



**ADDIS ABABA UNIVERSITY**

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**DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT**

**FINANCIAL MANAGEMENT PRACTICES IN SECONDARY SCHOOLS OF GUMER  
WOREDA, GURAGE ZONE**

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**October, 2019**

**Addis Ababa, Ethiopia**

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WERDA, GURAGE ZONE**

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**A THESIS SUBMITTED TO THE DEPARTMENT OF EDUCATIONAL PLANNING  
AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF ARTS IN SCHOOL LEADERSHIP**

**Addis Ababa University**

**Addis Ababa, Ethiopia**

**October, 2019**

## CERTIFICATE OF EVALUATION

This is to certify that the thesis prepared by Meded Abdulshikur Muhammed entitled: Practices and Problems of Financial Management in Gurge zone Gumer Woreda secondary school and submitted in partial fulfillment of the requirements for the Degree of Master of Arts in School Leadership complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Advisor **Dr. DejeneNigussie**. Signature \_\_\_\_\_ Date \_\_\_\_\_

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## **DECLARATION**

I declare that this Dissertation is my original work and has not been previously published or submitted elsewhere for award of the degree of Master of Art in School leadership.

I also declare that this contains no material written or published by other people except where due reference is made and author dully acknowledged.

Meded Abdulshikur Muhammed

Registration number GSK/468/09

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

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## **ACRONYMS AND ABBREVIATIONS**

EPRDF: - Ethiopian people's revolutionary democratic front

ETP: -Education and Training Policy

FRMD: - Financial Resource Management Department

GOs: - Governmental Organization

IDF: - Institutional Development Fund

IMF: - International Monetary Fund

ITU: - International Telecommunication Union

MA: - Master Of Art

MED: - Master Of Education

MoE: - Ministry of Education

MOFED: - Ministry of Finance and Economic Development

NGOs:-None Governmental Organization

PTSA: - Parent Teacher Student Association

Qual: - Qualitative

QUAN: - Quantitative

ROFED: - Regional Offices for Finance and Economic Development

TVET: - Technical and Vocational Education and Training

WB: - World Bank

WEO: - Woreda Education Officer

WFED: - WoredaFinance and Economic Development

## **ABSTRACT**

*Financial management is defined by the function and areas of responsibility of financial managers. Financial management in education is concerned with the cost of education, source of income to meet the educational cost and the spending of the income in an objective manner. The main purpose of this study was to analyze the current financial management practice in Gumerworeda secondary schools and to observe the major challenges occurred during financial management. The study was conducted in Gumerworeda high schools. The study employed descriptive survey design along with both quantitative and qualitative (Concurrent Mixed) methods. The data used for assessing the financial management practices and problems faced these high schools were primary and secondary data. The primary data was collected via questionnaire and interview whereas the secondary data was obtained from the school's annual reports and financial documents, rules and regulations. As a source of primary data, 83 teachers, 25 PTSA, 5 principals, 7 vice principals, and 17 WEOs were incorporated. The sampling method used in the study was purposive sampling methods (total population purposive sampling and expert purposive sampling). The data obtained from the respondents were analyzed by using charts, percentage and description (narrations). The study found that there was problem in preparing participatory and SMART financial plan, improper allocation and utilization of financial resources including budget discrepancy, problem of using the existing budget as per the action plan, improper control as well as evaluation of budget, delay to release and procurement of educational materials, principals deep intervention in the technical aspects of the schools finance that leads to great corruption and limited support of WEOs including not hiring professional accountants in the schools. It is recommended that the school finance has to be managed efficiently, because it determines the total output as well as outcomes of the educational process. Principals together with concerned stakeholders should prepare participatory and SMART financial plan, there should be right allocation and utilization of the already available budget of the schools, timely releases and purchase of educational materials, principals should have limited and only financial management role and WEOs should adequately support the schools including hiring professional accountants to run their budget in a proper way.*

## **CHAPTER ONE**

### **1. INTRODUCTION**

The introductory part of this thesis included the brief background of the study, statement of the problem, research questions, and objectives of the study, significance of the study, delimitation of the study, limitation of the study, definition of key terms and organization of the study.

#### **1.1. BACKGROUND OF THE STUDY**

Financial resources management is one of the most important functions in any organization. No organization has succeeded without financial resources (Allis, 2004). Therefore it becomes imperative for institution, firms, organizations and business entities to consider financial management in order to enhance their performance and more mitigate exposure to financial risks. Financial management is defined by the functions and areas of responsibility of financial managers. Financial management is defined as it is a part of the total management function, which is concerned with the effective and efficient raising of funds, allocation and utilization of resources. It must be operated with the framework of clearly understood objectives and on the basis of logical concepts. The main function of financial management is to plan, acquire and utilize funds in order to maximize the efficiency and value of the enterprise (Campsey, 1991).

Financial management involves a number of functions, including forecasting, planning, organizing, allocation, implementation, the application of funds and their control. The task of financial management, therefore, is to facilitate the achievement of organization objectives by obtaining financial resources and then using them profitably and effectively. Financial management in education is concerned with the cost of education, source of income to meet the educational cost and the spending of the income in an objective manner (Okumbe, 1998). In support of this, (Kuma1996), identified that financial management in schools differs considerably from that of business and other firms; because schools will not be in the business of managing finance in the sense of managing monetary assets rather delegated budgets in a given educational institutions.

Educational financial management problems are generally known and acknowledged by its managers. Their efforts to correct these problems, however, need to be improved. Specifically, action needs to be taken by top managers to more effectively communicate their emphasis on and expectations for implementing financial management improvement. Financial management is a process, discipline and techniques of effective fund utilization. As such financial management covers a large number of functional areas related with different activities of the institute. Financial management is the core aspect of management educational institutions acquire funds from certain select and define source. This source cannot be modified and enhanced with each case on the contrary there are still money limitation on procurement of funds. Whereas educational institution are expected to provide multiple educational service for which huge amount of funds is required, this cannot be rightly meet. Thus there is a significant gap between source of finance and their application in educational institute which demands a more systematic and rational concept of financial management. Educational institutions are not organized and managed for profits. The term finance is indicated explaining importance of finance, funds and money in particular activity. Nothing can be simply achieved unless and until every institute work out for efficient financial management.

The new structure and organization of the education of Ethiopia has primary education of 8 years which is divided into two cycles (grade 1- 4 basic educations) and second cycle (grade 5- 8 general educations). Secondary education also comprises of two cycles, general secondary education from grade 9- 10 and preparatory senior secondary education of 2 years (grade 11- 12) as major components. Thus, the general structure of education system is 8- 2- 2 (MoE, 1994). The long term goal of the current Education and Training Policy of 1994 is to improve and expand the equitable access to education, quality and relevance of the education programs, the introduction of financial diversification and the strategies to mitigate the financial burden of parents particularly the poor (MoE, 1994).

To implement the policy, MoE has conducted a thorough study in identifying the major constrains of the education sector. Accordingly, about ten major constraints have been identified and one of these was the education finance. Despite the increase in the proportion of expenditure, there was still wide gap between the demand and the available resources. Thus, to narrow the

gap and to ameliorate the problems, the following basic policy statements have been adopted regarding the education finance by the (MoE, 1994).

The long term goal of the current ETP is to improve the quality and relevance of the education as well as expand access and equity (MoE, 1994), in addition to this one of the most important aspects of the current ETP is the practice of decentralization of educational system. Within the decentralized system educational finance management is encouraging in order to improving the education system. In any country the effective and efficient management of human and non-human resources are the key and important factors for educational sector development. Among other resources human, financial and material resources are crucial in puts to achieve the intended educational goals at all educational levels.

Educational financial resource is one of the most important factors of the education system used us inputs to enhance the accomplishment of the desired goals. Beside the attainment of educational objectives can be achieved through the effective and efficient management of education finance. In line with this financial management is one of the key factors that affect the teaching and learning process. In this regard financial resource management becomes highly valuable component of educational organization.

## **1.2. STATEMENT OF THE PROBLEM**

In Ethiopia the level of success in educational financial management directly related to and depends up on the level of availabilities of financial resources (Meluku, 2000). This implies that the implementation of educational policies, plans programs, and projects are highly dependent on the degree of financial resource management. For instance, access to provision of quality education, the level of equity and the extent of relevance of the curriculum depends on possession of finance to education. Moreover, the degree to which the available finance is effectively and efficiently managed determines its importance and contribution to education and strongly affects educational programs in a school system.

Therefore, the researcher was initiated to study problems that education financial management is one of the main problems of government system in provision of quality education. It is known that the success of the teaching learning process highly depends on how schools are capable of managing financial resources effectively and efficiently. Thus, resources are scarce and costly, knowledge, skill and attitudes of how these resources are managed in the school system something of great importance.

Accordingly the ability, competence and commitment of principals, school administrative staff members and concerned bodies have a great influence on educational finance management. (MoE, 1994)

By virtue of his position; the researcher observed the following serious problems in the practice of financial resource management of schools. These includes: -Ineffective and inefficientutilization of financial resources, shortage of educational finance, low participation of stakeholders, low attention is given for financing secondary schools in the policy too and low quality of education.

Generally schools as social institutions require financial resources as major input that can help to carry out the teaching learning process. However, the scarcity and inefficiency in the financial resource management is existing problem of the school. The scarcity and inefficiency affect the capacity of local government in providing access, quality and relevance in the education system. In this regard, it is essential to identify the major challenges in managing school finance.

Therefore, this study was investigated the practice and problem of financial management in Gurage Zone GumerWoreda secondary schools by focusing on the following basic questions.

1. What does the current financial management practices of Gumerworeda secondary Schools look like?
2. To what extent do school leaders play their role in insuring effective management of school finance?
3. What are the major challenges in financial management in the Gumerworeda secondary schools?

### **1.3. OBJECTIVE OF THE STUDY**

#### **1.3.1. General Objective**

The general objective of the study is to assess the practices and problems of educational financial management in Gurage zone GumerWoreda secondary schools.

#### **1.3.2. Specific Objectives**

1. To examine the experience as well as current practices of educational financial management in GumerWoreda secondary schools.
2. To identify the main problems and challenges in educational budget allocation and its utilization in GumerWoreda secondary schools.
3. To assess the extent of roles played by school leaders in insuring effective management of educational finance?
4. To suggest possible solutions for the prevailing problems in educational finance management in the school.

#### **1.4. SIGNIFICANCE OF THE STUDY**

This study is believed to be important mainly for the following reasons.

1. It will help to improve the practice of financial resource management
2. It will enable to solve the existing problem in the management of educational finance
3. It will help to widen the awareness of the stakeholders for school activities which will enhance quality of education.
4. It will serve as starting point for other researchers who may conduct research on similar area.
5. This study will also use as a benchmark for policy makers.

#### **1.5. DELIMITATION OF THE STUDY**

Geographically, the research was delineated to Gurage Zone GumerWoreda Secondary Schools. Conceptually, the study focused on the practice and problems of financial management in the schools. Principals, vice principals, teachers, WEO and PTSA were participated in the study. This is due to constraints time and finance as well as to make the study manageable in its depth and breadth. The study was started in June 2018 and ended in November 2019.

#### **1.6. LIMITATION OF THE STUDY**

While conducting the study the researcher encountered the following limitations. Unavailability of internet access due to national political reason, shortage of reference materials and time, lack of relevant research related to the study on practice and problems of financial management, awareness problems of the respondents on the research, to fill out the questioner and to return the questioners were the limitations.

## **1.7. OPERATIONAL DEFINITION**

**Community Participation:** - Is a process of engaging and involving communities in the school management system through democratically elected community education committees mainly PTSA.

**Financial management:** - refers to concepts of time, money and risks and how they are interrelated (Gitman, 2011). In this study, it's the management of the schools finance/budget that they obtained to run their functioning.

**Internal income:**-is an income obtained from different school activities renting land, selling grass, selling trees, etc.

**Management:** - is the process of planning/ planning, organizing, pengkoordinasisasian, as well as controlling any existing resources in order to achieve the goal or goals that have been set effectively and efficiently. Effective means of the objectives can be achieved in accordance with the existing plan, and efficient means terorganisis implemented currently and in accordance with predetermined schedule (Ricky, 2012).

**Public funding:** - government fund for education in various ways.....?

**Secondary school:** - a school comprised of either first cycle of secondary education (grade 9 and 10) or second cycle of secondary education (grade 11 and 12) or both, For this study, it refers to first cycle of secondary education (grade 9 and 10).

## **1.8. ORGANIZATION OF THE STUDY**

The paper is divided in to five chapters. Chapter one is the introduction which covers background, statement of the problem, significance of the study, objectives of the study, delimitation of the study, organization of the study. A substantial and thorough review of the related literature is presented in Chapter Two, whereas research method, sources of data, population and sampling, data gathering tools, method of data analysis and interpretation; are dealt in Chapters three and four respectively. Summary, conclusions and recommendations are presented in chapter five. Finally, references of the sources cited in the thesis and appendices are presented at the end.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **INTRODUCTION**

The literature review of the study discussed about the main concept of financial management, acquiring and managing financial resources, policy statements regarding the management of educational finance sources of funds and financing education, financial management functions in school, factors affecting educational expenditure and the current school financing practices and policy directions in Ethiopia.

#### **2.1. THE CONCEPT OF FINANCIAL MANAGEMENT**

Financial Management is a discipline dealing with the financial decisions corporations make, and the tools and analysis used to make decision. The discipline as a whole may be divided between long term and short term decision and techniques. Both share the same goal of enhancing a firm's value by ensuring that return on capital exceeds cost of capital, without taking excessive financial risks (Pandey, 2010).

According to Gitman, (2011) financial management refers to concepts of time, money and risks and how they are interrelated. At the individual level, financial management involves tailoring expenses according to the financial resource of the individual while from the organizational perspective the process of financial management is associated with financial planning and financial control. Modern approaches of financial management basically provide a conceptual and analytical framework for financial decision making. It emphasize on effective use of funds. According to this approach financial management can be broken down in to three different decisions: investment decisions, financing decisions and dividend decisions (Brealey & Myers, 2013).

Investment decisions involve investment in noncurrent assets known as capital budgeting as well as investment in current assets known as working capital management. Financing decisions relate to the rising of finance from various resources which will depend upon decision on type of source, periods of financing, cost of financing and the return thereby. Dividend decisions involve

decisions on the distribution of profits. This requires decisions to be made on how much to distribute to the shareholders and how much should be retained (Brealey & Myers, 2007). Sound financial management practices help to improve the profitability of an organization and ensure that it has a healthy statement of financial position.

## **2.2. ACQUIRING AND MANAGING FINANCIAL RESOURCES**

The function of management is to plan, organize, staff, lead, and control. Every one of these functions is influenced to a great degree by how much money there is. Managers and program staff simply cannot carry out their assigned responsibilities effectively without understanding their financial constraints. Managers need to have some means for knowing what is happening with respect to their financial resources if they are to make informed management decisions. The notion that leaders of extension organizations are accountable to funding partners is one of the reasons managers need to keep track of how money is spent. The organization will be expected to report how much money there was, how much was spent, what it was spent for, and how much is left. This responsibility is carried out by installing and managing a financial accounting system. That system may well be automated at some point, but a manual system will serve most needs at the outset. But regardless of how reports are produced and records maintained, they should be accurate and produced in a timely fashion so that staff can base their decisions on good information. A number of acceptable computer software programs are available to meet this accounting need. It is generally unnecessary for most organizations to spend time and resources designing and implementing a unique system (Radio communication assembly (RA-19), 2019).

The Financial Resources Management Department (FRMD) leads, oversees and advises the governing bodies on the conceptualization and implementation of policies, strategies, plans, projects and approaches for the administration and delivery of finance, budget, accounts and procurement support services provided at ITU. The Department provides strategic guidance to colleagues throughout the organization on adapting Finance, Budget, Accounts and Procurement policies to Departments and Bureaus needs in a transparent and consistent manner. The FRMD also coordinates the use of all resources made available to the Union in an effective, efficient and transparent manner, (Radiocommunication assembly (RA-19), 2019).

### **2.3.POLICY STATEMENT REGARDING THE MANAGEMENT OF EDUCATIONAL FINANCE**

Management of public funds is supported by effective planning, budgeting, monitoring and reporting which are based on reliable information and the sound analysis of that information. The management emphasizes the key financial risks that could impact effective departmental financial planning, budgeting and related monitoring and reporting are appropriately mitigated; and timely signing and publishing of reliable annual financial statements and quarterly financial reports. Ensuring effective oversight of the department's financial plan, budget and related allocations of its resources and making decisions based on sound analysis of reliable information that include key assumptions, includes estimate relative to work load and cost are reliable (MoE,1994).

Financial resources are aligned with the mandate and priorities of the department and the government key assumptions, including estimates relative to workload and costs, are reliable; significant financial risks that could impact effective planning and budgeting are identified and risk mitigation strategies are reasonable, monitoring and reporting on the use and performance of financial resources are effective. Organizational resources sometimes are used by staff members or others for personal gain. Resources may simply be stolen. Misappropriation of resources negatively affects an organization's reputation, and its ability to carry out its mission. Costs are increased, and thus its ability to accomplish its mission and to attract additional resources is jeopardized. To protect against these eventualities, organizations should institute and administer policies and procedures designed to discourage and prevent these behaviors. There should be appropriate supervision and a periodic auditing of financial records and procedures (Denhardt, 1989).

Financial control is a mechanism that an institution ensures the money entrusted to it is spent only for the purposes for which it has been allocated. The financial responsibility and accountability for expenditures rests up on the institutional head. In controlling expenditures, the institutional head uses standard instruments and procedures. These include the vote book, procurement control methods and payment control procedures (Kuma, 1996).

In Ethiopia the military government was overthrown from power in 1991 and replaced by transitional government which was led by the EPRDF. Since the new government came in to power with new idea, it had to change the overall development strategy of the country in line with the new political vision. The new structure and organization of the education of Ethiopia has primary education of 8 years which is divided into two cycles (grade 1- 4 basic educations) and second cycle (grade 5- 8 general educations). Secondary education also comprises of two cycles, general secondary education from grade 9- 10 and preparatory senior secondary education of 2 years (grade 11- 12) as major components. Thus, the general structure of education system is 8- 2- 2 MoE (1994). The long term goal of the current Education and Training Policy of 1994 is to improve and expand the equitable access to education, quality and relevance of the education programs, the introduction of financial diversification and the strategies to mitigate the financial burden of parents particularly the poor (MoE, 1994).

To implement the policy, MoE has conducted thorough study in identifying the major constrains of the education sector. Accordingly, about ten major constraints have been identified and one of these was the education finance. Despite the increase in the proportion of expenditure, there was still wide gap between the demand and the available resources. Thus, to narrow the gap and to ameliorate the problems, the following basic policy statements have been adopted regarding the education finance by the (MoE, 1994).

The financing of educational system shall be improved by increasing the government budget allocation particularly for infrastructure building and provision of educational materials. The participation of the community will be encouraged and enhanced in building schools and provision of furniture on a voluntary self-help basis. Private sector participation shall be promoted in the provision and assistance of the educational service. Scholarship will be given to deserving (outstanding) students. Special financial assistance will be given to those who have been deprived of educational opportunities and steps will be taken to raise the participation of deprived regions and women in education. The priority for government financial support will be up to the completion of general secondary education (grade 10) while at higher levels of education and training it established cost sharing. That is elimination of fees for grades 1- 10 to reduce the financial burden on parents, and development of cost sharing for grade 11- 12 and higher level of education and training. This does not mean that government is the only source of

school finance. The community, private sectors and stakeholders' participation will be encouraged (MoE, 1994).

## **2.4. SOURCES OF FUNDS IN FINANCING EDUCATION**

Schools are financed in different ways in different countries. Experts in the field of education do not seem to have reached an agreement on the question of who should finance schools. Some suggest that financing schools has to be the sole responsibility of the general public. Others, on the other hand, suggest that education should be financed by the private sources. In many countries education is financed publicly, i.e., all units of government (central, regional and local) are involved in the activities of financing schools. This is to say that social benefits of education exceed private benefits so that governments should finance education to prevent under investment. Hence, decisions on educational financial management should not left to the private sectors which tend to invest less in education provided that the investment does not generate profit. The second point concerns equity and equality of opportunity. Here he suggests that if education is provided under market conditions, only those who could afford to pay tuition fees could enroll (Campsey, 1991).

Developing countries like Ethiopia are now facing a big demand for more and better education. To provide better quality and quantity within the education system it requires the provision of adequate finance from different sources. In this respect, policy makers and implementing agencies are paying more attention to increase the sources of funding. Even though there are discussions on who should finance or pay for education services, the four commonly known sources of finance of education institutions in general and the schools in particular are Government, Private, Community, Schools internal income and Donors agencies (MoE, 1994).

### **2.4.1. Public Funding/Government Budget**

There are two types of grants that are used to support education in Ethiopia. The first is the block grant which is assigned to the education sector and is mostly used to pay salaries. The second type of grant which is also relatively new is the 'school grant'. According to the Ministry of Education's Blue Book, 10 birr is allocated to each grade 1-4, 15 birr is allocated to each grade 5-8 primary school students, 20 birr is allocated for each grade 9-19 students and 50 birr is

allocated to grade 11-12 learners. As the school grants are a new concept, there are some complaints because the funds are being delayed, rarely is the full amount received for each learner and the fund is seen as inflexible. At times the inaccessibility of some schools and their distance from financial services hinders disbursement. The funds go from MOFED (the Ministry of Finance and Economic Development) through ROFED (the regional offices for finance and economic development) that are supposed to give them directly to the schools. To ensure economies of scale some woredas are insisting on doing the purchasing for the schools. As the woredas are dominated by farmers this is likely to pose real challenges of competence and corruption, and in addition, where woredas hold onto this power it makes a mockery of the devolution process and intentions.

One of the strategies that woredas are trying to use in the involvement of women and farmers in decision making when it comes to mobilizing resources for the schools(Oumer, 2009). This is important as it involves the community in decision making in regards to education. Therefore decision sharing also occurs at the grass root level. At regional level, the budgets that are developed are usually printed in local newspapers so that the populace has access to them, while in woredas the budget plans are posted in areas where the public can see them. This is an effort to increase transparency over the expenditure of money. Even though for money literacy and understanding of a budget stands in the way of real comprehension, these actions appear to be symbolically important.

Fee free education is introduced in Ethiopia in 1994 following the EPLF coming to power, when Ethiopia developed the Education and Training Policy (ETP), which gave advice on education functioning. The ETP in conjunction with other documents stated that learners from grade 1 to 10 would be attending school for free but learners in grade 11 and 12 would still be required to pay fees (Oumer, 2009).

The woredas have control over how they spend funds that they receive or raise for education purpose. Similarly, while there is suspicion in national government about local fund raising for schools, it is not controlled and no formal protocol is followed (Oumer, 2009). In the national education and training policy it states that support will be given for educational institutions to raise their own money and use it to improve education Federal Democratic Republic

Government of Ethiopia, (1994). The funding that the government supplies for schools is a combination of national funds and those provided through aid. Although the government has tried to establish universal access to primary school education, especially in rural areas, their efforts has been thwarted by the lack of adequate funding (Pereznieto and Jones, 2006).

#### **2.4.2. Private Financing Sources**

According to Kuma (1996), although the social and private returns of education still seem to be high and the private demand remains strong. On the other hand, governments in this day are no longer willing to invest high proportion to education. As a result education is facing growing financial constraints. In support of this, the World Bank (in Kuma (1996)), has recommended that the increasing demands of education on public finance at a time when government funds are stagnant or even falling in many developing countries can only be resolved by “either finding additional sources of funding or reducing unit costs”. This necessarily highlights the significance of private funds in addition to government funds in schools.

#### **2.4.3. Community Contribution**

The primary responsibility for child education must remain with parent. On the other hand, society has legitimate interest in children’s education and socialization. The fund raising initiative of schools and local communities are reactive rather than anticipatory. Communities give response to finance education when there is a severe shortfall in the resources provided by the national or local government. Currently, financial devolution practice expands community involvement in the school. Community representatives are being found on school coordinating committee. Schools are making more efforts to raise funds from their communities and in return they child additional blocks of the school to provide more services (Forojalla, 1993).

#### **2.4.4. School Internal Revenue and Donors Agencies**

Schools sometimes involve in the activities of generating income to self-finance. This, however, is controversial to a certain extent. Those favor the continuation of collection and expenditure of internal funds by the school. The income may be obtained from different school activities such as cultivating land, selling products, services and other club activities. This income will be

implemented according to the government financial rules and regulations. It embraces external sources such as religious organizations and international assistance organizations (WB, IMF, IDF, and etc). Most African governments depend on bilateral and multilateral agencies for loan grant. As a source of finance external aid for education has been increasing substantially in developing country.

## **2.5. FINANCIAL MANAGEMENT FUNCTIONS IN SCHOOLS**

School financial management as a discrete function of professional school administration is a recent phenomenon. However, it is becoming an integral part of the general educational management function. The subject matter of school financial management has been changing at a rapid rate. As a separate activity and discipline, it is of recent origin and concerned with the planning, organizing, allocating, utilizing and controlling of the educational financial resources. The success of teaching-learning process is actually determined by how far the schools are in a position to manage human and non-human resources. Regarding this, Ozigi (1995), further explained that this should begin from the proper acquisition of the budget, which can match with the number of pupils and the programs of the school (Durbin, 1989).

No organization can exist or accomplish its functions efficiently without adequate financial resources at its disposal. Money is needed to pay staff, maintain the plant and keep services going. This is true for the educational organization too. The managerial and instructional personnel of the levels and programs, materials to be used and all other essentials need money. It is very essential, particularly at a school level where the actual teaching and learning activity is performing. The amount of finance available to school and the way it is utilized influence the quality of their performance. So, this resource should be managed properly in order to enhance its contribution to the betterment of the quality of education (Ozigi, 1995).

Financial budgeting is a fiscal plan that describes the requested expenditures and anticipated revenues required to operate an educational organization for a specified budget year. It is one way of expressing a set of purposes translated in to a plan of action for a stated period of time. It is through budgeting that the school allied its resources with its purpose. The educational budget is a financial plan for providing an educational program in school district for a specified period, usually one year. It shows the items and services which will be provided and the amounts

expected to be spent on each. It also shows the revenue sources from which the district's funds will be drawn (MoE, 1994).

Effective and efficient realization of objectives in educational organizations is definitely determined by good administration of a budget. In business firms, the aim of budget administration is straight forward i.e., securing the profit making in the firm, schools, in contrast, for the provision of educational services (knowledge, skill and attitudinal change) for children in a certain locality. The success of schools, thus, may not measure in terms of the money profit made by the school. The emphasis in the school budget administration is ensuring the wise utilization of educational resources. Appropriate business management program is a prerequisite for optimum utilization of finance in schools.

## **2.6. FACTORS AFFECTING EDUCATIONAL FINANCIAL MANAGEMENT PRACTICES**

The factors that affect educational financial management practices in school include; the number of pupils in the school, community participation, availability of donors, capacity in generating internal income, consumption of resources, the costs of educational materials, knowledge of financial personnel, stakeholders cooperation and coordination and others. As the number of school age pupils increases, the amount of resource required for the learners will be increased. The cost of education system depends greatly up on the proportion of the population of school age children's. The purchasing power of the money: when the purchasing power of the money decreases, more money may be needed to the education system. The national income: Education expenditure is directly related to the income of the nation. In general, high income for the country means high proportion of expenditure on different sectors by the central government (Corbolly, 1990).

### **SUMMARY**

To sum up the above review of the related literature, financial management is a discipline dealing with the financial decisions, corporations make and the tools and analysis used to make decision (Pandey, 2010). According to MoE (1994), there are four commonly known sources of finance of education institutions in general and the schools in particular are government, private, community, and school internal income and donors agencies.

No organizations can exist or accomplish its functions efficiently without adequate financial resources at its disposal. Money is needed to pay staff, maintain the plant and keep services

going. The managerial and instructional personal of the levels and programs, materials to be used and all other essentials needs money to fulfill educational materials. It is very essential, particularly at a school level where the actual teaching and learning activity is performing.

Efficient and effective realization of objectives in educational organizations is definitely determined by good administration of a budget. The success of schools may not be measured in terms of the money profit made by the schools. The emphasis in the school budget administration is ensuring the wise utilization of educational resources.

The current school financial practices and policy directives in Ethiopia revealed that, the financing of educational system can be improved by increasing the government budget allocation particularly for infrastructure building and provision of educational materials. The participation of the community will be encouraged and enhanced in building schools and provision of furniture on a voluntary self-help basis.

The factors that affect educational financial management practices in school include; the number of pupils in the school, community participation, availability of donors, capacity in generating internal income, consumption of resources, the costs of educational materials, knowledge of financial personnel, stakeholders cooperation and coordination and others.

## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODOLOGY

#### INTRODUCTION

This part of the thesis comprises the description of study area, location of the study area, socio-demographic characteristics of the study area, research design and method, sources of data, population and sampling, sample size, sampling techniques, methods of data collection and analysis, reliability and validity and the ethical issues

#### 3.1.DESCRPTION OF THE STUDY AREA

The study was conducted in Guraghe zone GumerWoreda secondary schools which is located 230km to the south of Addis Ababa, the capital of Ethiopia. In Guraghe zone there are 14 woredas and two town administrations. The location is known by weynadega weather condition and the primary means of food for living is Enset. In the woreda there are 29 primary, five lower secondary, two preparatory schools and one TVT college.

##### 3.1.1. Location of the Study Area

The study was conducted in Guraghe zone at Gumerworeda. Gumer is one of the woredas in the Southern Nations, Nationalities, and Peoples' Region of Ethiopia. This woreda is named after one of the sub-groups of the SebatBetGurage, the Gumer. Part of the Gurage Zone, Gumer is bordered on the southeast by the Silt'e Zone, on the southwest by Geta, on the northwest by Cheha, and on the north by Ezha. Towns in Gumer include Arek'it and K'ebul. Geta and AichoWereroworedas were separated from Gumer.

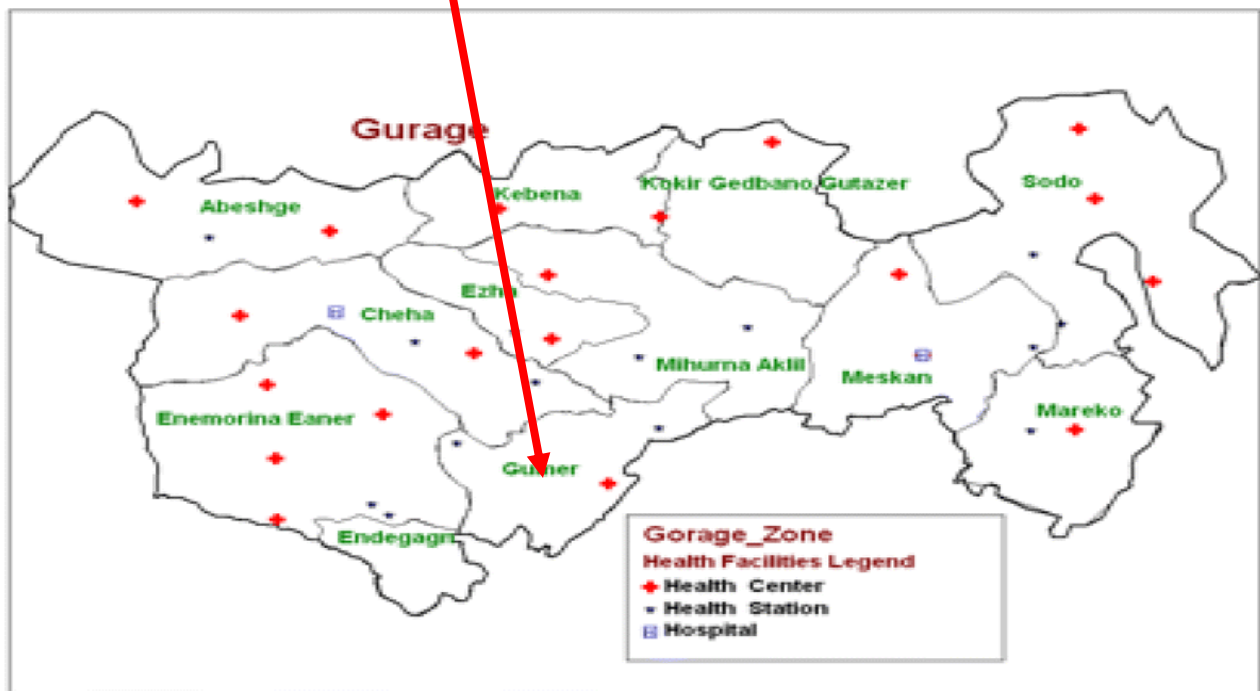


Figure 3.1 Location of the study area

### 3.1.2. Educational Characteristics of the Study Area

Table 3.1 Educational characteristics of Gumerworeda

level and Grade	Number of school	Number of student			Number of Teacher		
		M	F	T	M	F	T
First cycle primary	6	3587	3332	69189	87	92	179
Second cycle primary	23	4591	4195	8786	176	77	253
Lower (9-10) secondary	5	656	527	1183	62	21	105
Preparatory (11-12)	2	211	142	353	30	2	32
Total	36	9045	8196	79511	345	192	537

Table 3.2 Distance from Arekit secondary school to other nearest schools

No	School name	Distance in KM	Remark
1	Arekit secondary school	0KM	
2	Jenboro secondary school	17KM	
3	Abejay secondary school	18 KM	
4	Einjefo secondary school	21 KM	
5	Bade secondary school	19KM	

## 3.2. RESEARCH DESIGN AND METHOD

### 3.2.1. Research Design

Cohen,(2005) argued that descriptive studies look at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret things and events that constitute their various fields of inquiry. The researcher used the descriptive survey

design because it would help to gather a large variety of data and interpret the trend of events that exist now and existed in the past and that have influenced the present.

According to Ayalew (1999), descriptive research design makes objective description of the status of phenomenon at particular time without value judgment and with no effort to describe what underlies to happen that way. Investigation of the practices and problems of financial management (facts) using descriptive research design allows the description of the present application status of the training.

### **3.2.2. Research method**

The research method employed in the study was both quantitative and qualitative method.

A fully mixed concurrent dominant status method involves conducting a study that mixes qualitative and quantitative research in a single research study. In this method, the quantitative and qualitative phases are mixed concurrently at one or more stages or across the stages. However, either the quantitative or the qualitative phase is given more weight (Collins' 2000).

The researcher used the dominant concurrent mixed design by giving great emphasis for the quantitative data followed by the qualitative ones. The researcher selected this design because of the nature of the questionnaires prepared in order to conduct the study.

QUAN → qual

### **3.3. SOURCES OF DATA**

The information was collected from primary and secondary source of data. The primary sources of data of this research were the data collected from school principals, vice principals, PTSA and woreda education office officials. Whereas the secondary source of the data is the budget source and budget activities of the schools.

### **3.4. POPULATION, SAMPLE SIZE AND SAMPLING TECHNIQUE**

#### **3.4.1. Population of the Study**

The population of the study was principals, vice principals, teachers, PTSAs in Gurage zone gummer woreda secondary schools and WEO officials of the woreda education office. Thus, the populations of the study were 162.

#### **3.4.2. Sample Size**

Based on Yemane (1973), sample size determination formula with 95% confidence level; the sample of the study was determined. Among them a total of 125 samples were included in the study. This formula was obviously used to determine the size against finite population. After determining the sample size, using purposive (total population and expert) sampling technique, from a total of 27 parent teacher associations 25 (92.6%), from the total of 18 woreda education office officers 17 (94.4%) and from a total of 105 teachers 83 (79.05%) was selected. The total number of the sample taken from parent teacher associations, teachers and woreda education office officers were 125. However, 5 principals and 7 vice principals were selected by using purposive/total population sampling

The formula used to determine the sample size is:-

$$n = \frac{N}{1 + N(e)^2}$$

Where:-

n= sample size

N= total number of population

e= allowable error (5%)

Table 3.3 Sample size and method of sampling

No	Source of data	Total population	Sampling	%	Sampling technique
1	Principals	5	5	100	Purposive/total population sampling
2	Vice principals	7	7	100	Purposive/total population sampling
	Total	12	12	100%	
3	Parent student teacher association	27	25	92.6%	Purposive/expert sampling
4	teachers	105	83	79.05%	Purposive/expert sampling
5	Woreda education office officer	18	17	94.4%	Purposive/expert sampling
Total		150	125	83.3%	

### 3.4.3. Sampling Techniques

In Gurage zone GumerWoreda there are 5 secondary schools namely; Arekit, Jemboro, Abejay, Bad and Enjefo secondary schools. For the effectiveness's of the study the researcher uses all of the 5 schools. Purposive (total population and expert) sampling techniques were used to select the sample for the study. It is not manageable to include all teachers, woreda education office officers and PTSA population of secondary school in the research. Hence, it was advisable to cope up with representative samples and generalize the findings to the population. Accordingly, all principals (5, 100%) and vice principals (7, 100%) were selected by using purposive (total population) sampling technique. With total population sampling a researcher chooses to examine the entire population that has one or more shared characteristics. This kind of purposive sampling technique is commonly used to generate reviews of events or experiences, which is to say, it is common to studies of particular groups within the larger groups (Ashley, 2019).

25 PTSA (92.6%), 83 teachers (79.05%), and 17 WEO (94.4%) were selected based on their occupation by using purposive (expert) sampling technique. It is a form of purposive sampling used when research requires one to capture knowledge rooted in a particular form of experts (Ashley, 2019).

## **3.5. DATA GATHERING TOOLS**

### **3.5.1. Questionnaire**

43 questionnaires were developed on the basis of basic questions of the study and the review of literature. The questionnaires were used to gather data from woreda education officers and teachers. A questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents. Questionnaires provide a relatively cheap, quick and efficient way of obtaining large amount of information from a large sample of people (McLeod, 2018).

The questionnaires comprised both closed and open ended item were administered by the researcher himself. The questionnaires help to collect data from large number of respondents in different location .Further, the questionnaires can be detailed and help to cover many subjects or issues can be easily and quickly analyzed once the field data gathering work is completed. In the case of closed-ended item rating scales like range from 1(very low) to 5(very high) based on the questions used. Preferred for the reason that, provide greater accuracy in recording their view on a given subjects. A rating is a measured judgment of some sort. While opened-ended items were used for respondents to explain their feelings and understandings freely as much as possible based on the questions rises.

### **3.5.2. Interview Guide**

In order to enrich the data obtained through questionnaire, semi-structured interview was conducted withPTSA, principals and vice principals to collect in-depth information about the practice and problems of financial management in Gurage zone GumerWoreda secondary schools. After getting the willingness of respondents, the researcher conducted the interview in a face to face situation. This method is selected because it provides uniform information, which ensures the comparability of the data (Kuma, 1996).

### **3.5.3. Document Analysis**

To obtain background information and contemporary issues about the schools financial practices and experiences of the schools' annual financial report were reviewed. On top of reviewing the schools' annual financial reports, financial documents, guidelines and other manuals available which help to strengthen the study was referred.

### **3.6. DATA GATHERING PROCEDURES**

Primary data were collected through questionnaires and interviews. Questionnaires were distributed and filled by the respondents. The questionnaires were administered in the GumerWoreda secondary schools in the work place according to the schedule. Teachers and Woreda education officers were made to fill out the questions without time limit until they finished. They were made not to discuss each other on the items as the response of one respondent may influence the others. Before the respondents start to fill out the questionnaires, the purpose of the study was explained briefly by the researcher. In addition to the specific and general directions in the questionnaire, oral instructions are also given. After realizing their completion, the researcher collected the questionnaires. In a face to face fashion, the researcher interviewed principals, vice principals and PTSA. After the collection of data through questionnaire and interview, the researcher analyzed documents to enrich the findings. All the activities were done by the researcher

### **3.7. RELIABILITY AND VALIDITY**

One of the conceptualization concerns in validity and reliability by American Psychological Association, (1985) as stated: Reliability refers the degree to which observed scores are free from errors of measurement that can be gauged by consistency of scores while validity refers to the appropriateness, meaningfulness and usefulness of the specific inferences made from a given measurement.

Before the administration of questionnaire to the actual respondents, pre-test (pilot test) process was used. This helped to ensure language lucidity and check the appropriateness of the items to be contained in the questionnaires. Pilot test also helped to get feedback whether the questionnaires were constructed properly especially in detecting some redundant, ambiguous and unclear items of the questionnaire. According to this the reliability was checked by administering questionnaire from five teachers and two principals from second cycle of secondary education (11<sup>th</sup>-12<sup>th</sup>). In addition the questionnaire and interview questions were given to the advisor and one lecturer of Wolkite University and asked to give their reaction on each item of the instruments. Using the relevant comments and suggestions from the instruments the pilot study was conducted.

The reliability coefficient (alpha) of the pilot test,

No	Factor	Cranach's alpha
1	Current financial management practices of the schools	0.806
2	The extent of school leaders role in effective financial management of the schools	0.843
3	The major challenges in financial management in the schools	0.851
	Average total	0.842

The reliability coefficient (alpha) of the pilot test (0.842) for factors such as the current practices of financial management, the extent of school leaders role in the effective management schools finance and the major challenges faced in the management of schools finance. This evidenced that the identified factors had a good internal consistency (Yalow, 2011).

### **3.8. DATA ANALYSIS TECHNIQUES**

The researcher employed both quantitative and qualitative methods of data analysis. Quantitative data collected through questionnaires from the respondents of the study were scored and categorized. After completing and tallied appropriately the quantitative data were analyzed statically by chart, frequency and percentage. The results of the data obtained were presented in tables and narrated using words. Moreover, the rest of the interview responses and document analysis data were used to back up the findings of the analysis through narration.

### **3.9. ETHICAL CONSIDERATION**

The researcher should have kept the respondents idea whatever they said. The respondents were also informed that their personal information kept confidential that could not be publicized nor given to any third person without their full willingness in case the need arises.

Research ethics also considers the acknowledgement of the data generated by others with an appropriate citation of scholarly research outputs, books, websites, and any other related documents in order to assure intellectual and scientific integrity of the researcher. By recognizing this, the researcher tried to cite and acknowledge all the information taken from scholarly literatures and data generated by other individuals or organizations.

## CHAPTERFOUR

### 4. PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

This chapter presents the analysis of data, presentation and interpretation of the results from the schools principals, vice principals, teachers,PTSAandWoreda education office officers. The presentation and interpretation was done for the data obtained through questionnaire, interview and document analysis. The quantitative and qualitative data's were analyzed by using percentage, chart and narration (description).

#### 4.1. CHARACTERISTICS OF THE RESPONDENTS

As explained in previous section, In Gurage ZonesGumerWoreda there are 5 secondary schools such as Arekit, Jemboro, Abejay, Bad and Enjefo secondary schools. For the effectiveness's of the study the researcher was use all of the 5 schools. From each of the secondary schools PTSA, principals and vice principals were interviewed. These were selected because of their knowledge in the financial management of the school. Teachers,and woreda education office officer were responded the structure questioners.

Table 4.1: Description of the respondents by their sex and age

Item		Principals		Vice principals		Teachers		PTSA		WEO officer		Total respondents	
		No.	%	No	%	No	%	No	%	No.	%	No.	%
Sex	a) Male	5	100	6	85.7	48	57.8	25	100	14	82.4	98	71.5
	b) Female	0	0	1	14.3	35	42.2	0	0	3	17.6	39	28.5
	Total	5	100	7	100	83	100	25	100	17	100	137	100
Age	21-25 years	0	0	0	0	9	10.8	0	0	0	0	9	6.57
	26-30 years	0	0	2	28.6	31	37.4	0	0	3	17.7	36	26.3
	31-35 years	3	60	5	71.4	28	33.7	7	28	5	29.4	48	35
	36-40 years	2	40	0	0	9	10.8	13	52	9	52.9	33	24.1
	Above 40	0	0	0	0	6	7.3	5	20	0	0	11	8.03
	Total	5	100	7	100	83	100	25	100	17	100	137	100

Concerning the demographic indicators the basic characteristics or background information of the respondents such as sex and age were indicated in the Table 4.1. The sex distribution subjects involved in the study 5(100%) of principals and 6(85.7%) of vice principals were male and 1 (14.3%) of vice principal and none of principals were female. The number of the female respondents, as show in the above Table 1 (14.3%) was vice principal. This implies that the female participation in the managing activities in Gumer Woreda secondary schools were very low. According to the sex distribution of teachers 48(57.8%) of teachers were male and 35(42.2%) of teachers were females. This shows that in the schools the gap of the gender issue was in progress. In the view of the sex analysis of PTSA 25(100%) was male and none of PTSA was female. This shows a big gap of participation of females in school leading activities. According to the sex distribution of WEO 14(82.4%) of WEO were male and 3(17.6%) of WEO were females. This shows that in the woreagender gap was is low.

With regard to the age category of respondent's the analysis shows that from the Table 4.1, 9(10.8%) of teacher were the age range between 21-25 year. The majority 31(37.4%) of school teachers were in the age range between 26-30 years. On the other hand, 28 (33.7%) of the teachers were age between 31-35 year, 9(10.8%) of the teacher were age range between 36-40 years and the rest 6(7.3%) of teachers were above the age 40 year. As depicted in the item 2 of Table 4.1 the age of the respondents, 2(28.6%) vice principals were the age range between 26-30 years. And the majority of the vice principals 5(71.4%) were at the age range between 31-35 years. This shows that they are young enough and capable to manage the schools. 3(17.7% of WEO were the age between 26-30 year, 5(29.4%) of WEO were age between 31-35 year and 9(52.9%) of WEO were age of 36-40 years. This implies that the age of WEO officers were at the middle age. 36(60%) principals and 7(28%) PTSA age ranges from 31-35 years. 2(40%) of principals and 13(52%) of PTSA were in the range of 36-40 years. And 5(20%) of the PTSA were the age of above 40 years. This indicates that total percent of the principals and PTSA were at the middle age.

Table 4.2: Description of respondents by their educational level and service year

No.	Item	Principals		Vice principals		Teachers		WEO officer		PTSAs	
		No.	%	No.	%	No.	%	No.	%	No.	%
Qualification	Below Certificate	-	-	-	-	-	-	-	-	22	88
	Certificate	-	-	-	-	-	-	-	-	-	-
	Diploma	-	-	-	-	4	4.8	3	17.7	2	8
	Degree	5	100	7	100	79	95.2	14	82.3	1	4
	MA/MSC	-	-	-	-	-	-	-	-	-	-
	Total	5	100	7	100	83	100	17	100	25	100
Total service year	1-5	-	-	-	-	-	-	-	-	-	-
	6-10	1	20	2	28.6	23	27.7	-	-	-	-
	11-15	3	60	5	71.4	29	35	6	35.3	9	36
	16-20	1	20	-	-	25	30.1	11	64.7	14	56
	Above 20 years	-	-	-	-	6	7.2	-	-	2	8
	Total	5	100	7	100	83	100	17	100	25	100

With regard to educational qualification 5 (100%) of the principals and 7 (100%) of vice principals have first degree. This indicates that educational qualification of the principals and vice principals need encouragement. When we see the educational level of teachers and WEO only 4 (4.8%) of teacher and 3 (17.7%) of WEO were diploma holders and the majority 79 (95.2%) of teacher and 14 (82.3%) of WEO are first degree holders. This indicates that educational qualification of the teachers and WEO were in progress. Concerning to the educational level of PTSA 22 (88%) of the PTSA were below certificate, whereas 2 (8%) of PTSA were diploma holder and the rest 1 (4%) of the PTSA were degree holder. This implies that the educational level of PTSA needs encouragement. According to MoE (1995), suggests that to teach at secondary school level, the minimum required qualification is holding first degree sited in Melaku, (2000). This indicates that the problem of schools for shortage of qualified teachers in the study area was already existed and the secondary schools' principal position needs MA or MED, which was very absent in all secondary schools leadership position in the study area.

Concerning to the service years 1 (20%) of the principals, 2 (28.6%) of vice principals and 23(27.7%) of teacher have served for 6-10 years. Also 3 (60%) of the principals, 5(71.4%) of vice principals, 29(35%) of teachers, 6(35.3%) of WEO and 9(36%) of PTSA have served for 11-15 years. From the respondents, 1(20%) of principals, 25(30.1%) of teacher, 11(61.7%) of WEO and 14(56%) of PTSA served 16-20 years. And the remaining 6(7.2%) of teacher and 2(8%) of PTSA have served above 20 years in the school. This implies that more proportion of the respondents have longer years of services and better experience in the school.

## **4.2.PRACTICES AND PROBLEMS RELATED TO FINANCIAL RESOURCE MANAGEMENT**

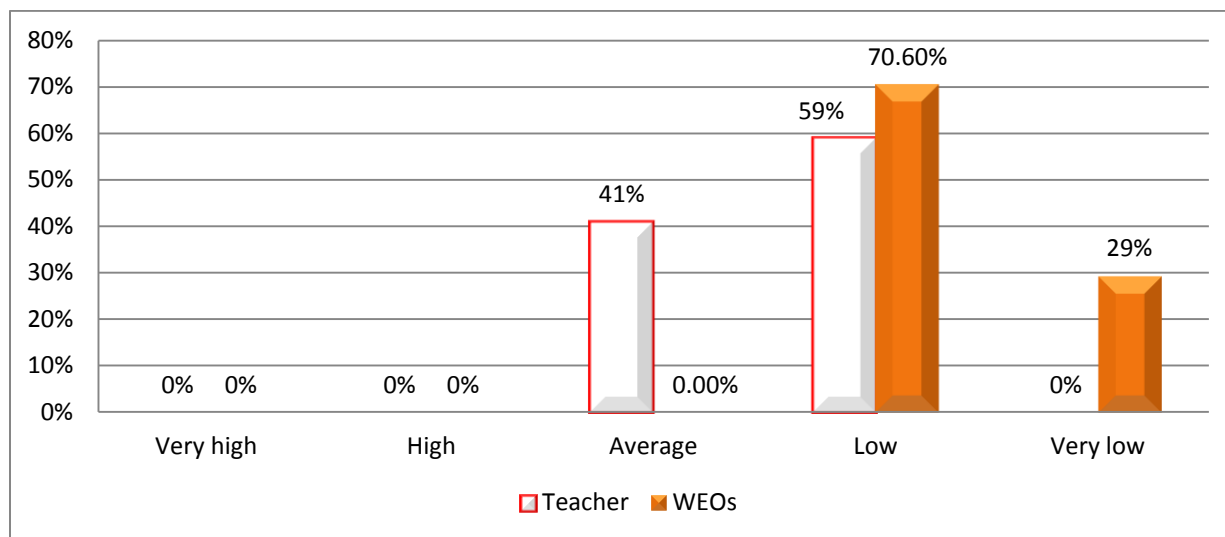
### **4.2.1. Financial Preparation in the GumerWoreda Secondary Schools**

Financial preparation is important to school to run the school activities. Educational institutions have their own peculiar financial preparation to perform their activities. Financial preparation in education leads to generating income, to get various incomes from different sources and have smart financial plan to perform the activities effectively. “Failing to plan is planning to fail”. Each item is used for the attainment of specific objectives and the proper use of these items may help to carry out the teaching-learning process effective and efficient. Proper financial preparation leads educational institution towards success.

Table 4.3:-Financial Preparation in Gurage Zone GumerWoreda Secondary School

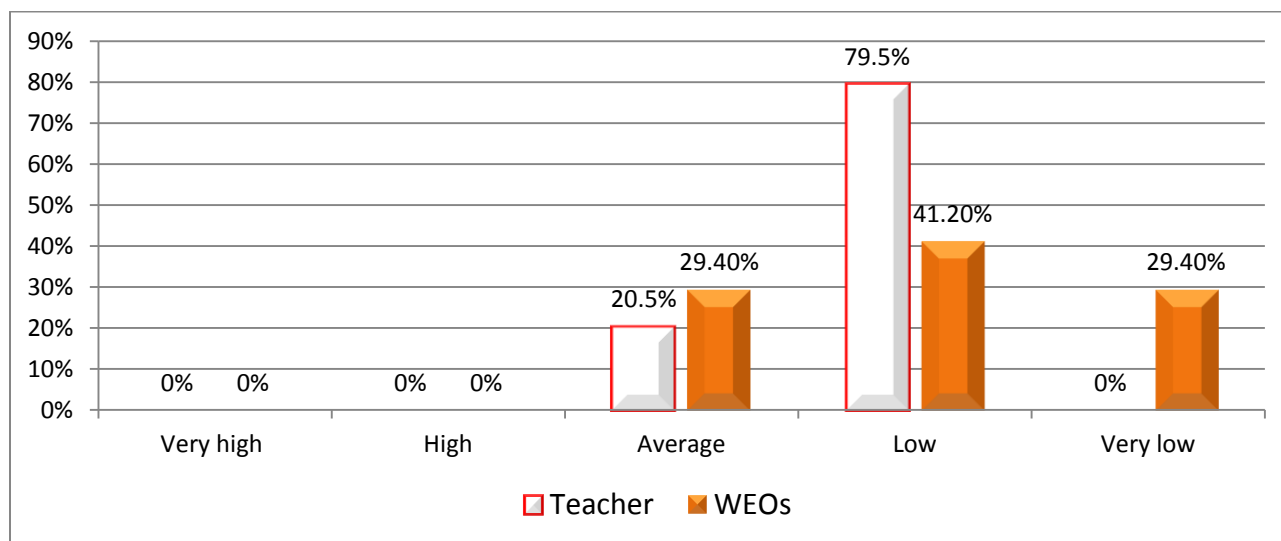
No.	Item	Key	Teachers		WEOs	
			No.	%	No.	%
1	To what extent your school planned to get income from various sources?	Very high	-	-	-	-
		High	-	-	-	-
		Average	34	41	-	-
		Low	49	59	12	70.6
		Very low	-	-	5	29.4
		Total	83	100	17	100
2	To what extent your school have smart financial plan?	Very high	-	-	-	-
		High	-	-	-	-
		Average	17	20.5	5	29.4
		Low	66	79.5	7	41.2
		Very low			5	29.4

**Chart 1:-** Responces of teachers and WEOson secondary school plan to get income from various sources



In item one of Table 4.3 or in chart one, the respondents were asked about the extent of school plan to get income from various sources. As shown in the above Table, 49(59%) of teachers and 12(70.6%) of WEOs responded that the extent to plan to get income from various source is low. and 34(41%)of teachers responded that averagely plan the school to get income from various sources. And 5(29.4%) of WEOs were responded that very lowly plan the school to get income from various sources. This implies that the schools plan to get income from various sources is low.

**Chart 2:-** Responces of teachers and WEOs on the extent of school smart financial plan



In item 2 of Table 4.3 or chart two, the respondents were asked about the extent of school smart financial plan. As shown in the above Table, 17(20.5%) of teachers and 5(29.4%) of WEOs responded that the extent of school smart financial plan is average. 66(79.5%) of teachers and 7(41.2%) of WEOs responded that the plan is lowly smart financial planning their school. And none of the teachers and 5(29.4%) of WEOs responded that the plan is not smart financial planning in secondary school. which implies that the schools smart financial plan is low.

#### **4.2.2. Financial Allocation and Utilization in Gumer Woreda Secondary Schools**

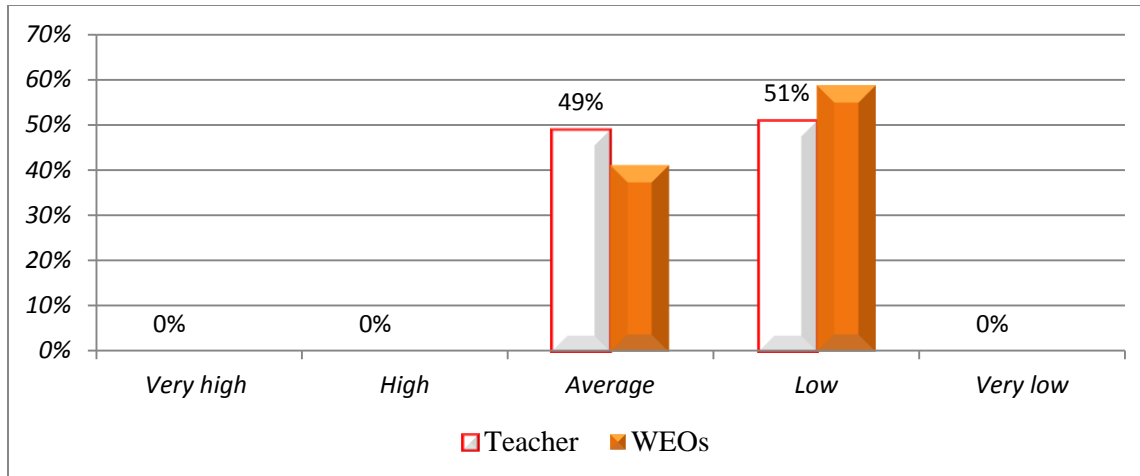
The expansion of educational systems and provision of quality education in schools are generally influenced by the amount of finance available to education and, by allocating finance and the extent to which the available finance is effectively and efficiently managed and utilized (Melaku, 2000).

Also effective and efficient allocation and utilization of the financial resources depend on the availability of organizational system, skilled and qualified personnel. Financial allocation and utilization is important to school to run the school activities and to run the teaching learning activities. Educational institutions have their own peculiar financial allocation and utilization to perform their activities. Each item is used for the attainment of specific objectives and the proper use of these items may help to carry out the teaching-learning process effective and efficient. Proper financial preparation and utilization leads educational institution towards success. In line with this, respondents were asked to explain the degree of allocation and utilization of annual budget for Gurage Zone Gummer Woreda Secondary Schools.

Table 4.4:-Financial allocation and utilization

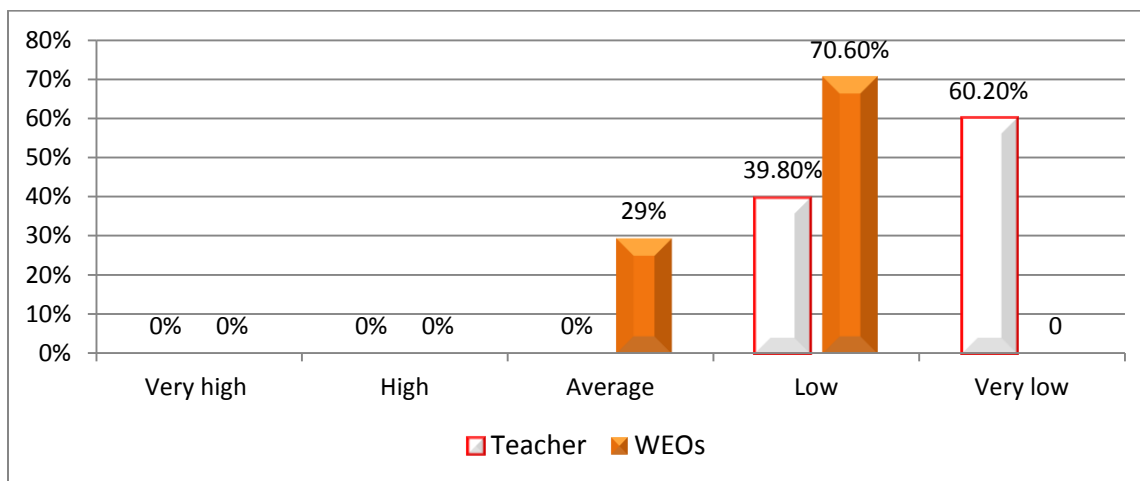
No.	Item	Key	Teacher		WEOs	
			No.	%	No.	%
1	To what extent your school (your office) uses criteria for allocating the school budget for each department and work division (each school)?	Very high	-	-	-	-
		High	-	-	-	-
		Average	34	41	9	41.2
		Low	49	59	10	58.8
		Very low	-	-	-	-
		Total	83	100	17	100
2	To what extent the budget allocated to your school equal to the amount required?	Very high	-	-	-	-
		High	-	-	-	-
		Average	-	-	5	29.4
		Low	33	39.8	12	70.6
		Very low	50	60.2	-	-
		Total	83	100	17	100
3	To what extent the allocated budget of your school released on time?	Very high	-	-	-	-
		High	-	-	-	-
		Average	-	-	7	41.1
		Low	39	59	9	52.9
		Very low	34	41	1	6
		Total	83	100	17	100
4	To what extent your school budget used according to the action plan?	Very high	-	-		
		High	-	-		
		Average	17	20.5	3	17.6
		Low	49	59	4	23.6
		Very low	17	20.5	10	58.8
5	To what extent your school budget evaluated throughout the budget year?	Very high	-	-	-	-
		High	-	-	-	-
		Average	17	20.5	3	17.7
		Low	32	38.6	7	41.1
		Very low	34	39.9	7	41.1
		Total	83	100	17	100

Chart 3: The extent of using criteria for allocating public budget



In item 1 of Table 4.4 or chart three, respondents were asked what information they have about the extent of using criteria for allocating the budget for each department and work division (each school). For this item, 34 (41%) of the teachers and 9 (41.2%) of WEOs were replied averagely. The majority of the respondents 49 (59%) of teachers and 10 (58.8%) of WEOs were responded extent of using criteria for allocating budget for each department and work division (each school) is low. This implies that the extent of using criteria for allocating budget for each department or work divisions and each school is low.

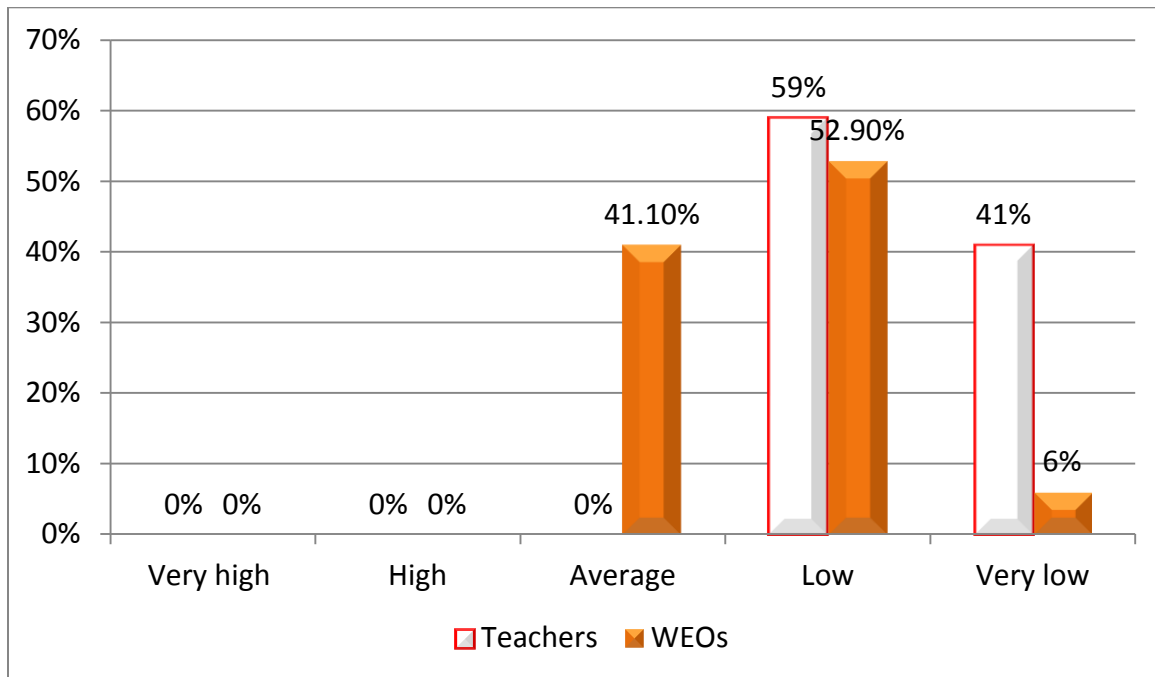
**Chart 4:** The amount of budget allocated to the school equal to the amount required



In item 2 of Table 4.4 or chart four, the respondents were asked about the budget allocated to the school/schools equal to the amount required. As shown in the above Table, 5 (29.4%) of WEOs responded that the budget allocated to the school equal to the amount required is average.

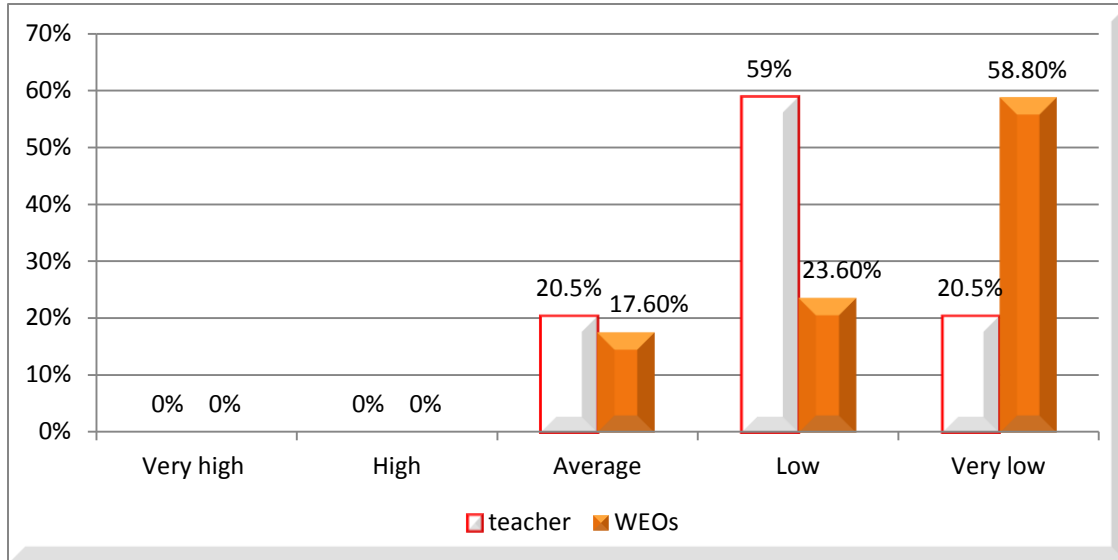
33(39.8%) of teachers and 12(70.6%) of WEOs responded that the budget allocated to the school equal to the amount required is low. And 50(60.2%) of teacher responded that the amount of budget allocated to the school equal to the amount required is very low. From this conclude that the budget allocated to the school equal to the amount required is low.

**Chart 5:-** The extent of allocating budget released on time



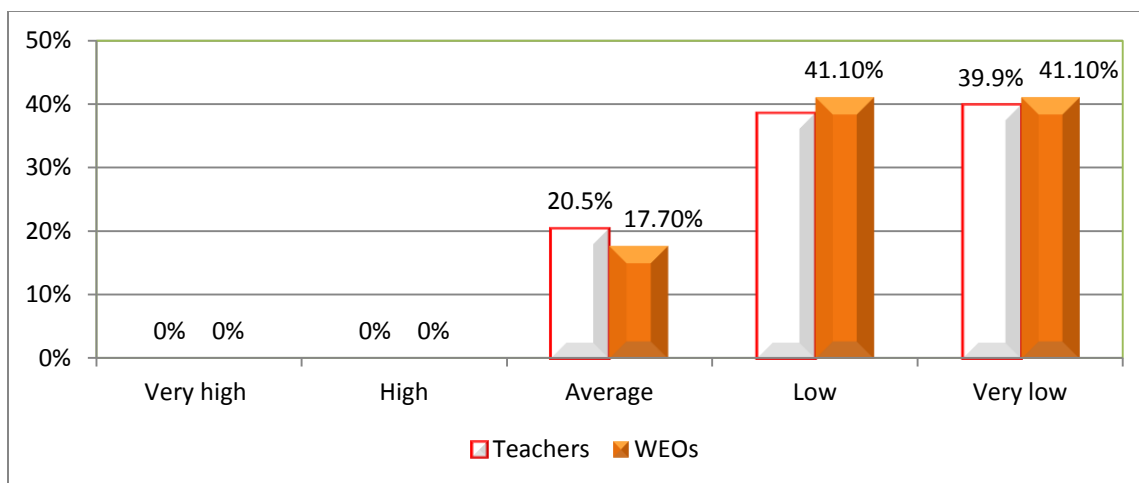
In item 3 of Table4.4 or chart five, the respondents were asked about the extent of allocating budget released on time. As shown in the above Table, out of 83teachers and 17WEOs, none of the teachers and 7(41.1%) of WEOs were responded that averagely the allocated budget is release on time.39(59%) of the teacherand 9(52.9%) of WEOs responded that lowly the allocated budget is release on time. Similarly out of 83 teachers and 17 WEOs, 34(41%) of the teacherand 1(6%) of WEOs were responded the extent of allocating budget released on time is very low. From the respondent it was possible to conclude that the allocated budget is not released on time.

**Chart 6:-** The amount of budget used according to the action plan



In item 4 of Table4.4 or in chart six, the respondents were asked about school budget used according to the action plan. The respondents responded that 17(20.5%) of teachers and 3(17.6%) of WEOs were responded averagely the schools used according to the action plan. 49(59%) of teachers and 4(23.6%) were responded as low that the schools used their budget according to the action plan, 17(20.5%) of teachers and 10(58.8%) of WEOs were responded as very low that the schools used their budget according to the action plan. This implies that the schools were not used their budget according to the action plan.

**Chart 7:** - The extent of budget evaluation through the budget year



In item 5 of Table4.4 or in chart seven, the respondents requested about the evaluation of budget throughout the budget year. In relation to this 17(20.5%) of teachers and 3(17.7%) of

WEOs revealed the average evaluation of school budget throughout the budget year. 32(38.6%) of the teacher and 7(41.1%) of WEOs revealed that the evaluation of budget in the budget year is low. And 34(39.9%) of teacher and 7(41.1%) of WEOs were responded the evaluation of school budget throughout the budget year is very low. The above discussion indicated that the regular evaluation and control of budget in the schools were weak.

Analysis of the Interviews held with principals and vice principals on the practices of schools in the allocation and utilization of financial resources.

There was a common consensus among all participants 12 (100%), that proper utilization and allocation of the limited financial resource in the school have good impact in their performance. But the actual practice in all the schools that the principals and vice principals represent had a great problem as all witnessed. Above all, they all agreed that; finance is the vehicle for achieving the goals of the schools and the practice is full of problem. The problems that repeatedly raised by the respondents that the schools faced were:-

- Didn't allocate the budget for departments and work divisions
- High budget shortage.
- The allocation is not timely.
- No compatibility between schools budget plan and what they actually did.
- No regular financial performance evaluation.

Regarding the question on the assignment of financial activities and its actual practice: - most of the respondents 21 (84%), replied that; the responsible bodies in administering financial activities in the schools were PTSA members. Having the power of administering school finance, the actual practices of the schools seems the following:-

- The total budget and their sources were announced to the PTSA by the principal
- Budget plan was prepared by the school principal and evaluated as well as approved by PTSA members
- Purchasing practices were done by using open bid and direct purchase. Here they further explained that due to the unique characteristics of schools many purchasing orders were held according to the need arise. As a result purchasing is run out of plan most of the time.

- Even though any payment should not be done without the approval of PTSA members; principals of the schools order and made payment.
- All PTSA members does not participate on schools activities, as a result only few members discuss and order to make any payment.
- Above all, the financial sources of their respective schools were very few which is from the government and a little internal income gained from grass and tree sale.

Having pointes discussed above in mind, few among them 4 (16%), replied that all financial activities of the schools were managed and run by school principal. This shows that there is even awareness problem on knowing the responsible body for financial management. Parallel with this, the management of school finance by PTSA members was very problematic that needs amendment.

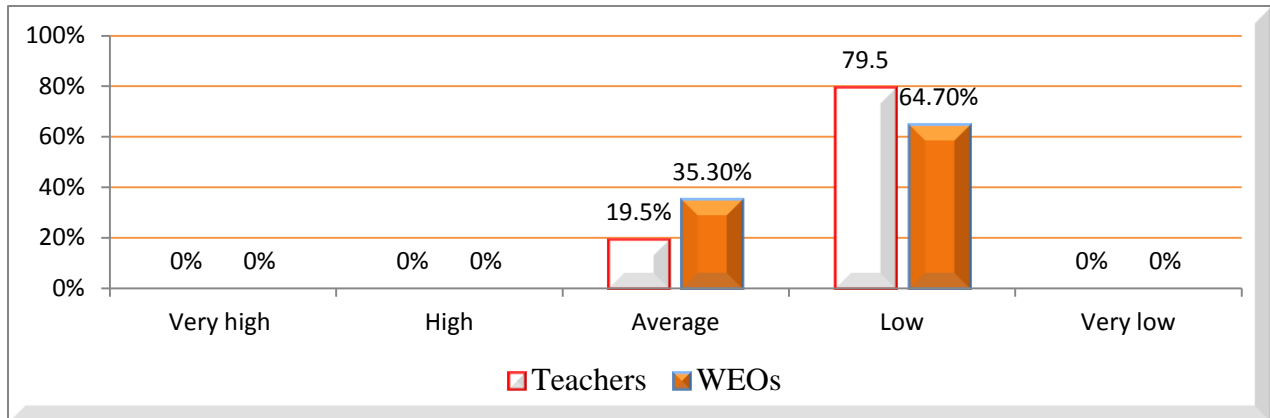
#### **4.2.3. Financial Management in Gurage Zone GumerWoreda Secondary Schools**

School financial management as a discrete function of professional school administration is a recent phenomenon. However, it is becoming an integral part of the general educational management function. The subject matter of school financial management has been changing at a rapid rate. As a separate activity and discipline, it is of recent origin and concerned with the planning, organizing, allocating, utilizing and controlling of the educational financial resources. The success of teaching-learning process is actually determined by how far the schools are in a position to manage human and non-human resources. In line with this, respondents were asked to explain the degree of financial management of Gurage Zone Gummer Woreda Secondary Schools.

Table 4.5:- Financial Management in Gurage Zone GumerWoreda Secondary Schools

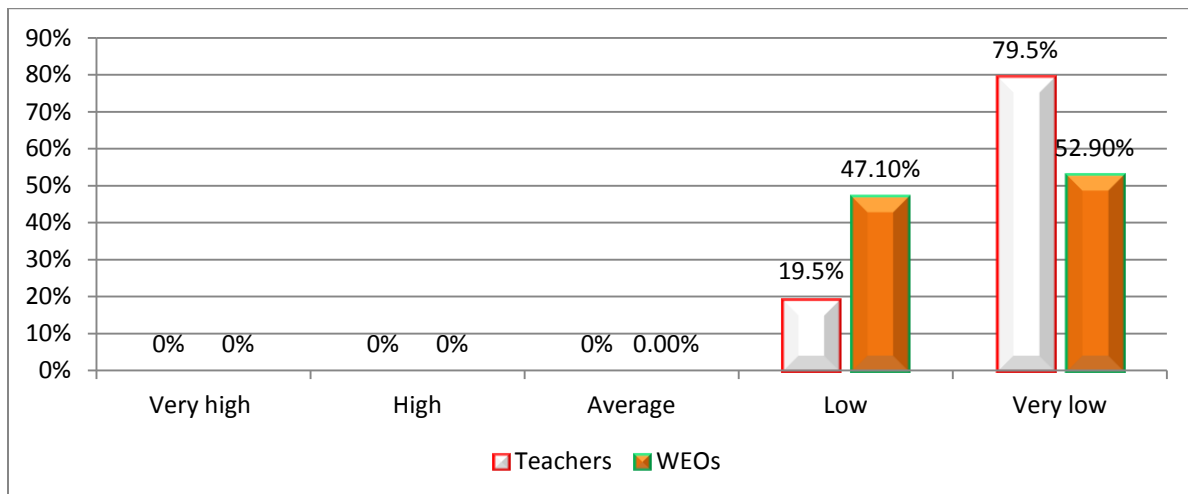
No.	Item	Key	Teachers		WEOs	
			No.	%	No.	%
1	To what extent your school properly using its financial resource?	Very high	-	-		
		High	-	-		
		Average	17	19.5	6	35.3
		Low	66	79.5	11	64.7
		Very low	-	-		
		Total	83	100	17	100
2	To what extent the required personnel assigned for the management of finance in your school?	Very high	-	-		
		High	-	-		
		Average	-	-		
		Low	17	19.5	8	47.1
		Very low	66	79.5	9	52.9
3	To what extent your school used the existing financial guidelines, rules, regulations, documents and models in the practice of finance?	Very high	-	-		
		High	9	10.8		
		Average	25	30.1	5	29.4
		Low	49	59.1	13	70.6
		Very low	-	-		
4	To what extent your school practices financial management	Very high	-	-		
		High	-	-		
		Average	31	37.3		
		Low	52	62.7	11	64.7
		Very low	-	-	6	35.3
5	To what extent the management bodies' discusses on the school finance?	Very high	-	-		
		High	-	-		
		Average	31	37.3	3	17.7
		Low	52	62.7	10	58.8
		Very low	-	-	4	23.5
6	To what extent your school make the budget transparent to the community?	Very high	-	-		
		High	-	-		
		Average	12	14.5	5	29.4
		Low	62	74.7	12	70.6
		Very low	9	10.8		
7	To what extent the school communities provide financial contribution to your school in the budget year?	High	-	-	-	-
		Average	-	-	-	-
		Low	52	62.7	11	64.7
		Very low	31	37.3	6	35.3
8	To what extent your school budget generated from internal income in each year?	Very high	-	-	-	-
		High	-	-	-	-
		Average	21	25.3	3	17.7
		Low	62	74.7	6	35.3
		Very low	-	-	8	47

**Chart 8:** - The extent of secondary schools properly uses financial resource.



In item 1 Table4.5 or in chart eight, the respondents were asked about the extent of proper using of finance. As shown in the aboveTable 17(19.5%) of the teacher and 6(35.3%) of WEOs replied on proper usage of school finance is average. And the other 66(79.5%) of teachers and 11(64.7%) of WEOs were responded on proper usage of school finance is low. This implies that there is big problem in efficient utilization of school resources including finance.

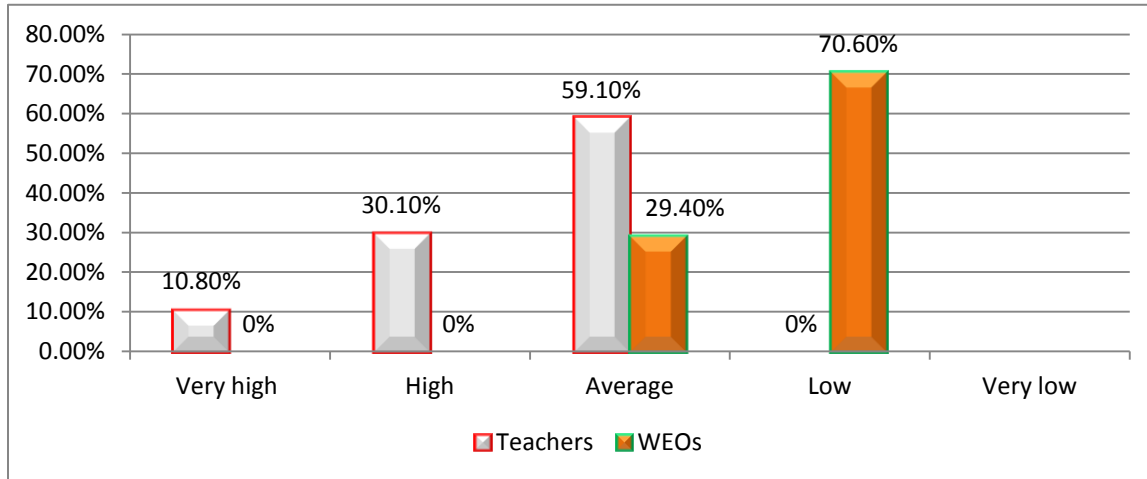
**Chart 9:** - The extent of required personnel assigned for the management of school finance



In item 2 Table4.5 or chart nine, the respondents were asked about the assignment of required personnel for the management of school finance. As shown in the above 17(19.5%) of the teacher and 8(47.1%) of WEOs replied that the assignment of required personnel for the management of school finance is low. And 66(79.5%) of teacherand 9(52.9%) of WEOs were

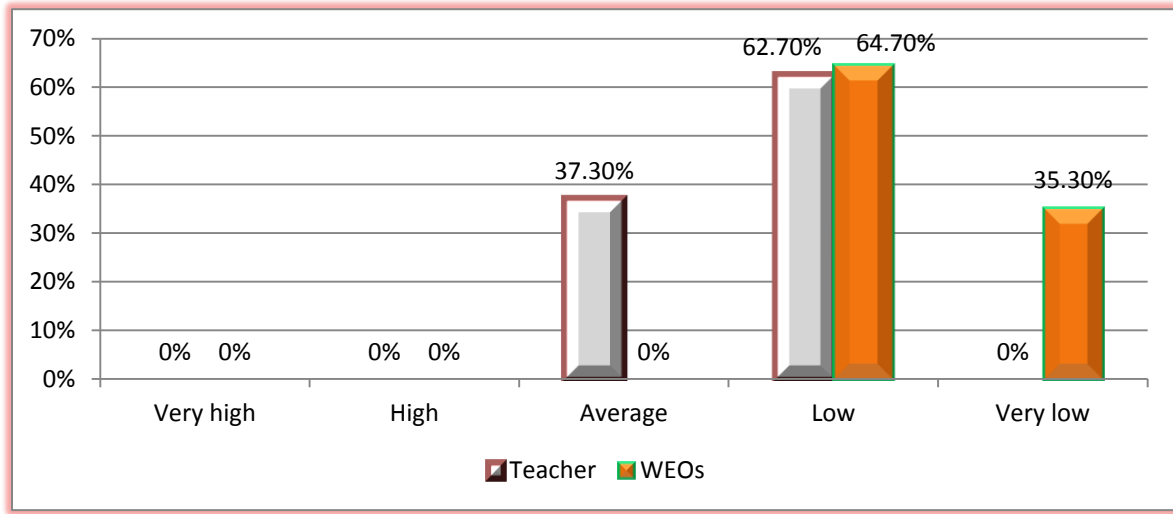
responded that the assignment of required personnel for the management of school finance is very low. This implies that the professional management of school finance is not as such good.

**Chart 10.** The extent of schools in using the existing financial guidelines, rules, regulations, documents and models in the practice of finance



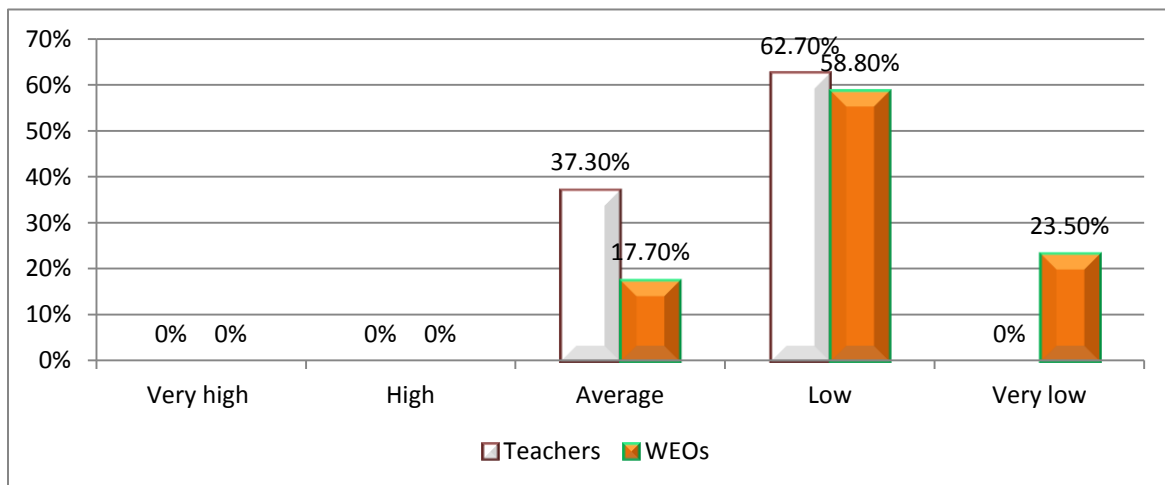
In item 3Table4.5 or in chart 10, the respondents were asked about the extent of schools in using the existing financial guidelines, rules, regulations, documents and models in the practice of finance. Accordingly 9(10.8%) of the teachers responded as high. 25(30.1%) of the teachers and 5(29.4%) of WEOs responded as the average usage of the existing financial guidelines, rules, regulations, documents and models in the practice of school finance. And 49(59.1%) of teachers and 13(70.6%) of WEOs were responded the extent of schools in using the existing financial guidelines, rules, regulations, documents and models in the practice of school finance as low. From the above analysis it is possible to conclude that the extent of schools in using the existing financial guidelines, rules, regulations, documents and models in the practice of school finance is not used.

Chart 11:- The extent schools practices financial management



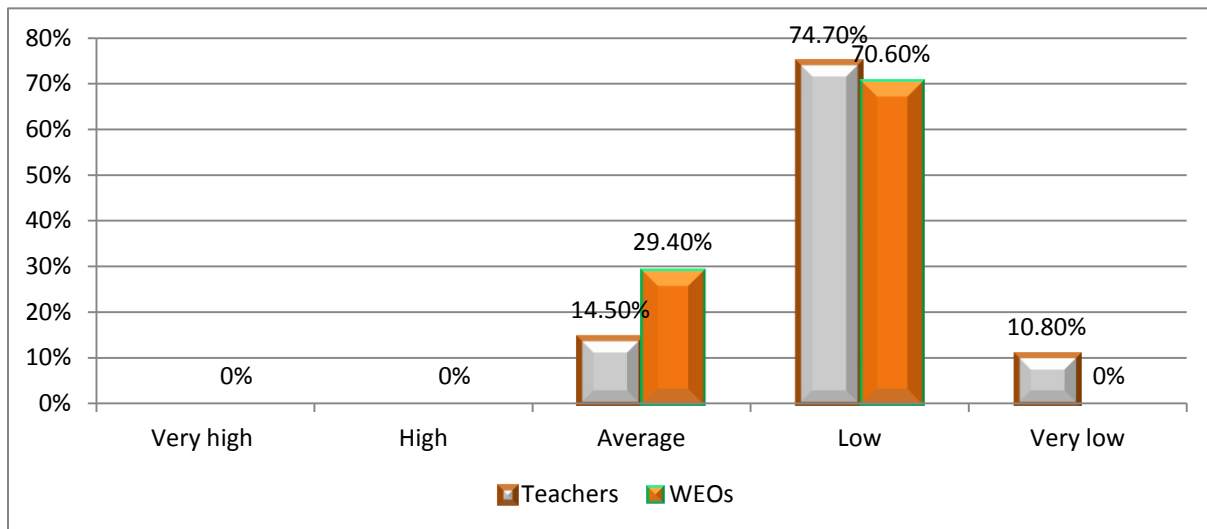
In item 4 Table4.5 or in chart eleven, the respondents were asked about the financial management practices of the schools. Accordingly 31(37.3%) of the teachers responded the average financial management of the schools.52(62.7%) of the teachers and 11(64.7%) of WEOs responded the financial managementpractice as low and none of the teachers and 6(35.3%) of WEOs were responded the financial management practice asvery low. From the above analysis it is possible to conclude that the schools are not adequately managing their financial practice.

Chart 12:- The extent of the management bodies discusses on the school finance



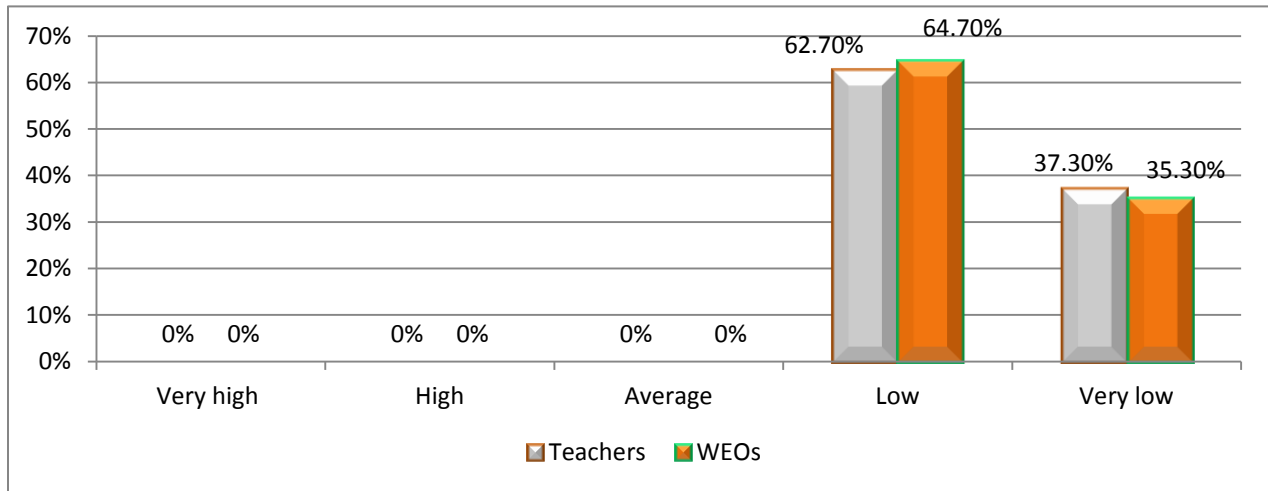
In item 5 Table4.5 or chart twelve, the respondents were asked about the discussion of management bodies on the school finance. As shown in the above 31(37.3%) of the teachers and 3(17.7%) of WEOs replied that the average discussion of management bodies on the school finance. 52(62.7%) of teacher and 10(58.8%) of WEOs were responded the discussion of management bodies on the school finance as low and none of teacher and 4(23.5%) of WEOs were responded the discussion of management bodies on the school finance as very low. This implies that the existence of problems on management bodies to discuss on the financial issues of the schools.

Chart 13:- The extent of budget transparent to the community in the schools.



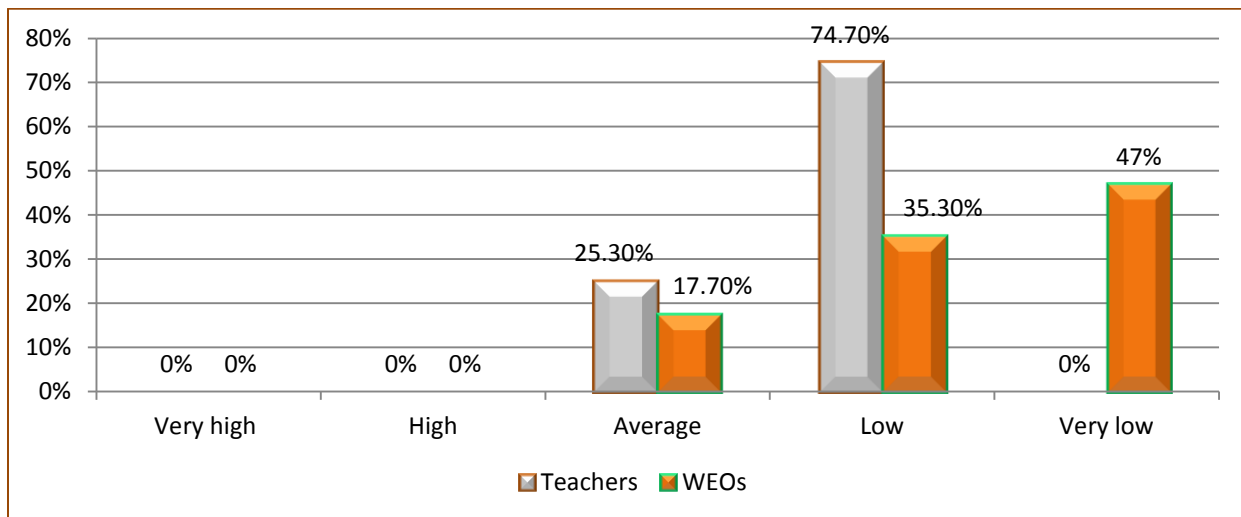
In item 6 Table4.5 or chart thirteen, the respondents were asked about the extent of budget transparent to the community in the schools. As shown above 12(14.5%) of the teachers and 5(29.4%) of WEOs replied that budget transparency to the community in the schools as average. 62(74.7%) of teacher and 12(70.6%) of WEOs were responded budget transparency to the community in the schools as low and 9(10.8%) of the teachers replied the transparency of budget to the community in the schools as very low. This implies that the school community and the stakeholders' don't have ample information on their school budget.

Chart 14:- The extent of school communities provide financial contribution to GumerWoreda schools in the budget year



In item 7 Table4.5 or chart fourteen, the respondents were asked about the extent of school communities provide financial contribution to the schools in the budget year. As shown in the above 52(62.7%) of the teachers and 11(64.7%) of WEOs replied that the participation of the school community in the provision of finance as low and 31(37.3%) of teacher and 6(35.3%) of WEOs were responded the very low community participation in the schools. This implies that the very low participation of the school communities in the overall aspects of the schools.

Chart 15:- The extent of budget generated from internal income in each year



In item 8 Table 4.5 or chart fifteen, the respondents were asked about the extent of budget generated from internal income in each year. Accordingly 21(25.3%) of the teachers and 3(17.7%) of WEOs responded the average generation of internal income in the schools in each year. 62(74.7%) of the teachers responded the extent of budget generated from internal income in each year is low and none of the teachers and 8(47%) of WEOs responded the extent of budget generated from internal income in each year is very low. From the above analysis it is possible to conclude that the schools were more dependent on public budget and unable to generate internal income from the varieties of sources they had at hand.

Analysis of open ended questions responded by teachers on the practice of financial management.

In this analysis part, there were open ended questionnaires prepared for school teachers. The researcher selected this group because they were the front line participants of teaching learning process and they have part in the committee by their representatives. Hence, responses of school teachers were as follows:-

Regarding the practice of financial management in secondary schools, the majority of the respondents 72 (86.7%) indicated that the financial activities of the school was not known by teachers and there is no information about recording system of finance and to some extent the source of budget and the amount of birr is posted on notice board and there is no clarification about the expenditure or cost. At the end of the year the report also presents gross revenue and total expenditure on school closing ceremony. But on the actual practices, many changes and budget shifts can happen throughout the budget year. Most of the activities were done by school principals and the PTSA which had inadequate financial experience and professional profile. The plan also prepared by the school principal and approved by some of school PTSA members. Perhaps there is no participation of the whole PTSA members and the necessary stakeholders. The payment also decided by PTSA and the principal of the schools.

Regarding the problems encountered in financial management, all of the respondents 83 (100%) replied that the budget allocated from the government was inadequate, and it also not released on time, dishonest between school and school community, lack of coordination between school community and school management bodies, limited ability of the school principals, limited

school financial personnel qualification and limited knowledge on financial management. The degree of managerial skills and role of principals and financial personnel, Lack of transparency of finance to the community, problem on experience and decision making ability of management bodies, absence of school accountant, shortage of income, Limitation on Participation of stakeholders on planning and decision making, low activity of the school management to engaging in income generating activity; school management bodies are only dependent on the government budget and the income gained from selling grass; no plan to get income from different sources; the budget is not transparent to the community and lack of appropriate checking, supervision and controlling were the practices factors that encountered on financial management activities.

Besides, the all of them 83 (100%) suggested that the school should adequate and qualified personnel the right person on the right position, and their competence should be improved through continuous training, the financial resources planning as well as implementation should be participatory and transparent, close supervision and audit is important. And also schools should be engaged in planned internal income generating activities and non-governmental donors to ensure additional sources of education financial resources.

Analysis of open ended questions responded with WEOs on the practices of financial management.

In this analysis part, there were open ended questioners prepared for WEOs. The researcher selected this group because they were the testimony on the school financial managements of the schools. Hence, responses of WEOs were as follow:

Regarding the practice of financial management in high schools of the woreda, majority of the respondents 15 (88.2%) replied that the schools prepared budget proposal including school PTSA and send the plan to Woreda finance and economic development office to withdraw the budget, the plan was problem in identifying the critical (priority) activities which is prepared only for the purpose of withdrawing the budget from the Woreda finance and development office. When the school needed to do their activities, the school committee decided the amount of money necessary for those activities. The Woreda education office assigned nonprofessional accountant to perform school finance activity in secondary schools because the salary paid for

school accountants is much less than that of other sectors, so the office obligate to incur none professional accountants. The budget was run by school principals and PTSA of the schools, regarding this most of the time from members of the PTSA committee only four or five of them were present; perhaps the whole committee did not exist in the discussion as well as decision. The Woreda education office order schools to make budget transparent in every meetings and to prepare meeting with school teachers, community, students, and student parents to make detail income and revenue budget report but the schools does not perform. During budget discussion the schools dose not invite the students' representative, select direct purchasing rather than following bid procedure, financial decision was held on unfulfilled committee members, financial documents were not signed by concerned bodies. Also limitation of giving priority activities, problem of preparing revenue documents on time; problem of timely audit; limitation of transparency of budget; problem of collecting community contribution on time and there is problem of collecting all part of the community and forget part of the community, implementing the budget out of the plan. Specially, school grant budget was used out of the plan.

Regarding the support of WEOs in the management of school finance, all of the respondents 17 (100%) replied that, WEOs support the schools by giving training for school directors, and those who are direct relation to the finance. And also Support by preparing checklist and supervise the school finance performance then give feedback. The WEOs make the finance and development offices of the woreda to audit the schools at the end of budget year. In addition to the end of the year the audit is taken when the school principals left the school or leave their position. Whereas, the Woreda Education Office officer ordered or requested the offices of Finance and Economic Development of the woreda to audit schools. In addition to the above WEO support the schools to deposit there budget in the Commercial bank of Ethiopia or in Omo-micro finance institute, in addition the school supported by indicating the way of collecting income; hires those who works as an accountant even if the supporter is not graduated by parallel work and lack of financial expert, support the schools by preparing check list and observing the implementation performance and gave written feedback to the schools. Give training for those who were direct relation to the financial management. And also advice the schools share experience from the schools which have best financial practice, Make the financial practice transparent to the school community and the society; identify the priority works to be done first then order based on essentiality of the activities.; follow the rule and regulations of finance; participate the

stakeholders during decision making and to be clear to all activities of finance for all management bodies.

Analysis of the interview data obtained from principals and vice principals on financial management of the schools.

All the respondents 12 (100%), agreed that; resources (including finance) were limited and proper management is mandatory. But due to factors with and without the control of the schools, the management is poor. The issues that repeatedly raised by the respondents for poor financial management were:-

- The schools did not use the limited financial resources for the priority issues of the schools and things that realize quality of education. Still the ratio of student- desk and student- class is not as per the standard. The quality of the classes, desks and the whole of the classrooms were not as such good and attractive. Library, laboratory and computer classes were not furnished with the necessary materials and equipment and others that all fulfilled by having budget. As a result, the school environment didn't invite students to stay a lot in the schools which affect the students learning adversely.
- The assignment of professional personnel for the management of finance in the schools had big problem. Most of the respondents realized that, the WEOs hire those TVET graduates and others which are not professional to run the finance in the schools. As a result, they are unable to run the budget properly, failed to plan a SMART financial plan, failed to identify priority areas of the schools and above all they failed to run the budget as per the financial guidelines, rules and regulations. But regarding this sub theme, respondents from two of the schools revealed that, they have professional financial personnel since two years before and the problems are minimal concerning the issue. However, they agreed that the problem is existed two years before and currently the WEOs hired the personnel. The researcher realized that the WEOs is trying To hire professional financial personnel and started the practice from these two high schools and the office planned to hire professional personnel for the schools in the coming consecutive years.

From the issues discussed the problem of assigning professional personnel for the management of finance in the schools was existed that needs intervention of the office.

- Regarding the extent of management discussion on the school finance, all the respondents 12 (100%), revealed managements discuss on the school finance especially at the beginning and end of budget years. They discuss on the amount of budget allocated for the school at the early beginning of the school years and evaluate at the end of the school year. All the respondents realized the absence of regular schedule for managements of the schools budget. As a result, they realized the financial management of their schools by the school management bodies was problematic.
- Budget transparency is crucial to create good governance in the schools. Most of the respondents 8 (66.7%), realized that, there is an awareness regarding the necessity of financial transparency, but the practice is at an infant stage and a onetime activity. They replied the schools posted the amount of the budget on the school billboard, report to the stakeholders at the end of the school years, posted in the principal office and finance department. They realized there were many changes throughout the school years and there is problem in the amendment of the data and publicly notifications. The amount of budget and the priority area which is posted and the actual practice is completely different. From this, it is possible to understand the notification is merely for the sake of reducing public complaint that not truly guide the schools financial practice. Respondents from the two schools 4 (33.3%), also realized that their schools provide financial information to the school community only at the end of the school years in report form. In addition to transparency problems discussed above, these schools did not provide financial information's for the school communities by posting in the schools billboard, principal office and finance department.

It was possible to say hiding financial information creates negative suspicion in the schools stakeholders which leads to create problem of good governance. As a result, the financial participation of stakeholders was low.

- Financial contribution of the school community. It was impossible to equip all the necessary educational materials for schools by the public budget (government) only. The participation of school communities has all round benefit including financial support. Even though, the level of community participation is different in the schools, the respondents understand the need for the participation of the community. All the

respondents 12 (100%), agreed that, they collect cost sharing fees from the students and sell grass annually. However, they realized the presence of many opportunities to mobilize the community to get financial support but the schools did not work as yet. The shortcomings that most of the schools 10 (83.3%) faced in this community mobilization revealed by most of the respondents were:-

- Failed to get financial support from the students' parents
- Failed to flexibly use the actual resources of the schools to generate income
- Failed to prepare project proposal and provide for NGOs as well as GOs
- Problem of community collaboration.

Here respondents from one of the schools 2 (16.7%) go further to mobilize and get financial support from the local community as well as from NGOs by preparing and providing project proposal, but still they did not get the actual support. They also responded that their close communication beyond providing the proposal was minimal. From all the respondents of the interview, it was possible to say community mobilization and generating finance from multiple sources in the school has problem. As a result, the budget from the government does not realize the standard of the schools to make the educational practice fruitful.

Interview response of principals on their roles in managing school finance,

As all respondents 12 (100%), confirmed that principals perform more than the responsibility they were legally given. The effective functioning of the teaching and learning process is the primary responsibility vested on principals of the schools. Officially principals have given the responsibility of managing the financial functioning of the schools. But all of the respondents revealed that they did more than what is expected from them. The sole reason for this is the absence of professional and adequate financial personnel in the schools. The points repeatedly raised as a role of principals in managing finance were:-

- Prepare financial (payment) documents together with school accountants if any
- Approve revenue and expenditure
- Approve financial documents
- Make payment order
- Check financial documents

- Order financial recordings
- Make financial decision

From the above repeatedly raised and other roles school principals play in managing finance; its genuinely possible to say there is the existence of corruption in the schools due to their over financial role.

Interview Held With Principals On The Support Of WEOs In Managing Their Schools Finance.

Most of the respondents 9 (100%), agreed that, the support of WEOs is not good and should be strengthened to make the schools better in managing their financial practices. The supports of the office were determined by the distances of the high schools. Majority of the respondents replied that WEOs support the schools by giving training for school directors, accountants (if any), store representatives and PTSA representatives at the end of the year and insignificant time, prepare checklist and supervise the school finance performance but they are not professional and unable to remade the technical financial activities, arrange auditing of the schools by the woreda finance and economic development office at the end of budget year. Only audit the expenditure and revenue on the paper/ document but not check the actually done activities. In addition to the end of the year the audit is taken when the school principals left the school or leave their position. Whereas, the Woreda Education Office officer ordered or requested the offices of Finance and Economic Development of the woreda to audit schools.

Whereas, the respondents from one of the high schools 3 (25%), revealed that; the support of WEOs as good and support their school in the proper management of the school finance. But, the researcher realized that the better support of the high school from the WEOs is due to proximity of its location to the office, the office invites any external bodies who want to see the financial performances of high schools to this school. As a result the office gives better attention to this school to make their performance better including assigning professional financial personnel.

From the respondents, it's possible to say the support of WEOs for the high schools was not good and should be strengthened in the future by treating all the schools fairly.

Interview held with principals on the problems faced in financial management.

All the respondents 12 (100%) agreed on the presence of problems in the proper management of financial activities in the schools and the following were repeatedly raised by them:-

- Shortage of budget
- Lack of coordination between school stakeholders.
- The inability of school principals in mobilizing the school community.
- Problem of financial management
- Problem in prioritizing school problems and proper budget allocation
- Lack of financial transparency
- Problem in generating income
- Problem in community mobilization
- Not timely purchasing of educational materials
- Absence of well experienced and professional financial personnel
- Improper financial plan
- Unnecessary financial transfer from code to code
- Cashiers made payment without having full data
- High rate of principals turnover
- Problem in monitoring and evaluation of financial activities
- Problem in providing feedback on the schools financial activities

Interview with Principals on the Intervention Mechanisms for Proper Management of School Finance

All the respondents 12 (100%) agreed that the current practices of financial management in the schools should be improved and some interventions should be made. The issues that repeatedly raised by the respondents were:-

- Having SMART financial plan.
- Prioritization of financial activities.
- Assignment of professional purchaser.
- Mobilization of the school community.
- Preparing project proposal and providing for NGOs as well as GOs
- Guaranteeing financial transparency and accountability

- Creating collaboration with the local community
- Widening income sources
- Timely release of budget
- Timely purchase of educational materials
- Fair and proper support from WEOs
- Regular monitoring and evaluation
- Providing feedback and others.

All the respondents 12 (100%) realized the necessity of the above mentioned interventions to make schools to achieve their goals by making the teaching and learning process effective.

#### Interview Held With PSTA on the Management Practices of the Schools Finance

Concerning the problems encountered during financial management; all of the respondents 25 (100%) replied that:-

- There was no regular schedule for them to meet and discuss
- All members of PTSA were not attended the meeting, as a result issues were decided by some members
- Finance personnel were not professionals in financial related fields. They were graduates of TVET and others which have not enough knowledge on all financial activities. This make them dependent on the principals for every of their activities which leads to corruption
- Cashiers made payment without having full data
- Transparency problem
- On behalf of urgency, unnecessary budget is transferred from code to code
- High rate of principles turnover
- The schools were not engaged in preparing project proposals and find different bodies for financial support. This realized that in all schools there were great financial problems which are almost similar.

Regarding the contribution of PTSA members to reduce inefficient utilization of finance in the schools; most of the respondents 21 (84%) replied that they give information for the principals to make WEO to assign professional accountant for the school, discuss to have regular schedule for

their meeting, to prepare project and give for NGOs, give information to sign and discuss all members before making any financial payment. From this it is possible to say the power of PTSA in the schools were not exercised (it's like fact on file) and principals did every of financial activities.

Concerning the audit, time of audit and the responsible person during financial management; all of the respondents 25 (100%) replied that: - The school audit at the end of budget year by woreda finance and economic development office. Calculate the income and revenue at the end of the year is not enough audits because to correcting and to support the school accountant and school principal the audit is taking at the budget implementing time.

Regarding the way to improve school financial management practice; all of the respondents 25 (100%) replied that the schools should

- Prepare regular schedule for PTSA meeting as well as community meeting
- Minimize principals turnover
- Fulfill the committee members
- All members of PTSA must be present( attend) to decide and discuss onthe school activities and budget
- Useless committee members were avoid and replace by educated and able personnel
- Find different financial supporters, NGOs and plan different source of finance.
- Prepare projects and give to the donors
- Assign qualified accountant
- Report the budget revenue and expenditure to the community in all meetings of the community
- Prepare budget documents on time
- The school must use purchasing committee to purchase educational materials
- Open bid is important during purchasing educational materials so strengthen and reduce direct purchasing;
- All financial payments must be taken by the approval of PTSA

From this it is possible to say that principals and PTSA did not exert effort and support to manage financial activities in monitoring and evaluation of school management. Furthermore, from the questioner with WEO experts and teachers, it was support the idea obtained from the qualitative data.

#### Document analysis

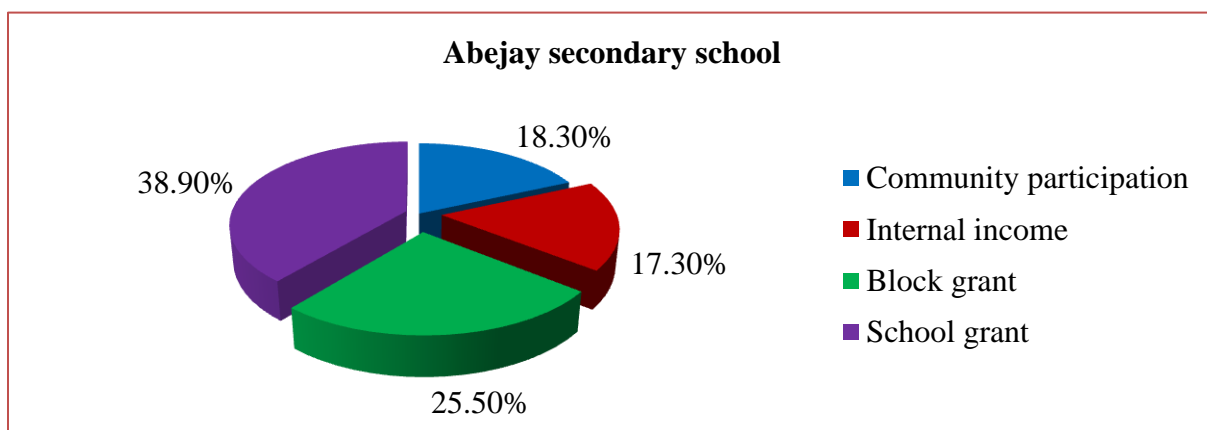
The data found from the secondary source shows that the source of the budget was divided in to four. These are school grant budget, block grant budget, internal income budget and from community contribution. The data was found from the annual report of the secondary schools.

Table 4.6:- Source of finance in secondary schools (2011 e.c)

Budget source	Jemboro		Abejay		Arekit		Bad		Enjefo	
	Budeget	%	Budeget	%	Budeget	%	Budeget	%	Budeget	%
Community participation	32535	18.5	29699.9	18.3	33955.6	19.8	47040	25.9	45820	34.3
Internal income	41866	17.5	28010.7	17.3	23877.5	13.9	22555.9	12.4	13200	9.87
Block grant	42472	26	41477	25.5	37819	22.1	37196	20.5	31080	23.2
School grant	63120	39	63220	38.9	75680	44.2	74841.5	41.2	43700	32.7
Total	179993	100	162407	100	171332	100	181633	100	133800	100

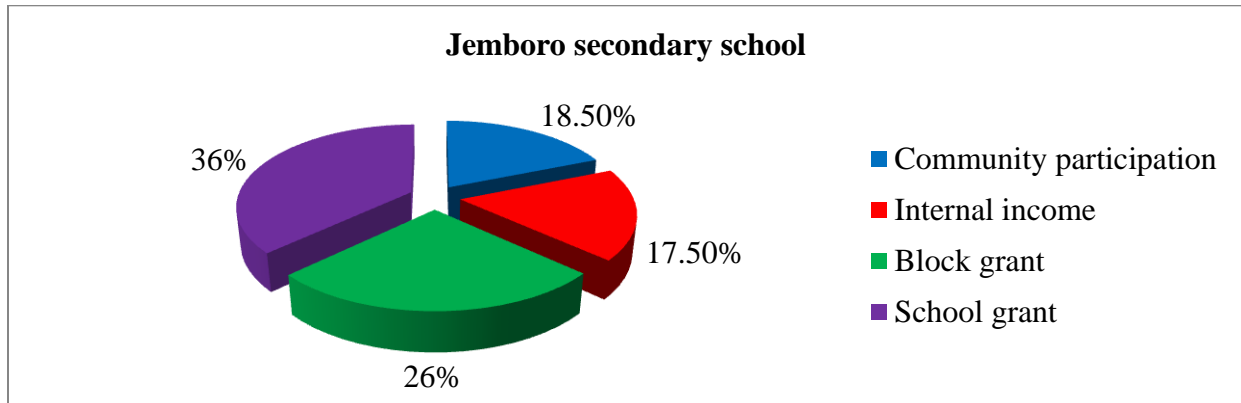
Because budget is allocated based on the number of students, analyzing the number of students in the previous (2010 e.c year) is necessary.

Figure 4.1: 2011ec source of finance in Abejay secondary school



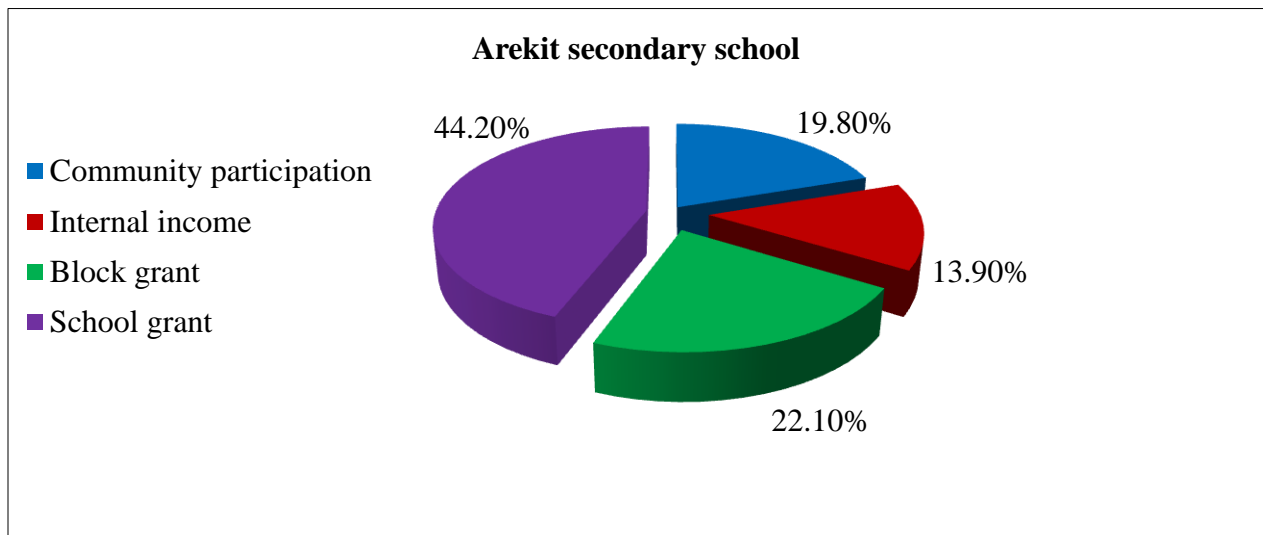
From Table 4.6 or figure 4.1 shows that in 2011ec the budget got from school grant was 63220 (38.9%) birr, block grant budget 41477 (25.5%) birr, internal income 2801.7 (17.3%) birr and from community contribution 29700 (18.3%) birr. This shows that the highest percent of the budget was from government.

Figure 4.2: 2011ec source of finance in Jemboro secondary school



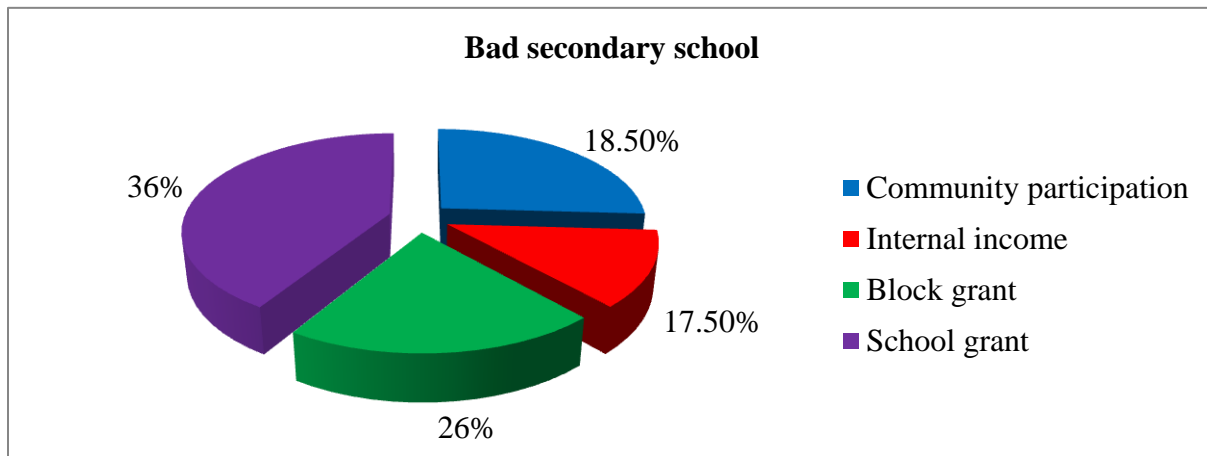
From Table 4.6 or figure 4.2 understood that, the source of the budget in jemboro secondary school were school grant budget with total of 63120(36%) birr in 2011, block grant budget with a total of 42472(26%) birr in 2011, internal income budget with a total of 41866(17.5%) birr in 2011 and from community contribution it was found a total of 32535(18.5%) birr. This shows that the highest percent of the budget was from government.

Figure 4.3: 2011ec source of finance in Arekit secondary school



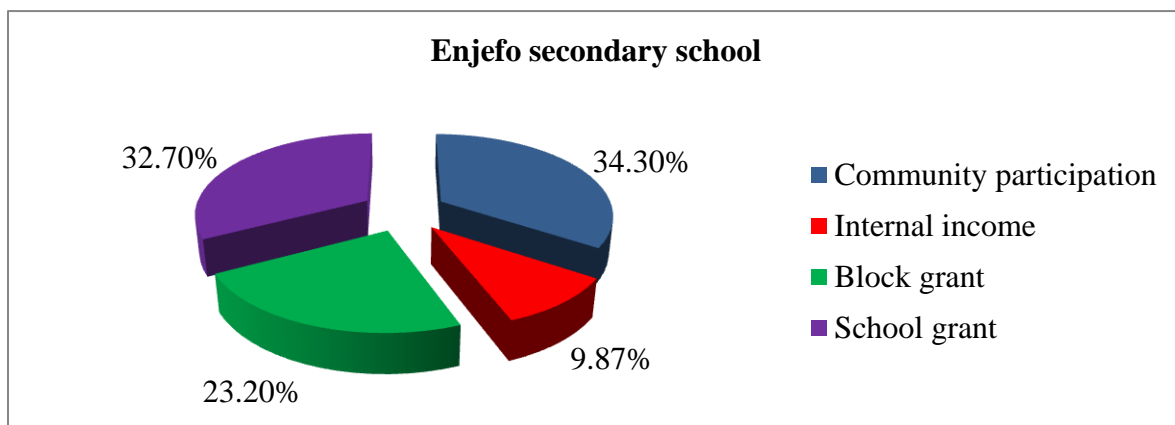
From Table 4.6 or figure 4, understand that, the source of the budget in Arekit secondary school were school grant budget with total of 75680(42.2%) birr, block grant budget with a total of 37819(21.2%) birr, internal income budget with a total of 23877.5(13.9%) birr and from community contribution it was found a total of 33955.6(19.8%) birr. This shows that the highest percent of the budget was from government.

Figure 4.4: in 2011ec source of finance in Bad secondary school



From Table 4.6 or figure 4.4 shows that, the source of the budget in Bad secondary school were school grant budget with total of 74841.5 (41.2%) birr, block grant budget with a total of 37196 (20.5%) birr, internal income budget with a total of 22555.9 (12.4%) birr and from community contribution it was found a total of 47040 (25.9%) birr. This shows that the highest percent of the budget was from government.

Figure 4.5: in 2011ec source of finance in Enjefo secondary school



From Table 4.6 or figure 4.4 shows that, the source of the budget in Enjefo secondary school were school grant budget with total of 74841.5 (41.2%) birr, block grant budget with a total of 37196 (20.5%) birr, internal income budget with a total of 22555.9 (12.4%) birr and from community contribution it was found a total of 47040 (25.9%) birr. This shows that the highest percent of the budget was from the government. When we saw the community participation of Enjefo Secondary school, it's seems more than government expenditure. But the reality is that, the total number of students of the school was too low and the government allocation based on the number of students of the school becomes too small. From this we can able to understand even in this school the generation of internal income and community participation as not high rather the allocation of public budget is small.

From the document analysis of income of the schools, it's possible to say all of the schools 5 (100%), have similar (four major) financial sources: - school grant and block grant that obtained from the government, internal income and income generated from the participation of the local community. The chart revealed that the schools try to perform their functioning by using government budget as a major source. The large proportion of the segments of the chart realized the high share in financial allocation of the schools.

Here the schools should try to mobilize the school community as well as generate income from variety of sources.

In reference of using the financial documents, guidelines, rules and regulations, the researcher tried to observe the physical existence of the financial rules and tried to evaluate the schools practices as per the guidelines. In all of the schools the study held, there were financial documents, rules and regulations that are documented. The major financial documents the researcher obtained in analyzing the schools documents were the general financial guideline documents, financial rules in using school grant as well as block grant budgets and rules in generating internal income. But the researcher realized that, the actual practices of all the schools were not as per the guidelines.

### **4.3. FINANCIAL MANAGEMENT PRACTICE IN GURAGE ZONE GUMERWOREDA SECONDARY SCHOOLS**

No organization can exist or accomplish its functions efficiently without adequate financial resources at its disposal. Money is needed to pay staff, maintain the plant and keep services going. This is true for the educational organization too. The managerial and instructional personnel of the levels and programs, materials to be used and all other essentials need money. It is very essential, particularly at a school level where the actual teaching and learning activity is performing. The amount of finance available to school and the way it is utilized influence the quality of their performance. So, this resource should be managed properly in order to enhance its contribution to the betterment of the quality of education (Ozigi, 1995).

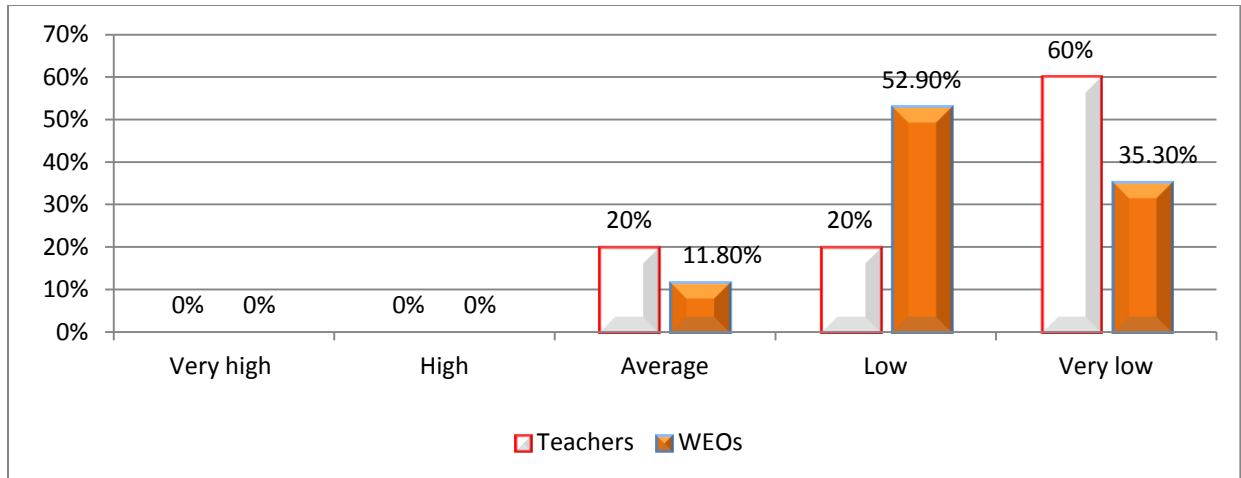
#### **4.3.1. The Practices of Purchasing Educational Materials Practiced In GumerWoredaSecondary School**

Purchasing function shall be to buy the product required for the intended purpose that in the budget year to support the educational goals and objectives. Each item is used for the attainment of specific objectives and the proper use of these items may help to carry out the purchasing of educational material, uses of open bid, purchasers experience, and timely purchasing of educational material. Proper purchasing of educational material leads educational institution towards success.

Table4.7:- The practices of purchasing educational materials practiced in Schools.

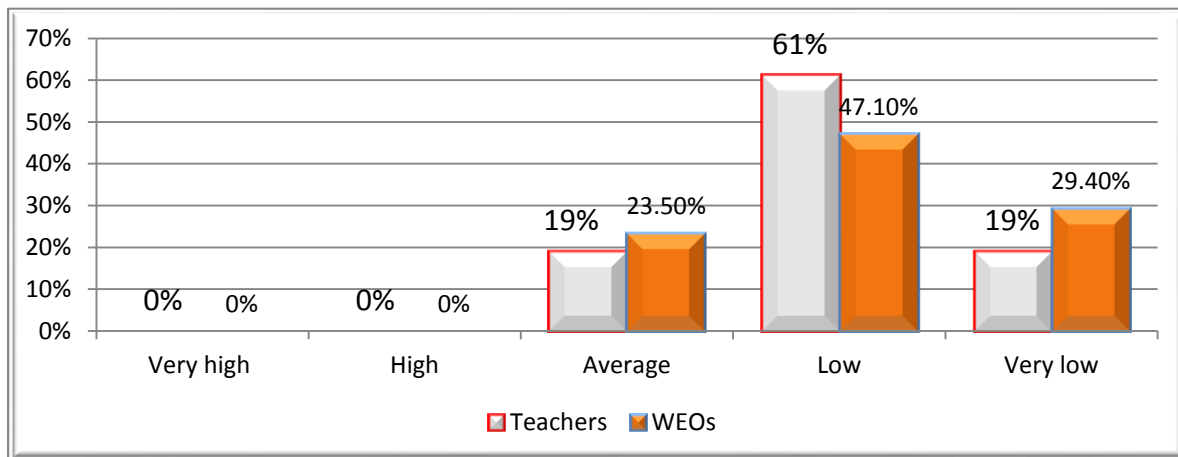
No	Item	key	Teachers		WEOs	
			No.	%	No.	%
1	To what extent your school purchases the educational materials by purchaser?	Very high	-	-	-	-
		High	-	-	-	-
		Average	16	19.3	2	11.8
		Low	16	19.3	9	52.9
		Very low	51	61.4	6	35.3
		Total	83	100	17	100
2	To what extent your school use open bid to purchase educational materials?	Very high	-	-	-	-
		High	-	-	-	-
		Average	16	19.3	4	23.5
		Low	51	61.4	8	47.1
		Very low	16	19.3	5	29.4
		Total	83	100	17	100
3	To what extent your school use direct purchasing method to fulfill the educational materials?	Very high	-	-	-	-
		High	49	59.3	-	-
		Average	34	40.9	-	-
		Low	-	-	-	-
		Total	83	100	-	-
4	To what extent your school having an experienced purchaser?	Very high	-	-	-	-
		High	-	-	-	-
		Average	16	19.3	2	11.8
		Low	50	60.2	8	47.1
		Very low	17	20.5	7	41.1
5	To what extent educational materials purchased on time in your school?	Very high	-	-	-	-
		High	-	-	-	-
		Average	19	22.9	3	17.7
		Low	49	59	9	52.9
		Very low	15	18.1	5	29.4
		Total	83	100	17	100

Chart 16: - Purchasing educational material done by purchaser



In item 1 Table4.7 or in chart sixteen, the respondents were asked about the extent purchases the educational materials by purchaser. Accordingly 16(19.3%) of the teachers and 2(11.8%) of confirmed that the average purchasing of educational by purchaser.16 (19.3%) of the teachers and 9(52.5%) of WEOs were revealed that purchasing of educational materials by purchasers as low. And 51(61.4%) of teachers 6(35.3%) of WEOs were confirmed the very low purchasing of educational materials by school purchaser. From the above analysis it is possible to conclude that there is no single responsible body in purchasing educational materials in the schools.

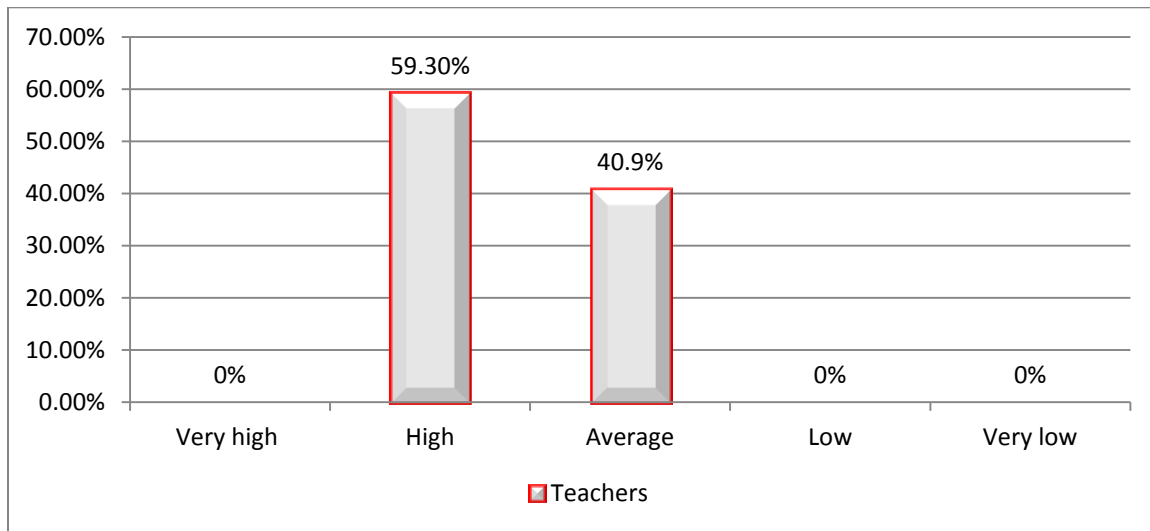
**Chart 17:** - The extent of using open bid to purchase educational materials in the school.



In item 2 Table4.7 or in chart seventeen, the respondents were asked about using open bid to purchase educational materials in the school. Accordingly 16(19.3%) of the teachers and 4(23.5%) of WEOs confirmed that the average purchasing of educational material done by purchasers. 51 (61.4%) of the teachers and 8(47.1%) of WEOs were confirmed that the use

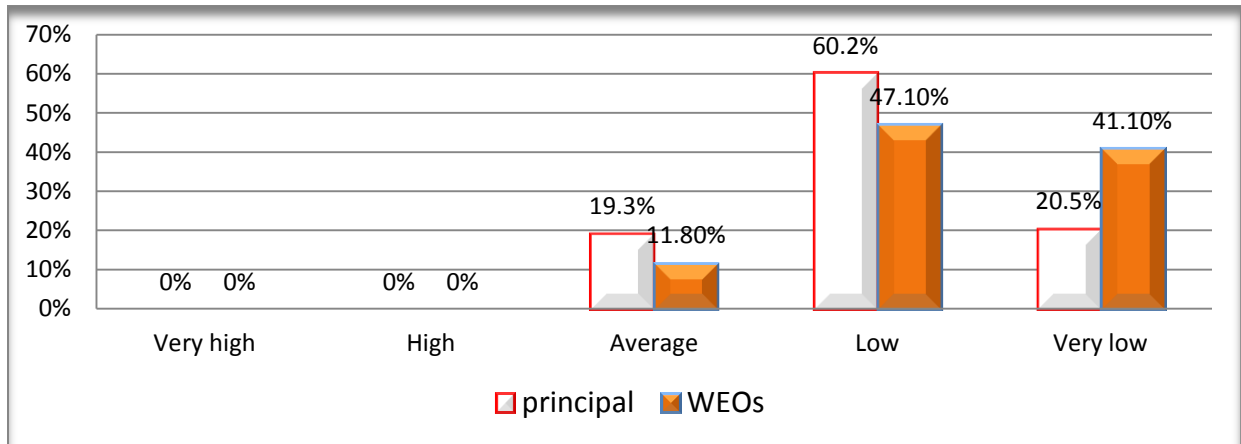
of open bid to purchase educational materials in the schools as low. And 16(19.3%) of teachers and 5(29.4) of WEOs were confirmed that the use of open bid to purchase educational materials in the schools as very low. From the analysis above it is possible to conclude that the use of open bid in purchasing educational materials as low.

**Chart 18:-** Direct purchasing method to fulfill the educational materials



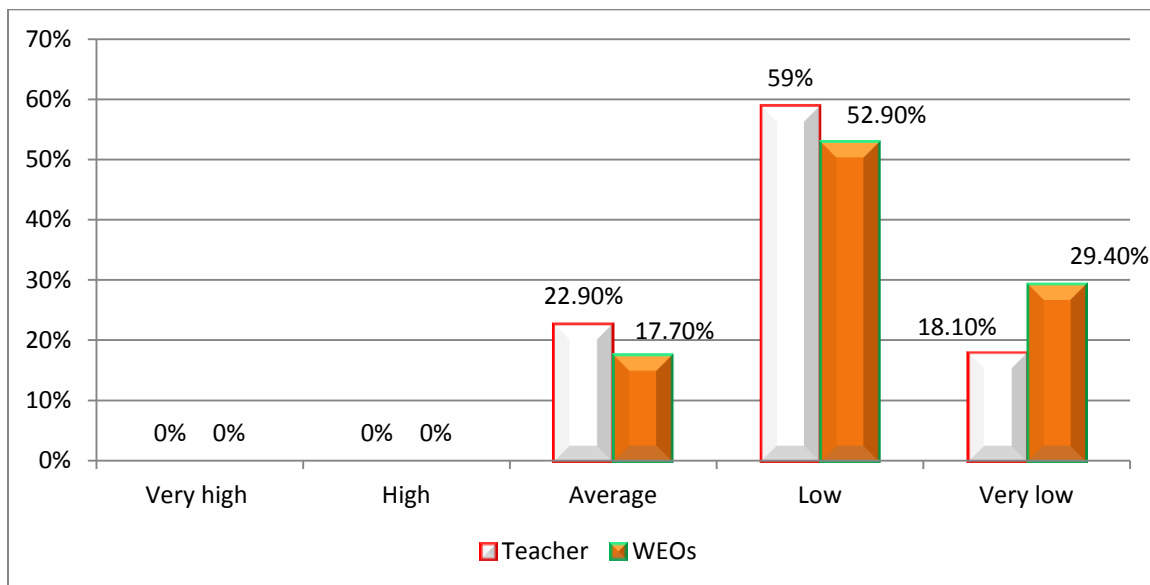
In item 3 of Table 4.7 or in chart eighteen, respondents were asked what information they have about the degree using direct method in purchasing educational materials in the schools. 49(59.2%) of the teachers replied the high use of direct method to purchase educational materials schools. And 34(40.8%) of teachers responded that the extent of using direct method to purchase educational materials in the school as average. Here it was possible to say the schools use direct purchasing method most of the time in purchasing educational materials.

**Chart 19: -** The experience of purchasers on purchasing educational materials



In item 4 of Table4.7 or chart nineteen, the respondents requested about the experience of purchasers on purchasing educational materials in the schools. In relation to this 16(19.3%) of the teachers and 2(11.8%) of WEOs revealed the experience of purchasers on purchasing educational materials as average. 50(60.2%) of the teachers and 8(47.1%) of WEOs revealed that schools had low experience of purchasers on purchasing educational materials. And 17(20.5%) of the teacher 7(41.1%) of WEOs revealed in the experience of purchasers on purchasing educational materials is very low. The above discussion indicates that the schools had inexperienced purchaser.

**Chart 20:** - The timely purchase of educational materials in the schools



In item 5 Table 4.7 or in the chart 20, the respondents were asked about the timely purchase of educational materials in the schools. Accordingly 19(22.9%) of the teachers and 3(17.7%) of WEOs confirmed the average timely purchasing of educational materials in the schools. 49(59%) of the teachers and 9(52.9%) of WEOs confirmed that the timely purchasing of educational materials in the schools as low. And 15(18.1%) of teachers and 5(29.4%) of WEOs were confirmed the purchasing of educational materials as very low. From the above analysis, it is possible to conclude that there is great problem in timely allocation and purchasing of educational materials in the schools.

Interview held with principals and vice principals on purchasing of educational materials showed that.

All the respondents 12 (100%), revealed that purchasing educational materials and using on the actual teaching and learning process faced many problems in the schools. The major problem that seriously raised by all the respondents was the problem of timely purchasing of educational materials. They respond that, materials which are necessary for the teaching and learning processes were either not purchased or was not timely. They realized that purchasing necessary educational materials took long time and did not provide immediate response for all the requests due to afraid of financial accountability.

In addition to the problem in timely purchase of educational materials in the schools, most of the respondents 9 (75%) also responded that there were problem in their schools like:-

- The absence of professional purchaser
- Using only local bid
- Not using open bid
- The purchasing was not done by purchaser.

But respondents in one of the schools 3 (25%), realized that, their school use open bid, have professional and experienced purchaser, but they share the problem on the timely delivery of educational materials in their school that seriously affect the teaching and learning process.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. SUMMARY

The aim of this study was to assess the practices and problems of financial management in Gurage zone GumerWoreda secondary schools. The study attempted to answer the following basic questions. According to the results data were presented and analyzed. Finally, major findings and conclusions are drawn and recommendations were forwarded.

1. What seems the current management practice of finance in the schools?
2. To what extent school leaders play their role in insuring effective management of school finance?
3. What are the major challenges observed in financial management in the schools?

The major findings of the study were the following:-

#### **5.1.1. The Major Findings with Respect to Financial Management Practices of the Schools**

The major findings with respect to financial management practices of the schools were:-

- With respect to the availability of the skilled and trained personnel in relation to the financial recourses management, all of the respondents asserted that personnel qualified with the knowledge of financial management were low in the schools.
- Above 75% of the respondents revealed that, the level of competence of the school financial management personnel was very low. Lack of qualified, experienced and unrelated assignment of personnel was among the major reasons for the absence of competent financial management personnel members in the school.
- All the respondents of interview revealed that the schools were very low in generating internal income, mobilizing the local communities and preparing project proposal and finding NGOs and GOs.

- 79.5% of teachers revealed that schools haven't SMART financial plan, as a result the limited schools budgets were not properly used and what schools planned to do and their actual practice were completely different
- The majority of the interview respondents reported that the policy guidelines which are required to manage financial resources in schools are available but the practices of the schools in managing financial resources in reference to the existing financial guidelines were very low.
- 59% of teachers and 58.85 of WEOs realized that the schools are not used criteria in using and allocating financial resources for each departments, work division as well as schools.
- The finding depicted that the amount of budget allocated was not sufficient to carry out teaching-learning activities. Also the finding showed that even the allocated budget for the fiscal year not released on time and not obtained when it is needed.
- 70.65% of the WEOs realized that the amount of budget allocated for each school was not enough to averagely perform their teaching and learning activities.
- The majority of the interview respondents revealed that the school has inadequate educational equipment's and facilities due to inadequacy of financial resources.
- 58.8% of WEOs recognize that the schools did not use their budget according to the action plan and 79.5% of teachers and 64.7% of WEOs support the existence of improper usage of finance in the schools.
- 52.9% of WEOs and 79.5% of teachers revealed that the assignment of required personnel for the management of schools finance as very low.
- 74.4% of teachers and 70.6% of WEOs responded that there was the inexistence of budget transparency in the schools and as a result schools stakeholders have not detail information on the financial functioning of the schools.
- 61.4% of teachers realized that the purchasing of educational materials in the schools was not purchased by the school purchaser.
- It was found that participation of the teachers and PTSAs in financial resources mobilization, utilization and management was unsatisfactory. Planning is carried out predominantly by school principals and presented to PTSAs to be endorsed. It was found that the involvement of different stakeholders in the school affairs was seen to be very

low. All the respondents of interview agreed that the allocation and utilization of finance in the schools were not good and the assignment of the budget is not for the priority area of the schools.

- Most of the respondents of interview replied that the support of WEOs were in providing training for the school principals, preparing check lists and evaluate the performance of the schools at the end of the fiscal years by the officers which are not professional and unable to give adequate financial support.
- Most of the respondents of interview revealed that schools were merely posting the amount of allocated budget when budgets were released, report at the end of the year for the students' parents at grand way, but the actual practice showed that many changes made schools in the budget codes, absence of regular schedule in evaluating and controlling the schools budget.
- All the respondents agreed that; resources (including finance) were limited and proper management is mandatory.

### **5.1.2. Major Finding Regarding the Role of Principals on the Management of School Finance**

The major finding regarding the role of principals on the management of school finance was:-

- All the respondents realized the roles of principals in managing the schools finance were too high.

### **5.1.3. Major Findings Regarding the Challenges Faced On the Management of the Schools Finance**

The major findings regarding the challenges faced on the management of the schools finance were:-

- The study indicated that incongruence of budget allocation with the need of the school, delay of budget release, less involvement of school societies, lack of adequate qualified and trained personnel, lack of supervision, checking and control of the financial affairs and poor financial resource planning were the major factors hindering financial resource management in the school.

## 5.2. CONCLUSIONS

Based on the findings/summary above, the following major conclusions were drawn:-

- The schools did not have adequate financial plan and the already existing plans are not SMART. This shows the school had big problem in financial preparation which realizes the saying that “failing to plan is planning to fail”.
- There is problem in using criteria for allocating budget, shortage, not timely, problem in using as per the action plan, problem of control and evaluation of the schools budget. This realized the existence of problem in the allocation and utilization of the schools already available small finance.
- The financial management of the schools was in deep problem that should be improved. The schools were not properly using the available budget, the required financial personnel is not existed, and great problem in using the available financial guidelines and rules, discussion problem among school management bodies, transparency as well as community participation and generation of internal income is very low. These can result in coordination, corruption and other problems among schools stakeholders and make dependent on government budget.
- The purchasing practices of educational materials in the schools should be improved. There is no single responsible purchaser assigned in the schools to purchase educational materials that leads to corruption and accountability problem, the schools not used open bid in their purchasing practice that leads to unnecessary financial wastage, the presence of inexperienced purchaser and above all the allocation and purchasing of educational materials was not timely.
- The role played by principals in managing their school finance is excess and wrong that leads to corruption and lose of focus in their major role of the schools.
- The role played by WEOs in helping the schools in their financial management is low, the control and evaluation mechanism used by the office is not good, not properly higher financial personnel for the schools.
- There is the presence of many problems in the proper management of financial activities in the schools. The already existing serious problems outweigh the good practices of the schools.

### 5.3. RECOMMENDATIONS

Depending on the findings of the study and the conclusion drawn, the following recommendations were suggested:-

- School principals by participating the responsible bodies should prepare SMART financial plan
- WEOs should use tangible criteria in allocating budget to the schools as well as the schools principals should also use criteria in allocating budget for departments and work divisions.
- Schools principals should closely monitor, control, evaluate and use budget as per the action plan.
- WEOs together with the woreda finance and development office should monitor, evaluate (audit) and provide feedback regularly for the schools in the use of their finance.
- The schools PTSA should devise different mechanisms to generate income (internally or by mobilizing the local community) and also schools principals should prepare project proposal and provide for NGOs and GOs.
- Schools principals should use and make to use their budget properly, should use the existing financial rules and regulations, create budget transparency for the stakeholders.
- WEOs should assign adequate and skilled professional accountants for the schools.
- WEOs should allocate budget of the schools on time.
- The schools purchasing committee should purchase educational materials on time and the purchasing should also be done only on this responsible committee.
- The schools purchasing committee should purchase educational materials as per the financial rules and regulations.
- Schools principals should only perform the management of financial practices of the schools and they should not engage on the technical financial activities. And should make accountants to perform their tasks independently.
- PTSAs, WEOs, school accountants, Woreda finance and development office and principals should overcome the existing problems in the management of finance in the

schools by using the intervention mechanisms congruent with their role and responsibilities.

- The current practices of financial management in the schools should be improved and some interventions should be made for the efficient use of the already available financial resources of the schools for proper functioning of the teaching and learning process.

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# APPENDIX – I

## ADIS ABABA UNIVERSITY

### COLLEGE OF EDUCATION AND BEHAVIORAL STUDY

#### DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT

**This questionnaire is to be filled by Teachers.**

**Dear respondents,**

**First of all, thank you in advance for your valuable time and cooperation.**

The purpose of this questionnaire is to gather data and opinion about the major practices and problems of financial management in Gurage zone GumerWerda secondary schools. It is purely for academic research purpose, and for the partial fulfillment of Masters of Educational Planning and Management degree. Accordingly, please be informed that this will be confidential and to be used for the above mentioned purpose only.

Therefore, you are kindly requested to respond each one of the questions carefully.

#### **GENERAL INSTRUCTION**

- Do not write your name.
- Read each questions carefully.
- Be frank and honest in giving the picture of your feeling about each question.
- Please put tick mark (X) in the table that describes your response most.

#### **Part I - Personal information**

1. Sex:            A) Male            B) Female

2. Age:            A) 20 – 25 years    B) 26 – 30 years    C) 31 – 35 years

                         D) 36 – 40 years    E) above 40 years

3. Educational qualifications: A) MA/MSc B)Degree C)Diploma D)Certificate (T.T.I)  
 E) 12 complete F) If other specifies \_\_\_\_\_

4. Work experience A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years  
 D) 16 – 20 years E) 21 – 25 years F) Above 25 years

6. Year of service in this school

A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years D) 16 – 20 years E) Above 20 years

**Part II – Questions related to financial preparation, Allocation, Utilization and Management**

A. Questions related to financial preparation

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	To what extent your school engaged in income generating activities?					
2	To what extent your school planned to get income from various sources?					
3	To what extent your school have SMART financial plan?					

B. Questions related to financial Allocation and Utilization

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	To what extent your school use criteria for allocating the school budget for each departments and work division?					
2	Is the budget allocated to your school equal to the amount required?					
3	To what extent the allocated budget of your school released on time?					
4	Is your school budget used according to the action plan?					
5	Is your school budget evaluated throughout the budget year?					

C. Questions related to financial Management

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	Is your school properly using its financial resource?					
2	Does the required personnel assigned for the management of finance in your school?					
3	Is your school used the existing financial guidelines, rules, regulations, documents and models in the practice of finance?					
4	To what extent your school practices financial management					
5	Are the management bodies discuss on the school finance?					
6	To what extent your school make the budget transparent to the community?					
7	To what extent the school communities provide financial contribution to your school in the budget year?					
8	How much budget generated from internal income in each year?					

**Part-III. The following questions are the major practices of purchasing educational materials and rate their degree of use in your school.**

No.	Item	5	4	3	2	1
1	Is your school purchase the educational materials by purchaser?					
2	Is your school use open bid to purchase educational materials?					
3	Is your school use direct purchasing method to fulfill the educational materials?					
4	Is your school having an experienced purchaser?					
5	To what extent educational materials purchased on time in your school?					

**Part-IV.Open ended questions for teachers.**

1. What does the practice of financial management in your school look like?.....

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2. What are the problems your school encountered in financial management?

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**Thank you once again**

## **APPENDEX – II**

**ADIS ABABA UNIVERSITY**

**COLLEGE OF EDUCATION AND BEHAVIORAL STUDY**

**DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT**

**This questionnaire is to be filled by Woreda Education Office Officers.**

**Dear respondents,**

**First of all, thank you in advance for your valuable time and cooperation.**

The purpose of this questionnaire is to gather data and opinion about the major practices and problems of financial management in Gurage zone GumerWerda secondary schools. It is purely for academic research purpose, and for the partial fulfillment of Masters of Educational Planning and Management degree. Accordingly, please be informed that this will be confidential and to be used for the above mentioned purpose only.

Therefore, you are kindly requested to respond each one of the questions carefully.

### **GENERAL INSTRUCTION**

- Do not write your name.
- Read each questions carefully.
- Be frank and honest in giving the picture of your feeling about each question.
- Please put tick mark (X) in the Table that describes your response most.

### **Part I - Personal information**

1. Sex:            A) Male            B) Female
2. Age:            A) 20 – 25 years    B) 26 – 30 years    C) 31 – 35 years
- D) 36 – 40 years    E) above 40 years

3. Educational qualifications: A) Degree B) Diploma C) Certificate (T.T.I)  
D) 12 complete E) If other specifies \_\_\_\_\_
4. Work experience A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years  
D) 16 – 20 years E) 21 – 25 years F) Above 25 years
6. Year of service in this school  
A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years D) 16 – 20 years E) Above 20 years

**Part II – Questions related to financial preparation, Allocation, Utilization and Management**

A. Questions related to financial preparation

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	To what extent high schools of your Woreda engaged in income generating activities?					
2	To what extent high schools of your Woreda planned to get income from various sources?					
3	To what extent high schools of your Woreda have SMART financial plan?					

B. Questions related to financial Allocation and Utilization

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	To what extent your offices use criteria for allocating budget for each high school?					
2	Are the budget allocated to high schools of your Woreda equal to the amount required?					
3	To what extent your office release the allocated budget on time?					
4	Are high schools of your Woreda using their budget according to the action plan?					
5	Is your office evaluating high schools of the Woreda in their use of budget throughout the year?					

C. Questions related to financial Management

Key: 5-Very high, 4- High, 3- Average, 2-Low, 1-Very low

No	Item	5	4	3	2	1
1	Are high schools of your Woreda properly using their financial resource?					
2	Do the required personnel assigned for the management of finance in high schools of your Woreda?					
3	Are high schools of your Woreda using the existing financial guidelines, rules, regulations, documents and models in the practice of finance?					
4	To what extent your offices manage the schools financial practice?					
5	To what extent high schools of your Woreda make their budget transparent to the community?					
6	To what extent school communities provide financial contribution to high schools of your Woreda?					

**Part-III. The following questions are the major practices of purchasing educational materials as practiced in high schools of your Woreda rate their degree of use in the schools.**

No.	Item	5	4	3	2	1
1	Are high schools of your Woreda purchase their educational materials by purchaser?					
2	Are high schools of your Woreda use open bid to purchase educational materials?					
3	Are high schools of your Woreda having an experienced purchaser?					
4	To what extent educational materials purchased on time in high schools of your Woreda?					

**Part-IV. Open ended questions for Woreda education office officers**

1. What do the practice of financial management in high schools of your Woredalooks like.....

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2. Does your office support the schools in the management of their finance?

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**Thank you once again**

**APPENDEK – III**

**ADIS ABABA UNIVERSITY**

**COLLEGE OF EDUCATION AND BEHAVIORAL STUDY**

**DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT**

**Interview questions for principals and vice principals,**

**Dear respondents,**

**First of all, thank you in advance for your valuable time and cooperation.**

The purpose of this questionnaire is to gather data and opinion about the major practices and problems of financial management in Gurage zone GumerWerda secondary schools. It is purely for academic research purpose, and for the partial fulfillment of Masters of Educational Planning and Management degree. Accordingly, please be informed that this will be confidential and to be used for the above mentioned purpose only.

Therefore, you are kindly requested to respond each one of the questions carefully.

**GENERAL INSTRUCTION**

- Do not write your name.
- Read each questions carefully.
- Be frank and honest in giving the picture of your feeling about each question.
- Please put tick mark (✓) in the Table that describes your response most.

**Part I - Personal information**

1. Sex:           A) Male           B) Female

2. Age:           A) 20 – 25 years   B) 26 – 30 years   C) 31 – 35 years

                  D) 36 – 40 years   E) above 40 years

3. Educational qualifications: A) Degree B) Diploma C) Certificate (T.T.I)  
D) 12 complete E) If other specifies \_\_\_\_\_

4. Work experience A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years  
D) 16 – 20 years E) 21 – 25 years F) Above 25 years

6. Year of service in this school

A) 1 – 5 years B) 6 – 10 years C) 11 – 15 years D) 16 – 20 years E) Above 20 years

**Part II- Interview questions on the practices and problems of financial management?**

1. What is the practice of your school in the allocation and utilization of finance?-----  
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2. What does the management practice of your school in using its finance?-----  
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3. How do your school purchase educational materials?-----  
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4. What are your roles played in the management of your school finance?-----  
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5. What are the problems encountered in your school while managing the financial activities?-----  
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6. How do you explain the support of WEOs in managing finances of your school?-----  
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7. What should be done for the proper management of finance in your school?-----  
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**Thank you once again**

APPENDEIX – IV

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የትምህርትናስነብህሪፕናትተቋም

የትምህርትእቅድናአስተዳደርትምህርትክፍል

ይህበወላጅተማሪመምህርህብረትየሚሞላነው።

ውድመላሾች!

በቅድሚያለውድጊዜያችሁናትብብራችሁአመሰግናለሁ

የዚህመጠይቅአላማየበጀትአጠቃቀምናአስተዳደርወይምትግበራላይያለውንሁኔታለማጥናትነው።ይህ መረጃየሚሰበሰበውአጥኝውለሚያካሄዱትየማስተርስ ት/ት በት/ት አስተዳደርለማሟያየሚሆንዎምርምርጥናትለማድረግነው።በዚህምመሰረትየሚሰጡትንምላሽሚስጥ ርየሚጠበቅሲሆንዎሚውለውምከላይለተጠቀሰውአላማብቻነው።

ስለሆነምየሚከተሉትንጥያቄዎችበጥንቃቄእንዲመልሱበትህትናይጠየቃሉ።

ጠቅላላመመሪያ

- ስምንአይፃፉ፤
- እያንዳንዱጥያቁበጥንቃቄያደምጡናምላሽይስጡ
- ለእያንዳንዱቃለመጠይቅግልፅናታማኝበመሆንትክክለኛስሜትዎንይስጡ።

ክፍልአንድ ፣ የግልመረጃ

1. የታ ሀ) ወንድ ለ) ሴት
2. እድሜ ሀ) 20-25 አመት ለ) 26-30 አመት ሐ) 31-35 አመት መ) 36-40 አመትሠ) ከ40 አመትበላይ
3. የት/ት ደረጃ ሀ) ዲግሪ ለ) ዲፕሎማ ሐ) ሰርተፍኬት መ) 12 ክፍልያጠናቀቀ ሠ) ሌላ-----
4. የስራቆይታጊዜ ሀ) 1-5 አመት ለ) 6-10 አመት ሐ) 11-15 አመትመ) 16-20 አመት ሠ) 21-25 አመት ረ) ከ25 አመትበላይ

**ከፍልሁለት፣ የበጀት አጠቃቀም ልምድና የሚገጥሙ ችግሮች ላይ የተዘጋጀ የቃል መጠይቅ**

1. በትምህርት ቤቱ የፋይናንስ አስተዳደር በበላይነት የሚያስተዳድረው አለ? እነዴት?-----  
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2. በትምህርት ቤቱ የፋይናንስ አስተዳደር ላይ ርዕዮተኛ መለኮቱት ችግር አለ? ካለ በዝርዝር-----  
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3. በትምህርት ቤቱ የፋይናንስ አስተዳደር ብክነት እንዳይኖር ርዕዮአዊ አስተዋጽኦ ምን ድነው?-----  
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4. የፋይናንስ አስተዳደር አዲት በርሶት/ቤት ይካሄዳል? መቼ? በማን?-----  
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5. ውጤታማ የፋይናንስ አስተዳደር በት/ቤቱ ውስጥ እንዲኖር ምን መደረግ አለበት ብለው ያስባሉ?-----  
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**በድጋሚ አመሰግናለሁ!**

## Appendix-IV

**This information is 2011ec budget report of the secondary school**

Budget source	Activities	Jemboro	Abejay	Arekit	Bad	Enjefo
School grant budget	Temporary office material	2000	24798	5000	5000	2000
	Stationary	25586		22000	25020	18000
	To buy book	17148.8	18470	40000	15500	12000
	Repair furniture and building	4926		6680	20000	5700
	Repair machinery	5196.8	4443.2			
	Gift and motivation	3000	4000			2000
	For Different payment	5262.40				2500
	Training		6262	2000	5000	
	Co-curricular activity		5246.80			
	Worker uniform				3310	
	Load (transport				1011.50	1500
	Total		63120	63220	75680	74841.5
Block grant budget	Temporary office material	1856	1906.80	1644.6	5511.5	1250
	Stationary	27017	24788.40	21375.50	15852.6	5250
	To buy book	3093	3178	2740.50	1686	1500
	Repair furniture and building					8000
	Repair machinery	1846	1906.80	1644.30		
	Gift and motivation			1644.30	1349.2	1500
	Worker uniform	2474	2542.40	2192.40		2150
	Allwance (annuity)				8432.50	6260
	Preparation (መስተንግድ)				1349.20	1200
	Electric	3093	3178	2740.50	1666.5	1090
	Tell communication (telephone)	1237	1271.20	548.10	1349.20	980
	Publication		196.80	1644.30		
	Fuel	1856	1906.80	1644.30		1100
	Load (transport)		601.80			800
	Total		42472	41477	37818.8	37196.

Internal income budget	Stationary	7791.50	4000	2000	2000	5000
	To buy book	4300	2235.9	0	0	0
	Repair furniture and building	9089.5	6500	10175.49	5894	3000
	Repair machinery	0	1274.84	0	0	0
	Desk buying	2995	0	0	0	0
	Allwance (annuity)	10740	12000	9722	13000	1500
	Preparation (መከተን ግዶ)	0	0	0	1661.9	900
	Electric	0	2000	1980	0	800
	For Different payment	450	0	0	0	2000
	Training	6500	0	0	0	0
	Total	41866	28010.74	23877.49	22555.9	13200
Communit y participati on	Stationary	10471	1000	0	7057	3700
	To buy book	1192.40	4000	0		4400
	Repair furniture and building	1943	6644	4300	7230	9025
	Repair machinery	1644.6	0	0	1944	0
	Gift and motivation	1375.50	0	1500	4570	4000
	For Different payment	1740.50	2750	3469.59	1000	3000
	I.C.T Equipment	0	4623.30	9035	9200	3600
	Laboratory Equipment	944.30	8851.02	8251	6031	6000
	Water installation	0	1831.27	0	0	0
	Repairing computer	10472	0	4000	0	6095
	Load or transportation	0	0	1000	0	3800
	For assessment and evaluation	2751.75	0	2400	0	2200
Total		32535.05	29699.59	33955.59	47040	45820