^a	Constant	1.719	.195	77.711	1	.015	5.581

In the model equation we see that the intercept-only model or null model is $(B) = 1.719$. If we exponentiate both sides of this equation we find that our predicted odds $\text{Exp}(B) = 5.581$. Then the finding of significance above indicates this null model should be rejected.

The Block 0 output is for a model that includes only the intercept (which SPSS calls the constant). Given the base rates of the two degree of agreement ($173/204 = 84.8\%$ indicate the presence of budget control, 15.2% is not), and no other information, the best strategy is to predict, for every case, that the subject decided to know the determinants of budget control.

4.5.2 Assessment of the Significance of Predictors Not Included In Null Model

Once the prediction power of null model and its significance level is identified, the next important thing to do is checking the significance of predictors that not included in null model.

Thus, Table 4.15 and Table 4.16, revealed the significance of each independent variable that is not included in the base line model and the omnibus tests of model respectively. As evidenced in table 4.15: the independent variable that are not included in the base line model is less than 0.05 (i.e. $p < 0.05$) and significant, except budget planning process. Moreover, the omnibus tests of model are significant for all predictor. Therefore, this indicates that new model with explanatory variable is different and including all predictors improve new model over baseline model. Then the variable not in the equation table tells us whether each independent variable improves the model.

Table 4.15 Variables not in the Equation

		Score	Df	Sig.	
Step 0	Variables	Budget planning processes	.797	1	.212
		Management support	6.495	1	.014
		Competent internal audit	3.560	1	.047
		Organizational commitment	4.174	1	.041
		Budget monitoring and evaluation	5.519	1	.019
		Information and communication	4.431	1	.003
		Cost reduction	7.434	1	.006
	Overall Statistics	4.63	7	0.0488	

(Source; SPSS Results 2017)

Block 1: Method = Enter

Table 4.16 Omnibus Tests of Model Coefficients

		Chi-square	Df	Sig.
Step 1	Step	42.327	7	.000
	Block	42.327	7	.000
	Model	42.327	7	.000

(Source; SPSS Results 2017)

Table above shows that when all seven predictor variables are considered together, they significantly predict the budget control in public organization at $\chi^2 = 42.327$, $df = 7$, $N = 204$, $p < .05$.

The table labeled variables not in the equation tell us that the residual chi-square statistic is 42.327 which is significant at $p < 0.05$ (it labels this statistic overall statics).

In other words, the addition of one or more of these variables to the model will significantly affect its predictive power. If the probability for the residual chi-square had been greater 0.05 it would meant that forcing the entire variable excluded from the model in to the model would not have made a significant contribution to its predictive power. In the table above, management support, competent internal audit, organizational commitment, budget monitoring and evaluation, information and communication and cost reduction at $p < 0.05$ could potentially make contribution to the model, but budget planning process does not look

likely to be good predictive because its score statistic is not significant at $P > 0.05$. Omnibus Tests of Model Coefficients gives us a Chi-Square of 42.327 which is significant at 0.05. Then researcher can conclude that adding the predictors to the model has significantly increased our ability to predict the presence of budget control in public organization.

4.5.3 Evaluation of Prediction Power of Models with All Predictors

In this section, further analysis of prediction power of models with all predictors and percentage dependent variable explained by independents variables. Accordingly, table 4.17 & 18 with Cox & Snell R Square and the Nagelkerke's R^2 , they provide an indication of the amount of variation in the dependent variable. But, the Nagelkerke's R^2 modification that does range from 0 to 1 is a more reliable measure of the relationship with a better model displaying a value closer to 1 and provides an indication of the model fitting information. Thus, there is good relationship between the predictors and the response variable at 78%. And also, as per table 4.18 model with all predictors is 85.3 % accurate in determining the dependent variable.

Table 4.17 Model summary

Step	Cox & Snell R Square	Nagelkerke R Square
1	.520	.78

- a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001 for split file \$bootstrap_split = 0.

Table 4.18 Classification Table ^a

	Observed		Predicted		
			Budget control		Percentage Correct
			Absence of budget control	Presence of budget control	
Step1	Budget control	Absence of budget control	1	30	3.2
		Presence of budget control	0	173	100.0
	Overall Percentage				85.3

- a. The cut value is .500

The overall fit of the new model is assessed using the log-likelihood statistic. In SPSS, rather than reporting the log-likelihood itself, the value is multiplied by -2 (and sometimes referred to as $-2LL$): this multiplication is done because $-2LL$ has an approximately chi-square distribution and so it makes it possible to compare values against those that we might expect to get by chance alone (Cohen et.al 2003).

At this stage of the analysis the value of $-2LL$ should be less than the value when only the constant was included in the model (because lower values of $-2LL$ indicate that the model is predicting the outcome variable more accurately). When only the constant was included, $-2LL = 193.847$, but now predictor of budget control has been included this value has been reduced to 151.520 . This reduction tells us that the model is better at predicting (Chatterjee and Hadi 2006).

The question of how much better the model predicts the outcome variable can be assessed using the *model chi-square statistic*, which measures the difference between the model as it currently stands and the model when only the constant was included.

We could assess the significance of the change in a model by taking the log-likelihood of the new model and subtracting the log-likelihood of the baseline model from it. The value of the model chi-square statistic works on this principle and is, therefore, equal to $-2LL$ with predictor of budget control included minus the value of $-2LL$ when only the constant was in the model ($193.847 - 151.520 = 42.327$ Appendix-III)

4.5.4 Goodness of Fit of Model

The following (table 4.19) of Hosmer-Lemeshow test, which divides subjects into 10 ordered groups of subjects and then compares the number actually in each group (observed) to predicted probabilities of occurrence in subgroups of the model population. Each of these categories is further divided into two groups based on the actual observed outcome variable (presence of budget control, absence of budget control Appendix III). A probability (p) value is computed (comparing the observed frequencies with those expected) under the linear model from the chi-square distribution with 8 (number of groups -2) degrees of freedom to test the

fit of the logistic model. Small values (with large p-value closer to 1) indicate a good fit to the data, i.e an insignificant chi-square indicates a good fit to the data and, therefore, good overall model fit. Since the p-value is 0.847 which is insignificant therefore our fitted logistic regression model is good fit (Table 4.19). Based on this, Hosmer-Lemeshow test suggesting that the model was fit to the data well at statistics χ^2 , 4.109 & p value of .847 which is ($p > .05$) which means that the data fit the model adequately (Hosmer and Lemeshow 2000).

Table 4.19 Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	4.109	8	.847

4.5.5 Evaluating Usefulness of Binary Logistic Model

Logistic regression models are frequently used to predict a dependent variable from a set of independent variables. An important question is whether results of the logistic regression analysis that includes all predictors are much better than the null models. This question is referred as model evaluation. In practice, this is done by comparing accuracy rates of null model (table 4.14), 84.8% & table 4.18, accuracy rates of model includes all predictors are 85.3%. Table 4.20 classification accuracy rate is 85.3% and greater than the accuracy percentage of null model. Consequently, the models were useful and indicate that adding one or more extra predictors are significantly improves the fit of our model.

Table 4.20 Classification accuracy rate

		Predicted			
		Budget control		Percentage Correct	
Observed		Absence of budget control	Presence of budget control		
Step 1	Budget control	Absence of budget control	3	28	9.7
		Presence of budget control	3	170	98.3
	Overall Percentage				85.3

a. The cut value is .500

From the above table, the results of the logistic regression can be used to classify subjects with respect to budget control. As noted earlier, our model leads to the prediction that the probability of presence of budget control is 84.8% and the absence is 15.2%. Before we can use this information to classify subjects, we need to have a decision rule. Our decision rule will take the following form: If the probability of the event is greater than or equal to some threshold, we shall predict that the event will take place. By default, SPSS sets this threshold to 0.5. Using the default threshold, SPSS will classify a subject into the “presence of budget control” category if the estimated probability is .5 or more (Peng and So 2002). SPSS will classify a subject into the “absence of budget control” category if the estimated probability is less than 0.5. The Classification table shows us that this rule allows us to correctly classify $170 / 173 = 98.3\%$ of the subjects where the predicted event (presence of budget control) was observed. This is known as the sensitivity of prediction, the P (correct | event did occur), that is, the percentage of occurrences correctly predicted. We also see that this rule allows us to correctly classify $3 / 31 = 9.7\%$ of the subjects where the predicted event was not observed. This is known as the specificity of prediction, the P (correct | event did not occur), that is, the percentage of non occurrences correctly predicted. Then the overall the predictions were correct with success rate of 85.3%.

4.6 Parameters Estimates and Significance levels of Each Predictor in the Model

Once all above section is described well, the last important thing is identifying table that enable to identify the coefficient of estimates, effect of predictors and significance level of each independents variable in the model. To do so, better to look at table 4.21: that has several important elements including logistic coefficients β , Wald test, p value, and odd ratio.

Table 4.21: Bootstrap for Variables in the Equation

Results of binary logistic regression model

Independent variable	B	S.E.	Wald	Df	Sig.	OR=Exp(B)
Step 1 ^a						
Budget planning processes	-.116	.607	.037	1	.848	.890
Management support	.757	.367	4.258	1	.039	2.131
Competent internal audit staff	2.412	.676	3.372	1	.022	11.17
Organizational commitment	1.522	.831	3.355	1	.067	4.59
Budget monitoring and evaluation	1.541	1.048	3.664	1	.041	4.67
Information and communication	2.863	.779	13.519	1	.000**	17.509
Cost reduction	1.663	.547	7.065	1	.008**	5.28
Constant	5.861	5.232	1.255	1	.263	351.186

**P< 0.01, 95% level of Confidence, N = 204

Based on the above table, the „β“ values are the logistic coefficients that can be used to create a predictive equation (similar to the beta values in linear regression). By applying all coefficients to the logistic regression model, we obtain the following predicted full model:

$$\text{Logit} (\pi(x)) = \left(\frac{\pi(x)}{1-\pi(x)} \right) = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + ui$$

$$= \beta_0 + \beta_1BPP + \beta_2MS + \beta_3CIA + \beta_4OC + \beta_5BME + \beta_6INFO + \beta_7CR + ui$$

$$= 5.861 - 0.116BPP + 0.757MS + 2.412CIA + 1.522OC + 1.541BME + 2.863INFO + 1.663CR$$

The Wald statistics has a chi - square distribution that provide an index of effect of the predictors on dependent variable in the equation which used to test whether all predictors coefficients are different from zero to show and to enable to understand that at least one predictors“ has effect on outcomes(Bewick et al. 2005).

Additionally, the P value is simplest way to assess the significance of each predictor.

In this case, if predictors p value is less than 0.05 ($P < 0.05$); then each predictors have a significance effect on response/ dependent variable. Moreover, $EXP(\beta)$ is namely called as odd ratio, it meant that it is the exponential of the logistic coefficients revealed relationship type between the predictors and the outcomes and also presents the *extent or influence level* to which raising the corresponding measure by one unit influences the odds ratio. Consequently, if the $EXP(\beta)$ value just below 1 indicate the event is less likely to happen in the comparison than in the base group, and mean that there is no effect of that variable on the outcome at which result of the Wald statistic is near and became to zero and result of p -value is non-significant, if the $EXP(\beta)$ value is just above 1 to infinity indicate the event is more likely to happen in the comparator than in the base group (Park and Hyeoun-Ae 2013). For example, the $EXP(\beta)$ value associated with information and communication is 17.509. Then, holding other factor constant, when information and communication is raised by one unit, the odds ratio is 17.509 times as large and therefore, budget control are 17.509 time likely to present and significant at one percent. Moreover, in this study as revealed in table 4.21 all explanatory variable coefficients of Wald statistics are different from zero (0.037, 4.258, 3.372, 3.355, 3.664, 13.519 and 7.065) that confirm the explanatory variable effect on the outcomes, the p value of each predictors, except budget planning process p value of 0.848 and organizational commitment with p value of 0.067, all other predictors are less than 0.05 (i.e. 0.039, 0.022, 0.041, 0.000 and 0.008) which confirm that the above five explanatory variable (management support, competent internal audit staff, budget monitoring and evaluation, information and Communication, and cost reduction) are significance in determining the outcome. But also, the odd ratio of each predictors that stated in the above table, except budget planning process which its odd ratio less than 1 indicate that it is not determine dependent variable (budget control), all others revealed that there is a positive relationship between predictors and the outcomes i.e. (2.131, 11.17, 4.59, 4.67, 17.509 & 5.28).

4.7 Statistical test of hypothesis

To achieve the objective of the study and to test the related hypotheses the logistic regression statistics computed in above Table 4.21: were considered, and demonstrated by Wald test, the level of significance (p value) and odd ratio attained by each of the independent variables.

Therefore, the logistic regression results obtained from the model were utilized to test these hypotheses. The hypotheses sought to test for a significant influence of budget planning process (BPP) management support (MS), competent internal audit staff (CIA), organizational commitment (OC), budget monitoring and evaluation (BME), information and communication (INFO) and the cost reduction (CR) on the direct effect of budget control which was measured in terms of whether governmental organization control budget or not and by their added contributions to the public sector. Let see each hypothesis based on the logistic regression output on the above table

H01: Budget planning process has no significant effect on the budget control in public organization;

The result of logistic regression showed in table 4.21: The individual test figures of budget planning process indicated by (Wald test = 0.037, $p = 0.848$, $\text{Exp}(\beta) = 0.890$). The result showed that the budget planning process has no effects on the budget control as revealed by Wald test of 0.037 and the p value is also greater than significance level 0.05. The result clearly shows that budget planning process has no a positive significant effect in determining the outcomes. Accordingly, *H01* which stated that budget planning process has no significant effect on the budget control was accepted at the 0.05 significance level and alternative hypothesis is rejected. The study show that budget planning, preparation and only disclosing the allocated budget to sector bureaus for the name of transparency and accountability on the public notice is not contribute a lot for the budget control, rather focusing on for what actually the government budget is disbursed based on planned objectives. Means much as planning alone does not necessarily bring into effect a proposed course of action, so budgetary propositions which must have effective control for it to remain relevant. But this hypothesis needs a caution; in that insignificance of the budget planning process in determining the public organization budget control didn't mean that it doesn't completely contribute to budget control. This result may be happened due to the managements and employees at BGRS not following the precondition of budget preparation processes in public organizations like the preparation process has to consultative and participatory in order to ensure ownership to both the process and the approved budget, a systematic process of prioritization of programs and

expenditures, which is based on informed choices, must take place, and planned outputs, activities, and expenditure allocations in the annual work plan and budget estimates must be realistic, and achievable as recommended by (Anwar S.2007).

There fore, this result is consistant with (Mohammed and Asfaw 2014) study on government expenditure management and control in Ethiopia which revealed that there is a problem of linking the work plan with expenditure budget preparation, purchasing of goods and services is not based on the annual action plan by sectors and there is a problem of budget preparation and execution not effectively controlling budget in public sector offices.

H02: Management support has no significant effect on budget control in public organization at Benishangul regional government;

On the other hand, the result of logistic regression showed in table 4.21: The individual test figures of management support indicated by Wald test = 4.258, $p = .039$, $\text{Exp}(\beta) = 2.131$. The result showed that management support has effects on budget control as revealed by Wald test of 4.258 which is different from zero and also significant in determining the outcome with the p value (0.039) is less than significance level 0.05. Then the H_{02} Management support has no significant effect on the budget control in public organization at Benishangul regional government was reject at the 0.05 significant levels. Then as null hypothesis is rejected, the result shows that management support in terms of providing resources, giving trainings, introducing with new technologies, providing enough facilities encourages the presence of budget control with commitments to promote and communicate their added value.

H03: The competent IA staffs in the public offices are not significantly determines the budget control of the sectors;

The existence of competent internal audit staff also supposed to be the determinants of the budget control and is the third hypothesis of this research. The logistic regression result supports this hypothesis at ($P < 0.05$) level of significant and indicated by Wald test = 3.372, $p = .022$, $\text{Exp}(\beta) = 11.17$.

Therefore, the existence of competent IA staffs in the public sector office results with positively relationship with budget control and with high contribution for the budget control by performing their activities on time cover the planed scope of auditing activities by using the computerized data tools and specific IA software. This results with the overall contribution of internal audit and its positive relationship with the budget control leads to support the proposed hypothesis (H03). Then holding other factors constant, when the existance of competent internal audit staff available by one unit, budget control in public organization is expected to present by 2.412 and the relationship is statistically significant at 5% level.

H04: Organizational commitments in public sectors have no significant effect on the budget control of public organization;

Fourthly, the result of the analysis support the existence of significant effect on presence of budget control as revealed by (Wald test= 3.355, $p = .067$, Exp (β) = 4.59). This result also showed that organizational commitment with Wald test is different from zero has effects and also there is relationship between OC and budget control.

But, the result showed that the organizational commitment has no effects on the budget control as p value is greater than significance level >0.05 . Because as cited in literature review employee working in public organization are less committed than employees working in private sector for budget controlling. Then as the study was undertaken in public organization, the null hypothesis (H0) is accepted at 5% significant level which is similar with (Fadi Baker 2013) study in Swedish Public Sector on tight budget control. But it is significant in determining the outcome as the p value (0.067) is less than significance level at 10%.

H05: Budget monitoring and evaluation have no significant effect on budget control in public sector;

The fifth hypothesis of this research which is assumed to monitoring and evaluation had significant effect on budget control. As shown in table 4.21 above the Wald test= 3.664, $p = .041$, Exp (β) =4.67. Then the logistic regression result also showed that monitoring and evaluation had significant effect on budget control at 5% significant level by rejecting H05.

This was consistent with (Hancock 2009), to enhance effectiveness and transparency the management team should be actively involved in the process of monitoring and evaluation of budgetary control processes and procedures in organizations“.

Besides, the region monitors and evaluate public budget through an Integrated Financial management System (IFMS). This is a computerized system which links up most of the government paying stations in (MOFED /BOFED). Therefore most payments are centralized and controlled. Hardly expenditure or commitment can be incurred without financial provision from IFMS.

H06: Information and communication not significantly determines the budget control of public sector offices;

Additionally, the result of logistic regression as shown in above table 4.21 also support that existence of a positive significant effect on relationship on budget control as revealed by (Wald test= 13.519, $p = .000$, $\text{Exp}(\beta) = 17.509$). This result also showed that information and communication have effects and also strong relationship on budget control as revealed by Wald test of 13.519 and the odd ratio of 17.509 respectively. Also, information and communication is significant in determining the outcome as the p value (0.000) is less than significance level 0.05. This clearly revealed that information and communication significantly determine the budget control of public sectors. Accordingly, H06 which stated that Information and communication have a no positive significant effect on BC was rejected at the 0.01 significance level. Then the null hypothesis was rejected thereby accepting the alternative. The result of this study is consistent with that of (Guy et al. 1999) which indicated that existence effective information and communication systems enable the organization to control their budget through information flowing down to the societies, across, and up the organization which led management ensure there are adequate means of communicating with, and obtaining information (reports) from, external societies that may have a significant impact on achieving organizational goals.

H07: Cost reductions have no significant effect on budget control in public organization.

Finally, the result of the study also confirm the existence of a positive significant effect of cost reduction on budget control showed by (Wald test= 7.065, $p = .008$, $\text{Exp}(\beta) = 5.28$). The result indicates that existence of strong relationship, and effects of cost reduction on budget control as revealed by Wald test of 7.065 and the odd ratio of 5.358 respectively. The $\text{OR}=5.358$ indicates other factors remain constant, when the cost is reduced by one unit, the odds ratio is 5.358 times as large and budget control are likely to present 5.358 times and the hypothesis is significant at 1%. Moreover, budget control is significant in determining the outcome as revealed by the p value (0.008) which is less than significance level 0.05. This suggests that cost reduction and managing of costs in public organization implies the preservation of essential characteristics of quality of services and must restrained to permanent and genuine saving of costs by eliminating wastes and not rushing government procurements toward the end of accounting period and accomplishing public projects on time contribute for the budget control in public sectors.

4.7.1 Summary of Hypothesis testing under logistic regression

Hypothesis	Result of the Finding
1. Budget planning process has significant effect on budget control in public organization	Not supported
2. Management support has significant effect on the budget control in public organization at Benishangul regional government	Supported
3. The competent IA staffs in the public sector offices are significantly determine budget control	Supported
4. organizational commitment in public organization has significant effect on the budget control in public organization	Not supported
5. Budget monitoring and evaluation have significant effect on the presence of budget control in public sector	Supported
6. Information and communication have significantly determines the budget control at Benishangul gumzu government	Highly supported
7. Cost reductions have significant effect on budget control in public organization.	Supported

Source: Own Summary

CHAPTER FIVE

5. SUMMARIES, CONCLUSION AND RECOMMENDATION

5.1. Summary of Major Findings

This research was established to know the existence of budgetary controls in Benishangul gumzu region public offices, and also to identify the determinants of budgetary controls. To accomplish these studies five organizations were sampled using judgmental sampling by the researcher based on their propinquity and informative to public finance and budget.

From the total of 207 questionnaires distributed to sampled respondents, 204 questionnaires were collected and analyzed using the Statistical Package for Social Sciences (SPSS 24) using descriptive statistics and binary logistic regression analysis was employed in the research to investigate the determinants of budgetary controls at Benishangul gumzu region. The various variables affecting budgetary controls; budget planning processes, management support, organizational commitment, competent internal audit staff, budget monitoring and evaluation, information and communication and cost reduction were examined individually and compared to budget controls, mean were used based on the likert scale used of 1 to 5 and analyzed using percentages.

According to the logistic regression output all the predictors were positively contributed for the for budget control functions in Benishangul Gumzu region public sector offices except budget planning processes. Therefore, the public sector office should give emphasis to use these determinant variables to make their service delivery effective, efficient and economical throughout their offices. Moreover the information and communication, cost reduction, competent internal audit's staff, management support and budget monitoring and evaluation were the major determinants of budget control in the public sector. However, the budget planning processes and organizational commitment were not significantly determine the budget control of public sectors as of the above five variables for this specific study.

This study finds that the composite measure of information and communication, cost reduction, competent internal audit staff, management support, budget monitoring and evaluation, organizational commitment and budget planning processes for 78% (Nagelkerke modified $R^2 = 0.78$) variance for the budget control in the public sector offices. That means, the impact of these seven independent variables contributed for the dependent variable budget control were 78%, and the remaining 22% were other variables that are not included in this study.

Thus, the conclusions and recommendations are drawn from the findings of the study specifically related to the information and communication; cost reduction, competent internal audit staff and, managements support and budget monitoring and evaluation given to the budget control activities in the public organization at Benishangul Gumzu regional state.

5.2. Conclusion

Due to its important role it plays for the overall management system, budget control is the major mechanism to ensure sound organizations" governance. The existences of effective budget control in the office links with internal control management system, improves organizational efficiency and effectiveness, reduce information asymmetry during decision making, and ensures internal reliability of financial reporting process. By taking this aspect into consideration, this study was identified factors that determine the budget control in the public sector offices and then analyzed the organizational dimensions in which the public organization should carry out to enhance the budget controlling activities. And also by testing of the proposed hypotheses showed relations of these independent variables with the budget control, the following conclusions were drawn.

- The budget control of public organization increase, when effective information and communication systems enable the organization to control their budget through information flowing among the organization and IBEX enhance budgeting and financial management, the extent to which the information system provide, timely quality and adequate information, and the adequacy of computers for undertaking budgeting and financial management practices which led management ensure there are

adequate means of communicating with, and obtaining information from, external societies that may have a significant impact on achieving organizational budget control by eliminating wastes and not rushing government procurements toward the end of accounting period and accomplishing public projects on prescribed time.

- The logistic regression analysis (shown on table 4.21) shows very strong contributions of these variables for the budget control. Therefore, the overall effect of the information and communication, cost reduction, competent internal audit staff, management support, and budget monitoring and evaluation are very important for the budget control in the public sector offices without neglecting the other statistically insignificant variables (OC), because it has a positive sign of beta and contribute for the 78% of the variances for the budget control.
- In addition, the logistic regression result also depicts all the independent variables have a positive sign of coefficients except budget planning processes (shown on table 4.21) with budget control in the public sector offices at Benishangul gumzu regional state. However, the organizational commitment were statistically not significant enough at 5% sig level to contribute for the budget control in the public organization, therefore, this conclusion requires future research should consider for obtaining the impact of these variables on the budget control.

5.3. Recommendations

After watching the research findings and achieved results with regard to the main objective of this study to identify the major determinants of budget control in the public sector offices and also to prove the hypotheses, the researcher provides the following recommendations to the public sector offices, the offices of regional auditors, the BOFED and the budget and finance standing committee.

The findings of this research proved that the management support, the existence of adequate and competent IA staff, information and communication, cost reduction and budget monitoring and evaluation were statistically significant and positively related with the budget control in the public organization. Thus, the public sector offices should support more for the

budget control functions by facilitating the IA works, regular review and evaluation, training new technology (accounting software-IBEX) and workable manuals in line with office policies and guidelines and also need to develop a clear policy on budget control processes.

The budget and planning officers, internal auditors and project coordinator of the public sector office should recommended to maintain and improve their effective contribution for the budget control in their office, by using the supports from their offices management team appropriately, by improving their professional certification in line with organizational guidelines and by introducing themselves with modern technologies that improve their BC function for their office.

As the research proved that the existence of information and communication, cost reduction and competent IA staffs were the major determinants of BC in the public sector, the BOFED were recommended to design, provide and continually training on budget guideline for each public sector office; and also the BOFED recommended to support the finance department works by increasing the number and quality of certified auditors by funding the certification fees and also by facilitating the way for certification in cooperation with universities and concerned bodies.

Finally, organizations need to investigate other factors that contribute to better budgetary controls, like employees motivation and invest more in staff capacity building in order to enhance their performance. Information and communication and cost reduction shows the highest contribution towards budget control, hence more awareness of budget guidelines and reduction of administrative costs, project costs and minimizing rush spending, especially, year end purchasing, encouraging auditor to do their job effectively and efficiently and also the region anti-corruption commission should further sternghen inspections among sectors to conduct more efficient monitoring and controls on government budget.

5.4 Policy Recommendations

Budgetary control is an important guarantee for the effective implementation of budget in the organization. Therefore, more efforts should be made by management of organizations both profit and non-profit to sensitize the employees on its importance so as to enhance

performance of their organization. It also recommends that organizations should develop more formal practice in the development of budgetary controls, that is, participative Planning, Monitoring and Control and budget participation. Most organizations have minimal formal budget controls in their organizations hence the need to develop a clear policy on budget control processes.

Based on the findings, organizations need to investigate other factors that contribute to better for budgetary controls, like employees motivation and invest more in staff development in order to enhance their participation.

Information and communication, and cost reduction shows the highest contribution toward budget control in public organization, hence more training should be done to woreda and zonal finance officers and managers how to implement Integrated Budget and Expenditures system (IBEX) for tracking revenues and expenditures which enhance budgeting and financial management, the extent to which the information system provide, timely quality and adequate information, and the adequacy of computers for undertaking budgeting and financial management practices. The findings also indicate that budgetary controls should not be top-down in nature, instead the top management should make efforts to elicit feedback from subordinates at different levels in developing the organizations budget.

5.5 Suggestions for Further Research

Because of the limited time and resource, this study has been conducted in one region, Benishangul gumzu regional government. However, this may not represent the situation of budget control across different areas and it is difficult to generalize at the country level. Besides, the study was used a sample from five purposively selected bureaus and all the region sectors were untouched. Therefore more research in this area should focus on increasing the sample size and cover a larger number of organizations so as to enhance better generalization of the results. Hence, an interesting finding may come up by conducting studies at national or country wide by incorporating other variables that may determine budget control in public organizations.

More research has to be done on the individual aspects of budget implementation, budget preparation, budget transparency and accountability and budget monitoring in relation with different organizations. This is in line with the suggestion of (Kimani 2014) who argues that to facilitate effective implementation of budgetary control, the management should define proper budgetary control processes; this is achieved through effective participation during planning, monitoring, evaluation and control.

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APPENDICES

APPENDIX I: QUESTIONNAIRE



Seek Wisdom, Elevate your Intellect and Serve Humanity



Geletaw Demera MSC student

Addis Ababa University
COLLEGE OF BUSINESS AND ECONOMICS
School of post Graduate Studies
Department OF Accounting and Finance
Determinants of budget control in public sector (BGRS)

March, 2017

Dear, sir/Madam:

The intent of this questionnaire is to explore information regarding the determinants of budget control in public organization at Benshiangul gumuz regional government and to conduct Master Thesis (Research) for the partial fulfillment of Masters Degree in accounting and finance at Addis Ababa University. The questionnaires are distributed to the regional level public sector offices that are found in Assosa city. The results of the study are expected to contribute to identify the determinants of budget control in public organizations.

The conclusions of the study will be drawn in aggregate terms, without any reference to specific office or individual respondents.

I would also like to assure you that the information you provided will be treated as strictly confidential and used only for the purpose of this research.

Your honest and thoughtful response is valuable
Thank you in advance for your support and participation!!!

With best regards,

Geletaw Demera - Mobile: +251- 917173811, Email:

golofinance2008@gmail.com

Questionnaire administered to office heads, BoFED experts, planning officers, tax experts, auditors and Regional administrative council of the region

Objective of the Questionnaire

Budget control in public organization is a part of overall system of responsibility through continuous comparison between actual and budgeted results in organization which are intended to either secure, thorough action of managers, or to even provide a basis for policy making.

Therefore, the purpose of this research is to assess and identify determinants of budget control in public organization at Benshgul regional government and the added contribution to the sectors.

In line with this, you are kindly requested to give your response to your personal profile and each

Statement related with the budget planning process, the management support, the competent internal audit staff, the organizational commitment, availability of financial resources, monitoring and evaluation, information and communication and cost reduction as provided in the table below.

A. The personal profiles:

General Instruction: Please indicate your choice by putting “√” mark in the bracket.

1. Sex/Gender/: Male (____) Female (____)
2. Level of education: Diploma (____), Bachelor's Degree (____), Masters Degree (____) or others
3. Job experience on finance sector: 1-3(____), 4-6 (____), 7-8(____) and above 8 year (____)
4. Your field of study: Accounting (____), Management (____), Economics (____), other____

B. Budget control in public organization

5. The experiences in Continuous comparsion of budgeted with actual by budget holders in Benishangul gumzu government organzation for the purpose of controlling public budget is most likely?

Present (____) Absent (____)

C. The questionnaire items to determinants of budget control

Please tick the following statements by indicating the level of agreement that you agree or disagree with the activities below: The values of scales are:-

5 = strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = strongly disagree

A	Budget planning process	Scale				
1	There are effective participation by the government body in the process of budget planning which help for budget control	5()	4()	3()	2()	1()
2	During budget planning, through prioritization of program and macroeconomic forecast budget of the region is controlled	5()	4()	3()	2()	1()
3	As our Region budget planning processes start by estimating the budget sources by considering the expected federal subsidy, own revenue, foreign loan and aid it open abroad for budget control	5()	4()	3()	2()	1()
4	BOFED reviews the draft budget which submitted by zonal, Woredas and city administrations based on strategic documents of the region and then passes to the Regional Cabinet for approval which are help for controlling purpose	5()	4()	3()	2()	1()
5	The sectors have a long term and short term budget plans	5()	4()	3()	2()	1()
6	Organizations departments prepare budget plans prior to the budget year which help for wise control	5()	4()	3()	2()	1()
7	Our region offices have adequate number of professionals (budget officers) who prepare plan and budget	5()	4()	3()	2()	1()
8	The annual budget process in the region is documented with tasks, responsibility assignment and deadlines are clearly stated	5()	4()	3()	2()	1()
9	As your region offices utilizes the approved budget based on its plan there is presence of budget control	5()	4()	3()	2()	1()
10	Budgeting and planning lays the foundation for continuous improvements of an organization's fiscal health	5()	4()	3()	2()	1()
11	The current budget preparation, utilization and control of your	5()	4()	3()	2()	1()

	region offices are sufficient					
12	Planning and Budget Department have a means to take corrective action on the weaknesses of budget preparation, utilization and control	5()	4()	3()	2()	1()
13	Most organization in the region has link the work plan with expenditure budget preparation which is one way of control	5()	4()	3()	2()	1()
14	The budget originate at the lowest levels of management and is refined and coordinated at the higher levels	5()	4()	3()	2()	1()
B. Management support		Scales				
15	Employees get the necessary resources (facilities) that help them to perform the activities of the sector	5()	4()	3()	2()	1()
16	The office/sector supports an employee who's their position is related to government budget by providing training in order to improve your skill and update with the field if needed.	5()	4()	3()	2()	1()
17	The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary	5()	4()	3()	2()	1()
18	Auditors, accountants, budget and finance department, tax officers and planners in the region have got financial and material support to carry out their work to achieve their objectives for the accomplishment of organizational goals through public budget control	5()	4()	3()	2()	1()

C. Competent internal audit staff		Scales				
19	In the region office/sector there are sufficient skilled internal auditors to control public budget. Most of them have certification in auditing and accounting	5()	4()	3()	2()	1()
20	The audit procedures and evidence collections are completed on time, since skilled internal auditors are employed for controlling budget.	5()	4()	3()	2()	1()
21	The work of internal audit is performed with technology that uses computerized data tools and specific IA software	5()	4()	3()	2()	1()
22	Regional BOFED and ORAG auditors reconcile expenditures with approved budgets and make sure that there have been no financial irregularities which led the effective implementation of budgetary and other policy decisions	5()	4()	3()	2()	1()
D. Organizational commitment		Scales				
23	Your region office/sectors management committed toward budget control for the achievement of government objectives	5()	4()	3()	2()	1()
24	Your region office employee are loyal in budget control through active participation	5()	4()	3()	2()	1()
25	Each employee and management in our region involve during budget planning and control because there is incentive for good achiever in effective use of budget	5()	4()	3()	2()	1()
26	Your region office/sectors encourage you to more participative in decision making for budget control.	5()	4()	3()	2()	1()
27	Employees in our organization are committed toward public budget control, because the budget allocated is for construction of infrastructure (roads, hospitals and schools...)	5()	4()	3()	2()	1()
28	Budget force managers and employee to think about and plan for the future	5()	4()	3()	2()	1()

E. budget Monitoring and evaluation		Scales				
29	The region budget and finance standing committee hold budget conferences and meetings regularly to review performance of sectors budget	5()	4()	3()	2()	1()
30	The organization"s budget deviations are reported to budget committees for evaluation on timely basis	5()	4()	3()	2()	1()
31	There is a regular follow up on budget plans by the budget committee and departmental heads	5()	4()	3()	2()	1()
32	In the region, sectors are monitor and evaluate budget through continuous comparison of actual with budgeted and if variance take corrective action	5()	4()	3()	2()	1()
33	The regions organization has budget policies that monitors budget spending	5()	4()	3()	2()	1()
34	There is up to date Control of excess spending beyond approved budgets in our region organization	5()	4()	3()	2()	1()
35	BOFED of the region pursue and bolster the budget utilization of the sectors through establishing mechanisms of budget control	5()	4()	3()	2()	1()
36	Our region use budget control as primary means of internal control for efficient and effective allocation of resources	5()	4()	3()	2()	1()
F. Information and Communications System		Scales				
37	All employees understand the concept and importance of budget controls, including the division of responsibility in organizations	5()	4()	3()	2()	1()
38	Communication helps to evaluate how well guidelines and policies of the sectors/offices budget control system are working and being implemented	5()	4()	3()	2()	1()
39	Our region use integrated budget expenditure(IBEX) system till to werda finance and economic development office for controlling public budget	5()	4()	3()	2()	1()

40	Budget related information, communicated to all societies through FTA by disclosing on public board notice and other medias like radio, news paper and different magazines.	5()	4()	3()	2()	1()
41	Transactions related to budget transfer are promptly (on time) recorded and classified to provide reliable information which is help for controlling.	5()	4()	3()	2()	1()
42	Our region use similar reporting format among sectors in order to control budget	5()	4()	3()	2()	1()

G. Cost reduction		Scales				
43	The costs of activities and functions of the organizations are constantly reviewed by the executive committee which led the presence of budget control	5()	4()	3()	2()	1()
44	The execution of its projects within the stipulated deadline by eliminating all forms of waste and unnecessary expense by the region led to budget control.	5()	4()	3()	2()	1()
45	Cost effective procurement, thus surplus revenue through reducing operational costs led to the presence of budget control in the region	5()	4()	3()	2()	1()
46	saving unnecessary expenditure(cost) and benefit paid to employee in the region control the organization budget	5()	4()	3()	2()	1()
47	Cutting costs in order to increase the quality service offered by the organizations to the public put proper control on budget	5()	4()	3()	2()	1()
48	cash expenditure tracking and reduces operational costs led to the presences of budget control in the region	5()	4()	3()	2()	1()

Thank you once again



Seek Wisdom, Elevate your Intellect and Serve Humanity

Addis Ababa University
አዲስ አበባ ዩኒቨርሲቲ



ገለታው ደመራ- የድህር ምረቃ ተማሪ

በአዲስ አበባ ዩኒቨርሲቲ
ቢዝነስ እና ኢኮኖሚክስ ኮሌጅ
ድህር ምረቃ ት/ቤት
የአካውንቲንግና ፋይናንስ ትምህርት ክፍል

በመንግስት መ/ቤት፤ የበጀት ቁጥጥርን የሚወስኑ ዋና ነገሮች (ቤጉ)

መጋቢት, 2009 ዓ/ም

ውድ:- አቶ/ወ/ሮ/ሪት

የዚህ መጠይቅ ዋና ሀላማ በቤኒሻንጉል ጉምዝ ክልላዊ መንግስት ሰ/መ/ቤቶች ውስጥ **የበጀት ቁጥጥርን የሚወስኑ ተለዋዋጮችን** ማጥናት/ማወቅና በአዲስ አበባ ዩኒቨርሲቲ በአካውንቲንግና ፋይናንስ የትምህርት መስክ የማሰተርስ ድግረ ለመያዝ ነው። ይህ መጠይቅ በክልል ደረጃ በአሰላ ከተማ ውስጥ የሚገኙና ለመንግስት ፋይናንስ/ህዝብ በጀት ቅረብ ናቸው ተብለው በአጥኝው እንደናሙና ከተመረጡ (sampled) የመንግስት መ/ቤት ሠራተኞች የምሰበሰብ ነው። የጥናቱ ውጤትም በመንግስት መ/ቤት ውስጥ የበጀት ቁጥጥርን የሚወስኑ ነገሮችን ለመለየት ይረዳል ተብሎ የታሰበ ስሆን የጥናቱ ማጠቃለያም አንድንም መ/ቤት/ቢሮ/ግለሰብ ሳይጠቅስ ተጠቃልሎ የሚቀረብ ይሆናል። በመጨረሻም የጥናታዊ ጽሑፉን ውጤት በመጠየቅ መውሰድ የምትችሉ መሆኑን እገልጻለሁ።

ለሚታደረጉት ተሳትፎ በቅድሚያ አመስግናለሁ!!

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ለቢሮ ሃላፊዎች፣ ለገ/ኢ/ል/ቢሮ ባለሙያዎች፣ ለበጀት ባለሙያዎች፣ ለእቅድ ዝግጅት ኤክስፐርቶች፣ ለታክስ ባለሙያዎች፣ ለፋይናንስ ኦፊሰሮች እና አዲተሮች የቀረበ መጠይቅ

የጥናቱ ዋና ሀላማ

በመንግስት መ/ቤቶች ውስጥ የበጀት ቁጥጥር መኖር በተከታታይ የተበጀተውን በጀት ትክክለኛው ጋር በማነጻጸርና በማመሳከር የመንግስትና የህዝብ በጀት ለታለመለት ስራ ላይ ስለመዋሉ ከፍተኛ ድረሻ ይኖረዋል።

ስለዚህ የዚህ ጥናት ሀላማው በቤኒሻንጉል ጉምዝ ክልላዊ መንግስት ሰ/መ/ቤቶች ውስጥ በጀት ቁጥጥርን የሚወስኑ ዋናዎች ነገሮችን መለየትና ማወቅ ነው። በዚህ መሠረት እናንተ በቅን መንፈስ/ረቀቀ/ል/ ስለግላቸው አጭር ታርክና ቀጥሎ የተዘረዘሩትን፡-

- (1) የበጀት እቅድ ሂደት፤ (4) የመ/ቤቶች ዝግጅት፤ (5) የበጀት ቁጥጥርና ግምገማ፤
- (2) የአስተዳደር ድጋፍ፤ (6) ስለበጀት መረጃ ስጭት ዘዴና
- (3) ብቁና ችሎታ ያለው የውስጥ አዲት መኖር፤ (7) ወጪ ቆጣቢነት

በሚሉት ሀሳቦች/የበጀት ገላጮች ላይ ምልክት በማድረግ የግልዎን ስምምነት/አስተያየት እንዲሰጡ በታላቅ አክብሮት እይጠይቃለው።

ክፍል አንድ

ሀ. የግል መረጃ

አባኮዎ ምረጫዎችን በተሰጠ ቅንፍ ውስጥ የ“√” ምልክት በማድረግ ይምረጡ.

- 1. ጾታ፡ ወንድ () ሴት ()
- 2. የትምህርት ደረጃ፡ ከ12ኛ ክፍል በታች (ሰርቲፊኬት ዲፕሎማ () የመጀመሪያ ዲግሪ () የማስተርስ ዲግሪ () ወይም ለላካለ ይግለጹልን
- 3. በፋይናንስ ዘረፍ ላይ ያለዎት የስራ ልምድ (በዓመት)፡ 1-3 () ፣ 4-6 () ፣ 7-8 () ፣ 8 ዓመት በላይ ()
- 4. ያጠኑት የትምህርት መስክ፡ አካውንቲንግ () , ማኔጅምንት () ኢኮኖሚክስ () ፣ ሌላ ከሆነ ይግለጹልን _____

ለ የበጀት ቁጥጥር በመንግስት መ/ቤት ውስጥ

5. በቤኒሻንጉል ጉምዝ ክልላዊ መንግስት ውስጥ ያሉ ባለበጀት መ/ቤቶች የሰነድ-ቆይታውን በጀት በተከታታይ የተበጀተውን በትክክለኛው ጋር በማነጻጸርና በማመሳከር የመንግስትና የህዝብ በጀትን ስራ ላይ ስለመዋሉ የመቆጣጠር ልምድ፡-

አላቸው() የላቸውም()

ሐ የበጀት ቁጥጥርን ልወስኑ የሚችሉ ተለዋዋጮች ጋር የተገናኘ መጠይቅ

የሚከተሉትን መጠይቆች በጥንቃቄ ካነበቡ በኋላ የመልስዎን ደረጃ በሰንጠረዥ ላይ የ “√” ምልክት በማድረግ ይመልሱ

የአማራጮች መለኪያም፡-

5 = እጅግ በጣም እስማማለሁ	3 = ገለልተኛ ነኝ
4 = እስማማለሁ	2 = አልስማማም እና 1 = እጅግ በጣም አልስማማም

ሀ	የበጀት ዕቅድ ሂደት	መለኪያ				
		5()	4()	3()	2()	1()
1	በበጀት ዕቅድ ሂደት ላይ የመንግስት አካላት በሚገባ ይሳተፋሉ	5()	4()	3()	2()	1()
2	ክልሉ የመንግስትን የልማት እቅዶች(ስራዎች) ላይ ቅድሚያ በመስጠትና በመተንበይ የመንግስትን በጀት የመቆጣጠር ልምድ አለው	5()	4()	3()	2()	1()
3	የክልሉ በጀት ዕቅድ ሂደት የሚጀመረው የበጀት ምንጮች እንደ ገቢ፣ የፈደራል ድጎማ፣ እረዳታና የውጭ ብድርን መሠረት በማድረግ ነው	5()	4()	3()	2()	1()
4	የክልሉ ገ/አ/ል/ቢሮ፣ በዞን፣ በወረዳና፣ በከተማ አስተዳደር የቀረቡትን የበጀት ረቂቅ በመገምገምና በመከለስ ወደ ክልሉ ከቢኔ ያቀረባል፣ እንደጸድቅም ድጋፍ ይደረጋል	5()	4()	3()	2()	1()
5	የክልሉ ሰ/መ/ቤቶች የአጭርና የረጅም ጊዜ እቅድ ስላላቸው በጀትን የመቆጣጠር ልምድ አላቸው	5()	4()	3()	2()	1()
6	የክልሉ መ/ቤቶች የስራ ሂደቶች (ክፍል) የበጀት እቅድን ቀድሞ ስለሚያዘጋጁ ለቁጥጥር ቀላል ነው	5()	4()	3()	2()	1()
7	በክልሉ ውስጥ ያሉ መ/ቤቶች በቂ የእቅድና የበጀት ባለሙያ ስላላቸው በጀትን በምገባ ይቆጣጠራሉ	5()	4()	3()	2()	1()
8	የክልሉ ዓመታዊ በጀት እቅድ በማስረጃ፣ በሃላፊነትና በመ/ቤቶች ስራ እንቅስቃሴ ላይ ተመስረቶ ስለሚዘጋጅ ለቁጥጥር አያስቸግረም	5()	4()	3()	2()	1()

9	የክልሉ ሰ/መ/ቤቶች የተፈቀደውን በጀት የምጠቀሙት የስራ እቅዳቸውን መሠረት አድረጎ ስለመሆኑ ለቁጥጥር አመቺ ነው	5()	4()	3()	2()	1()
10	የእቅድና የበጀት ቁጥጥር መኖር የሰ/መ/ቤቶችን ተከታታይ መሻሻልንና ጤናማ እንቅስቃሴ እንድናገኝ ያደረጋል	5()	4()	3()	2()	1()
11	ባሁኑጊዜ ያለ የበጀት አዘገጃጀት በውይይትና ድረድር ስለሆነ ለቁጥጥር የተሻለ ነው	5()	4()	3()	2()	1()
12	የበጀትና የእቅድ ክፍል ስለበጀት አዘገጃጀትና ቁጥጥር ያሉትን ደካማ ጎኖችን እንዲያሻሻል በየጊዜ ይከታተላሉ	5()	4()	3()	2()	1()
13	በክልሉ ወስጥ ያሉ ሰ/መ/ቤቶች የስራ እቅዳቸውን ከጠቅላላ ወጪ ጋር ያገናኛሉ	5()	4()	3()	2()	1()
14	የበጀት ዝግጅት ከታች ካሉ የአስተዳደር፣ ባለሙያና ህ/ሰብ ክፍል ተዘጋጅቶ ወደ በላይ ማኔጅመንት ተቀናጅቶ ስለምጸድቅ ለቁጥጥር አመቺ ነው	5()	4()	3()	2()	1()

ለ. የአስተዳደር ድጋፍ		መለኪያ				
15	በክልሉ በፋይናንስ ነክ ዙሪያ የምሰሩ ባለሙያዎች ከአስተዳደር አካላት በኩል ድጋፍ ማግኘታቸው ለበጀት ቁጥጥር አስተዋጽኦ ፈጥሯል	5()	4()	3()	2()	1()
16	የክልሉ ሰ/መ/ቤቶች በበጀት ቁጥጥር ዙሪያ ለባለሙያዎችና ለባለድረሻ አካላት ስልጠና ይስጣሉ	5()	4()	3()	2()	1()
17	የክልሉ ሰ/መ/ቤቶች ስለበጀት ቁጥጥርና ፋይናንስ ሪፖርት አዳደድስ መመሪያዎች ስኖሩ ሙያዊ ስልጠና እንዲያገኙ ይደረጋል	5()	4()	3()	2()	1()
18	በክልሉ ውስጥ የሚገኙ የሂሳብ ሠራተኞች፣ ኦዲትሮች፣ የታክስ ባለሙያዎች እና የእቅድ ዝግጅት ኤክስፔርቶች የፋይናንስና የማተራያል ድጋፍ እንደሁም ጥሩ አፈጻጸም ላላቸው ማበረታቻ ሽልማት ስለምኖር መመሪያንና ደንብን መሠረት በማድረግ ስራቸውን ያከናውናሉ	5()	4()	3()	2()	1()

ሐ. ችሎታ ያለው የውስጥ ኦዲት ስታፍ		መለኪያ				
19	የክልሉ ገ/አ/ል/ጽ/ቤቶች ውስጥ ያሉ ኦዲተሮች በቂ ችሎታ በመኖራቸው በፑል የሚተዳደሩ ሰነዶችን ገንዘብና ንብረት በወቅቱና በታዘዙበት ጊዜ ውስጥ ይመረምራሉ/ይቆጣጠራሉ	5()	4()	3()	2()	1()
20	ክልሉ ችሎታ ያላቸውን የውስጥ ኦዲተሮች በመቅጠርና በማሰልጠን የመንግስት ፋይናንስ/በጀት መረጃዎች በታማኝነት ላይ እንዲደራጅ ከፍተኛ ሚና እየተጫወተ ይገኛል።	5()	4()	3()	2()	1()
21	የክልሉ የውስጥ ኦዲተሮች ስራቸውን በዘመናዊ መንገድ (computer) እና በሌሎች ሶፍትዌሮች በመታገዝ ስለመስሩ የመንግስትን በጀት በቀላሉ ይቆጣጠራሉ	5()	4()	3()	2()	1()
22	የክልሉ ገ/አ/ል/ቢሮ የውስጥ ኦዲተሮች ከክልሉ ዋና ኦዲተር ጋር በቅንጅት የመስራትና ወጪዎችን ከተፈቀደ በጀት ጋር በየወቅቱ የማመሳከር ልምድ አላቸው	5()	4()	3()	2()	1()
መ. የድረጅቶች/ሰነዶች/ ዝግጁነት		መለኪያ				
23	የክልሉ ሰነድ አመራሮች ዝግጁነት መኖሩ ለበጀት ቁጥጥር አስተዋዕዶ አድረጓል	5()	4()	3()	2()	1()
24	የክልሉ ሰነድ አመራሮች የበጀት ቁጥጥር ጥቅምን በማሰብ በበጀት ዝግጅት ጊዜ ንቁ ተሳትፎ ያደረጋሉ	5()	4()	3()	2()	1()
25	እያንዳንዱ አመራርና ሠራተኛ በበጀት አዘገጃጀትና ቁጥጥር ንቁ ተሳትፎ ያደረጋሉ ፤ ጥሩ የበጀት አፈጻጸም ያላቸው ሰ/መ/ቤቶችም ይበረታታሉ/ይሸለማሉ	5()	4()	3()	2()	1()
26	የክልሉ ሰ/መ/ቤቶች፣ ስራተኞችንና የሚመለከታቸው አካላት በመንግስት በጀት ዙሪያ ንቁ ተሳትፎ እንድያደረጉ ስለሚያበረታቱ በበጀት ቁጥጥር ዙሪያ ውሳኔ የመስጠት ዕድላቸው ከፍተኛ ነው	5()	4()	3()	2()	1()
27	የሚመደበው በጀት ለተለያዩ የመሠረተ-ልማት ግንባታዎች ምሳሌ፡- መንገድ፣ ሆስፒታልና ት/ቤቶች ስለሚውል የክልሉ ሰ/መ/ቤቶች ሠራተኞች ለበጀት ቁጥጥር መኖር ዝግጁ ናቸው	5()	4()	3()	2()	1()
28	ክልሉ የበጀት ቁጥጥርን በማስፈን አመራሮችና ሠራተኞች እንዲያቅዱና ለወደፊት እንዲያስቡ ጉልበት ይሆኑባቸዋል፤ ስራቸውንም ወጪ ቆጣቢ በሆነ መንገድ እንድሰሩ ረድቶል	5()	4()	3()	2()	1()

ሠ.የበጀት ቁጥጥርና ግምገማ		መለኪያ				
29	የክልሉ የበጀትና ፋይናንስ ቋሚ ኮሚቴ ሰብሰባዎችን በየጊዜ በማድረግ የሰ/መ/ቤቶች የስራ አፈጻጸም በወቅቱ ይገምግማል/ይቆጣጠራል	5()	4()	3()	2()	1()
30	በመ/ቤቶች ውስጥ የሚፈጠረው የበጀት ልዩነት በየጊዜው በቋሚ ኮሚቴው የመገምገም ልምድ አለ	5()	4()	3()	2()	1()
31	በበጀት ኮሚቴና በስራ ሃይቶች የበጀት ዕቅድና አፈጻጸም በየጊዜው ይገመገማል/ይቆጣጠራል	5()	4()	3()	2()	1()
32	የክልሉ መ/ቤቶች በትክክል የታቀደና የተበጀተ በጀትን በተከታታይ ይገምግማሉ/ይቆጣጠራሉ፤ ልዩነት ቢኖርም እርምጃ ይወሰዳሉ	5()	4()	3()	2()	1()
33	የክልሉ መ/ቤቶች መመሪያን መሠረት በማድረግ የተበጀተ በጀትን ወጪ ያደረጋሉ ይቆጣጠራሉ	5()	4()	3()	2()	1()
34	የክልሉ መ/ቤቶች ከተፈቀደ በጀት በላይ ወጪ እንዳይሆን ይቆጣጠራሉ/ይገምግማሉ	5()	4()	3()	2()	1()
35	የክልሉ ገ/አ/ል/ቢሮና ዋና ኦዲተር የመ/ቤቶችን የበጀት አጠቃቀምን በቅርበት የመከታታል፤ የመደገፍና የመቆጣጠር የተዘረጋ ስረዓት አላቸው።	5()	4()	3()	2()	1()
36	ክልሉ የበጀት ቁጥጥርን እንደአንዱ የውስጥ ቁጥጥር በመጠቀም የመንግስት ሀብትና ንብረትን ለሰክተሮች በመደልደል ውጤት አሳይቷል።	5()	4()	3()	2()	1()

ረ.ስለበጀት መረጃና ስረጭት ዘዴ		መለኪያ				
37	በክልሉ ያሉ ስራተኞች ስለበጀትና በጀት ቁጥጥር በሚገባ መረጃ በወቅቱ ያገኛሉ	5()	4()	3()	2()	1()
38	በክልሉ ውስጥ ያሉ ሰ/መ/ቤቶች ስለበጀት ደንቦችና መመሪያዎች እንደሁም አፈጻጸም በቂ መረጃ አላቸው	5()	4()	3()	2()	1()
39	ክልሉ በጀትን ለመቆጣጠር ዘመናዊ ቴክኖሎጂን(IBEX) እስከ ታች ወረዳ ገ/አ/ል/ጽ/ቤቶች ድረስ ይጠቀማል	5()	4()	3()	2()	1()
40	ክልሉ የበጀት አጠቃቀምና ቁጥጥር ግልጽነትና ተጠያቂነትን ከማሳልበት አንጻር በተለያዩ ሚዲያዎች/ሬዲዮ፣ ጋዜጣ፣ መጻሕፍት፣ ፓምፕሌት እና ማስታወቂያ ሰለዳ በመጠቀም ለህዝብ ይፋ የማድረግ ልምድ አለው	5()	4()	3()	2()	1()
41	በየጊዜ የሚደረጉ የበጀት ዝውውሮች መረጃ በሚገባ በየሂሳብ መዋቅራቸው ይመዘግባሉ፣ ይቆጣጠራሉ፣ የሚመለከታቸው አካላትም ያፀድቃሉ/ይፈቅዳሉ	5()	4()	3()	2()	1()
42	ክልሉ ወጥነት ያላቸውን የሂሳብ ሪፖርት ፎርማቶችን በሁሉም መንግስት መ/ቤቶች በመጠቀም የሂሳብ ሪፖርቶች እንዲዘጋጁ ያደረጋል	5()	4()	3()	2()	1()
ሰ. ወጪን መቀነስ		መለኪያ				
43	በሰ/መ/ቤቶች ለተያዩ ስራዎች የሚደረጉ ወጪዎች በበጀት ኮሚቴ ይገመገማሉ፣ ወጪ ቆጣቢ እንዲሆን አመራር ይሰጠበታል	5()	4()	3()	2()	1()
44	በክልሉ ውስጥ የሚደረጉ የመንግስት ፕሮጀክቶች በተቀመጠላቸው ጊዜ ውስጥ ማለቃቸው ለበጀት ቁጥጥር አስተዋጾኔ አድረጓል	5()	4()	3()	2()	1()
45	በክልሉ ውስጥ የሚካሄደው የግዥ ስረዓት ውጤታማና ወጪ ቆጣቢ መሆን ለበጀት ቁጥጥር መኖር ሚና ይጫወታል	5()	4()	3()	2()	1()
46	በክልሉ መ/ቤቶች ውስጥ ለሚሰሩ ስራተኞች ለሚከፈል ወጪዎች/ጥቅማጥቅም ላይ ውጤታማ ቁጥጥር ስረዓት መዘርጋቱ በጀት ለታለመለት ስራ ውሉዋል	5()	4()	3()	2()	1()
47	በክልሉ ወጪዎችን በመቀነስ ጥራት ያለው አግልግሎት ለህ/ቡ የመስጠት ልምድ የበጀት ቁጥጥር እንድኖረ አድረጓል	5()	4()	3()	2()	1()
48	በክልሉ የጥሬ ገንዘብ ወጪ የደረሰበት በማወቅ የወጪዎችን መቀነስ በጀት ቁጥጥር እንድኖረ አድረጓል	5()	4()	3()	2()	1()

በድጋሚ አመስግናለው!!

Apendix-II -Frequency Table

BP01- there is effective participation by government body in the process of budget planning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	11.3	11.3	11.3
	Disagree	76	37.3	37.3	48.5
	Neutral	2	1.0	1.0	49.5
	Agree	59	28.9	28.9	78.4
	Strongly Agree	44	21.6	21.6	100.0
	Total	204	100.0	100.0	

BP02-Our Region budget planning processes start by estimating the budget sources by considers the expected federal subsidy, own revenue, foreign loan and aid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	4.9	4.9	4.9
	Disagree	53	26.0	26.0	30.9
	Neutral	6	2.9	2.9	33.8
	Agree	57	27.9	27.9	61.8
	Strongly Agree	78	38.2	38.2	100.0
	Total	204	100.0	100.0	

BP03-During budget planning, through prioritization of program and macroeconomic forecast budget of the region is controlled

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	33	16.2	16.2	16.2
	Disagree	70	34.3	34.3	50.5
	Neutral	10	4.9	4.9	55.4
	Agree	61	29.9	29.9	85.3
	Strongly agree	30	14.7	14.7	100.0
	Total	204	100.0	100.0	

BP04-BOFED reviews the draft budget which submitted by zonal, Woredas and urban administrations based on strategic documents of the region and then passes to the Regional Cabinet for approval which are help for controlling purpose

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	27	13.2	13.2	13.2
	Disagree	75	36.8	36.8	50.0
	Neutral	6	2.9	2.9	52.9
	Agree	34	16.7	16.7	69.6
	Strongly Agree	62	30.4	30.4	100.0
	Total	204	100.0	100.0	

BP05-The sectors have a long term and short term budget plans

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	42	20.6	20.6	20.6
	Disagree	60	29.4	29.4	50.0
	Neutral	5	2.5	2.5	52.5
	Agree	52	25.5	25.5	77.9
	Strongly Agree	45	22.1	22.1	100.0
	Total	204	100.0	100.0	

BP06-Organizations departments prepare budget plans prior to the budget year which help for wise control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	7.8	7.8	7.8
	Disagree	83	40.7	40.7	48.5
	Neutral	22	10.8	10.8	59.3
	Agree	53	26.0	26.0	85.3
	Strongly Agree	30	14.7	14.7	100.0
	Total	204	100.0	100.0	

BP07-Our region offices have adequate number of professionals (budget officers) who prepare plan and budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.4	4.4	4.4
	Disagree	99	48.5	48.5	52.9
	Neutral	10	4.9	4.9	57.8
	Agree	51	25.0	25.0	82.8
	Strongly Agree	35	17.2	17.2	100.0
	Total	204	100.0	100.0	

BP08-The annual budget process in the region is documented with tasks, responsibility assignment and deadlines are clearly stated

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	3.9	3.9	3.9
	Disagree	96	47.1	47.1	51.0
	Neutral	13	6.4	6.4	57.4
	Agree	46	22.5	22.5	79.9
	Strongly Agree	41	20.1	20.1	100.0
	Total	204	100.0	100.0	

BP09-Our region offices have adequate number of professionals (budget officers) who prepare plan and budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.4	4.4	4.4
	Disagree	99	48.5	48.5	52.9
	Neutral	10	4.9	4.9	57.8
	Agree	51	25.0	25.0	82.8
	Strongly Agree	35	17.2	17.2	100.0
	Total	204	100.0	100.0	

BP10-Budgeting and planning lays the foundation for continuous improvements of an organization's fiscal health

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	4.9	4.9	4.9
	Disagree	81	39.7	39.7	44.6
	Neutral	14	6.9	6.9	51.5
	Agree	65	31.9	31.9	83.3
	Strongly Agree	34	16.7	16.7	100.0
	Total	204	100.0	100.0	

BP11-The current budget preparation, utilization and control of your region offices are sufficient

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	13.7	13.7	13.7
	Disagree	50	24.5	24.5	38.2
	Neutral	16	7.8	7.8	46.1
	Agree	63	30.9	30.9	77.0
	Strongly Agree	47	23.0	23.0	100.0
	Total	204	100.0	100.0	

BP12-Planning and Budget Department have a means to take corrective action on the weaknesses of budget preparation, utilization and control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	8.3	8.3	8.3
	Disagree	64	31.4	31.4	39.7
	Neutral	24	11.8	11.8	51.5
	Agree	41	20.1	20.1	71.6
	Strongly Agree	58	28.4	28.4	100.0
	Total	204	100.0	100.0	

BP13- Most organization in the region has link the work plan with expenditure budget preparation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	4.4	4.4	4.4
	Disagree	84	41.2	41.2	45.6
	Neutral	6	2.9	2.9	48.5
	Agree	51	25.0	25.0	73.5
	Strongly Agree	54	26.5	26.5	100.0
	Total	204	100.0	100.0	

BP14-The budget originate at the lowest levels of management and is refined and coordinated at the higher levels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.4	3.4	3.4
	Disagree	80	39.2	39.2	42.6
	Neutral	18	8.8	8.8	51.5
	Agree	55	27.0	27.0	78.4
	Strongly Agree	44	21.6	21.6	100.0
	Total	204	100.0	100.0	

MS15-Employees get the necessary resources (facilities) that help them to perform the activities of the sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.5	1.5	1.5
	Disagree	29	14.2	14.2	15.7
	Neutral	33	16.2	16.2	31.9
	Agree	73	35.8	35.8	67.6
	Strongly agree	66	32.4	32.4	100.0
	Total	204	100.0	100.0	

MS16-The office/sector supports employees by providing training in order to improve my skill and update with the field if needed.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	15	7.4	7.4	7.4
	Neutral	8	3.9	3.9	11.3
	Agree	107	52.5	52.5	63.7
	Strongly agree	74	36.3	36.3	100.0
	Total	204	100.0	100.0	

MS17-The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	19	9.3	9.3	9.3
	Neutral	15	7.4	7.4	16.7
	Agree	94	46.1	46.1	62.7
	Strongly agree	76	37.3	37.3	100.0
	Total	204	100.0	100.0	

MS18-Auditors, accountants, budget and finance department, tax officers and planners in the region have got financial and material support to carry out their work to achieve their objectives for the accomplishment of organizational goals through public budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.4	3.4	3.4
	Disagree	35	17.2	17.2	20.6
	Neutral	10	4.9	4.9	25.5
	Agree	78	38.2	38.2	63.7
	Strongly agree	74	36.3	36.3	100.0
	Total	204	100.0	100.0	

CIA19-In the region office/sector there are sufficient skilled internal auditors to control public budget. Most of them have certification in auditing and accounting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	.5	.5	.5
	Disagree	95	46.6	46.6	47.1
	Neutral	14	6.9	6.9	53.9
	Agree	57	27.9	27.9	81.9
	Strongly Agree	37	18.1	18.1	100.0
	Total	204	100.0	100.0	

CIA20-The audit procedures and evidence collections are completed on time, since enough and skilled internal auditors are available or employed.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	4.4	4.4	4.4
	Neutral	29	14.2	14.2	18.6
	Agree	105	51.5	51.5	70.1
	Strongly Agree	61	29.9	29.9	100.0
	Total	204	100.0	100.0	

CIA21-The work of internal audit is performed with modern technology that uses computerized data tools and specific IA software

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	31	15.2	15.2	15.2
	Neutral	13	6.4	6.4	21.6
	Agree	72	35.3	35.3	56.9
	Strongly Agree	88	43.1	43.1	100.0
	Total	204	100.0	100.0	

CIA22-Regional BOFED and ORAG auditors reconcile expenditures with approved budgets and make sure that there have been no financial irregularities which led the effective implementation of budgetary and other policy decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	2.5	2.5	2.5
	Disagree	78	38.2	38.2	40.7
	Neutral	9	4.4	4.4	45.1
	Agree	59	28.9	28.9	74.0
	Strongly Agree	53	26.0	26.0	100.0
	Total	204	100.0	100.0	

OC23.Your region office/sector management committed toward budget control for the accomplishment of government objectives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.5	.5	.5
	Disagree	78	38.2	38.2	38.7
	Neutral	21	10.3	10.3	49.0
	Agree	66	32.4	32.4	81.4
	Strongly Agree	38	18.6	18.6	100.0
	Total	204	100.0	100.0	

OC24- your region office employee are loyal in budget control through active participation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	5.9	5.9	5.9
	Disagree	56	27.5	27.5	33.3
	Neutral	3	1.5	1.5	34.8
	Agree	78	38.2	38.2	73.0
	Strongly Agree	55	27.0	27.0	100.0
	Total	204	100.0	100.0	

OC25-Each employee and management in our region actively involve during budget planning and control because there is incentive for good achiever in effective use of budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.0	2.0	2.0
	Disagree	43	21.1	21.1	23.0
	Neutral	12	5.9	5.9	28.9
	Agree	78	38.2	38.2	67.2
	Strongly Agree	67	32.8	32.8	100.0
	Total	204	100.0	100.0	

OC26-Your region office/sectors encourage us to more participative in decision making for budget control.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	2.9	2.9	2.9
	Disagree	45	22.1	22.1	25.0
	Neutral	16	7.8	7.8	32.8
	Agree	61	29.9	29.9	62.7
	Strongly Agree	76	37.3	37.3	100.0
	Total	204	100.0	100.0	

OC27- Employees in our organization are committed toward public budget control, because the budget allocated is for construction of infrastructure (roads, hospitals and schools...)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.0	1.0	1.0
	Disagree	34	16.7	16.7	17.6
	Neutral	6	2.9	2.9	20.6
	Agree	105	51.5	51.5	72.1
	Strongly Agree	57	27.9	27.9	100.0
	Total	204	100.0	100.0	

OC28-Budget force managers and employee to think about and plan for the future

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	5.4	5.4	5.4
	Disagree	59	28.9	28.9	34.3
	Neutral	3	1.5	1.5	35.8
	Agree	71	34.8	34.8	70.6
	Strongly Agree	60	29.4	29.4	100.0
	Total	204	100.0	100.0	

BME29-The region budget and finance standing committee hold budget conferences and meetings regularly to review performance of sectors budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	4.9	4.9	4.9
	Disagree	38	18.6	18.6	23.5
	Neutral	35	17.2	17.2	40.7
	Agree	75	36.8	36.8	77.5
	Strongly Agree	46	22.5	22.5	100.0
	Total	204	100.0	100.0	

BME30-The region budget and finance standing committee hold budget conferences and meetings regularly to review performance of sectors budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	4.9	4.9	4.9
	Disagree	38	18.6	18.6	23.5
	Neutral	35	17.2	17.2	40.7
	Agree	75	36.8	36.8	77.5
	Strongly Agree	46	22.5	22.5	100.0
	Total	204	100.0	100.0	

BME31-The organization's budget deviations are reported to budget committees for evaluation on timely basis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	8.8	8.8	8.8
	Disagree	20	9.8	9.8	18.6
	Neutral	10	4.9	4.9	23.5
	Agree	89	43.6	43.6	67.2
	Strongly Agree	67	32.8	32.8	100.0
	Total	204	100.0	100.0	

BME32-There is a regular follow up on budget plans by the budget committee and departmental heads

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	28	13.7	13.7	13.7
	Neutral	7	3.4	3.4	17.2
	Agree	104	51.0	51.0	68.1
	Strongly Agree	65	31.9	31.9	100.0
	Total	204	100.0	100.0	

BME33-In the region, sectors are monitor and evaluate budget through continuous comparison of actual with budgeted and if variance take corrective action

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	18	8.8	8.8	8.8
	Neutral	16	7.8	7.8	16.7
	Agree	111	54.4	54.4	71.1
	Strongly Agree	59	28.9	28.9	100.0
	Total	204	100.0	100.0	

BME34-The regions organization has budget policies that monitors budget spending

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	26	12.7	12.7	12.7
	Neutral	8	3.9	3.9	16.7
	Agree	125	61.3	61.3	77.9
	Strongly Agree	45	22.1	22.1	100.0
	Total	204	100.0	100.0	

BME35-There is up to date Control of excess spending beyond approved budgets in our region organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	2.9	2.9	2.9
	Disagree	52	25.5	25.5	28.4
	Neutral	7	3.4	3.4	31.9
	Agree	90	44.1	44.1	76.0
	Strongly Agree	49	24.0	24.0	100.0
	Total	204	100.0	100.0	

BME35-BOFED of the region pursue and bolster the budget utilization of the sectors through establishing mechanisms of budget control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	53	26.0	26.0	26.0
	Neutral	1	.5	.5	26.5
	Agree	105	51.5	51.5	77.9
	Strongly Agree	45	22.1	22.1	100.0
	Total	204	100.0	100.0	

BME36-Our region use budget control as primary means of internal control for efficient and effective allocation of resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	2.9	2.9	2.9
	Neutral	17	8.3	8.3	11.3
	Agree	138	67.6	67.6	78.9
	Strongly Agree	43	21.1	21.1	100.0
	Total	204	100.0	100.0	

INFO37-All employees understand the concept and importance of budget controls, including the division of responsibility in organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	3.9	3.9	3.9
	2	54	26.5	26.5	30.4
	3	25	12.3	12.3	42.6
	4	69	33.8	33.8	76.5
	5	48	23.5	23.5	100.0
	Total	204	100.0	100.0	

INFO38-Communication helps to evaluate how well guidelines and policies of the sectors/offices budget control system are working and being implemented

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	30	14.7	14.7	14.7
	3	34	16.7	16.7	31.4
	4	94	46.1	46.1	77.5
	5	46	22.5	22.5	100.0
	Total	204	100.0	100.0	

INFO39-Your region use integrated budget expenditure(IBEX) system till to werda finance and economic development office for controlling public budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	16	7.8	7.8	7.8
	3	6	2.9	2.9	10.8
	4	86	42.2	42.2	52.9
	5	96	47.1	47.1	100.0
	Total	204	100.0	100.0	

INFO40-Budget related information communicated to all societies through FTA by disclosing on public board notice and other medias like radio, news paper and different magazines.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	1.5	1.5	1.5
	2	27	13.2	13.2	14.7
	3	18	8.8	8.8	23.5
	4	80	39.2	39.2	62.7
	5	76	37.3	37.3	100.0
	Total	204	100.0	100.0	

INFO41-Transactions related to budget transfer are promptly (on time) recorded and classified to provide reliable information which is help for controlling.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.0	2.0	2.0
	2	3	1.5	1.5	3.4
	3	5	2.5	2.5	5.9
	4	115	56.4	56.4	62.3
	5	77	37.7	37.7	100.0
	Total	204	100.0	100.0	

INFO42-Our region use similar reporting format among sectors in order to control budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	6	2.9	2.9	2.9
	3	1	.5	.5	3.4
	4	115	56.4	56.4	59.8
	5	82	40.2	40.2	100.0
	Total	204	100.0	100.0	

CR43-The costs of activities and functions of the organizations are constantly reviewed by the executive committee which led the presence of budget control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	57	27.9	27.9	27.9
	3	29	14.2	14.2	42.2
	4	75	36.8	36.8	78.9
	5	43	21.1	21.1	100.0
	Total	204	100.0	100.0	

CR44-The execution of its projects within the stipulated deadline by eliminating all forms of waste and unnecessary expense by the region led to budget control.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	14	6.9	6.9	6.9
	2	71	34.8	34.8	41.7
	3	11	5.4	5.4	47.1
	4	82	40.2	40.2	87.3
	5	26	12.7	12.7	100.0
	Total	204	100.0	100.0	

CR45-Cost effective procurement, thus surplus revenue through reducing operational costs led to the presence of budget control in the region

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	2.9	2.9	2.9
	2	22	10.8	10.8	13.7
	3	23	11.3	11.3	25.0
	4	81	39.7	39.7	64.7
	5	72	35.3	35.3	100.0
	Total	204	100.0	100.0	

CR46-saving unnecessary expenditure(cost) and benefit paid to employee in the region control the organization budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	21	10.3	10.3	10.3
	3	41	20.1	20.1	30.4
	4	84	41.2	41.2	71.6
	5	58	28.4	28.4	100.0
	Total	204	100.0	100.0	

CR47-Cutting costs in order to increase the quality service offered by the organizations to the public put proper control on budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	35	17.2	17.2	17.2
	3	18	8.8	8.8	26.0
	4	84	41.2	41.2	67.2
	5	67	32.8	32.8	100.0
	Total	204	100.0	100.0	

CR48-cash expenditure tracking and reduces operational costs led to the presences of budget control in the region

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.0	2.0	2.0
	2	11	5.4	5.4	7.4
	3	3	1.5	1.5	8.8
	4	100	49.0	49.0	57.8
	5	86	42.2	42.2	100.0
	Total	204	100.0	100.0	

Apendix-III

Iteration History^{a, b, c}

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	196.879	1.392
	2	193.873	1.688
	3	193.847	1.719
	4	193.847	1.719

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 193.847

c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	151.520 ^a	.520	.780

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001 for split file \$bootstrap_split = 0.

		Budget control = Absence of budget control		Budget control = Presence of budget control		Total
		control		control		
		Observed	Expected	Observed	Expected	
Step 1	1	6	6.455	12	11.545	18
	2	6	4.959	14	15.041	20
	3	2	4.328	20	17.672	22
	4	4	3.210	15	15.790	19
	5	4	2.951	16	17.049	20
	6	3	2.397	16	16.603	19
	7	3	2.282	17	17.718	20
	8	2	2.038	20	19.962	22
	9	1	1.469	19	18.531	20
	10	0	.912	24	23.088	24

Apendix-IV Location of the Benishangul Gumuz Regional State in Ethiopia



Source: Map and location of Benishangul region in Ethiopia adapted from Mihrete et al. (2014: 3)