

Addis Ababa
University



(Since 1950)



Addis Ababa University
College of Education and Behavioral Studies
Department of Educational Planning and Management

Practices and Challenges of Financial Resource Management
in Government Secondary Schools of Adama City
Administration

By
Getahun Tesfaye

January 2018
Addis Ababa

**Practices and Challenges of Financial Resource
Management in Government Secondary Schools of
Adama City Administration**

**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 Educational Leadership**

**By:
Getahun Tesfaye**

**January 2018
Addis Ababa**

APPROVED BY BOARD OF EXAMINERS

As members of thesis of Board of Examiner, we certify that we have read the thesis prepared by Getahun Tesfaye, entitled *Practices and Challenges of Financial Resource Management in Government Secondary Schools of Adama City Administration* and submitted in partial fulfillment of the requirements for the degree of Master of Arts in Educational Leadership complies with regulation of the university and meets the accepted standards with to originality and quality.

Approved by Board of Examiners

_____ Chairperson	_____ Signature	_____ Date
_____ Advisor	_____ Signature	_____ Date
_____ Internal Examiner	_____ Signature	_____ Date
_____ External Examiner	_____ Signature	_____ Date

DECLARATION

I, hereby declare that this master's thesis is my own work and all the sources used or quoted have been indicated and acknowledged by means of complete references, and that I did not previously submit this thesis for the award of a degree at another university.

Name: Getahun Tesfaye Mengesha

Signature: _____

Date: _____

I the undersigned declare that this Master's Thesis has been submitted for examination with my approval as university advisor.

Name of Advisor: Befekadu Zeleke (PhD)

Signature: _____

Date: _____

Acknowledgments

I would like to express my great gratitude to my advisor BefekaduZelege (PhD) for his undeserved advice, useful guidance and constructive comments throughout my study.

Again, I would like to thank school respondents, Adama city Administration education, and finance and economic development respondents' collaboration in willing offering their golden time and give responses for success of this study. I am indebted to families and my friends for unreserved support and assistance.

My warmest gratitude is also extended to Mr. BekaTasisa for his deep concern and devotion of time in advising me and carefully going through draft manuscript of the research.

Finally, my thanks go also to Education Planning and Management Department, Graduate School Studies of AAU and my instructors who helped me in one way or another for the success of my study.

Getahun Tesfaye

January 2018

Table of Contents

APPROVED BY BOARD OF EXAMINERS	ii
DECLARATION	iii
Acknowledgments.....	iv
Table of Contents.....	v
List of Tables	viii
List of Figures	viii
Abbreviations and Acronyms.....	ix
Abstract	x
Key words	x
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Statement of the Problem	2
1.3. Basic Research Questions.....	5
1.4. Objectives of the Study.....	5
1.4.1. General Objective	5
1.4.2. Specific Objectives	6
1.5. Significances of the Study	6
1.6. Delimitation of the Study	6
1.7. Limitation of the Study.....	7
1.8. Definition of Key Terms.....	7
1.9. Organization of the Study.....	8
CHAPTER TWO	9
REVIEW OF THE RELATED LITERATURE.....	9
2.1. The Concept of Financial Management in Education.....	9
2.1.1. Rationale for Educational Financial Resource Management	10
2.1.2. The Scope of Financial Management in Education	10
2.2. School Based Financial Management.....	10
2.2.1. School Decision Making in Financial Resource Management	11
2.2.2. The Source of Finance in Education	12
2.3. Budgeting, Utilization and Controlling of Educational Finance.....	15
2.3.1. Accounting.....	17
2.3.2. Auditing	18
2.3.3. Reporting	19
2.4. School Financial Management in Ethiopia.....	20
2.5. Challenges of Financial Management in Secondary Education.....	21

2.6. Chapter Summary	22
CHAPTER THREE.....	24
RESEARCH DESIGN AND METHODOLOGY	24
3.1. Overview of the Study Area	24
3.2. Research Design	25
3.3 Methods of research.....	25
3.4 Sources of Data.....	25
3.5 Sample Size and Sampling Technique	26
3.5.1 Population and Sample Size.....	26
3.5.2 Sampling Techniques.....	27
3.6 Instruments of Data Collection	28
3.6.1 Questionnaire	28
3.6.2 Interviews	29
3.6.3 Document Analysis.....	29
3.7 Procedure of Data Collection.....	30
3.8 Pilot Test.....	30
3.9 Method of Data Analysis.....	31
3.10 Ethical Considerations	32
CHAPTER FOUR.....	33
PRESENTATION, ANALYSIS AND INTERPRETATION OF THE DATA	33
4.1. Demographic Characteristics of Respondents	34
4.2. Source of Finance	37
4.3. Utilization of Financial Resources.....	41
4.4. Auditing and Monitoring	55
4.5. Major challenges of Financial Management Practices	61
CHAPTER FIVE	65
SUMMARY, CONCLUSION AND RECOMMENDATION.....	65
5.1. Summary of major findings of the study	65
5.2. Conclusions	70
5.3. Recommendations	72
REFERENCES	74
Appendices.....	79

List of Tables

Table 3.1: Target Population and Sample Size-----	27
Table 4.1: Characteristics of the respondents -----	35
Table 4.2: Field of Specialization of the Respondents -----	36
Table 4.3: Budget Source of Secondary Schools at Study Sites -----	37
Table 4.4: Extent of Participation of Different Organs in School Budget Preparation (%) -----	42
Table 4.5: Criteria Usually Used while Preparing School Annual Budget-----	45
Table 4.6: Planning and Utilization of School Budget (%)-----	48
Table 4.7: Frequency of Financial Audit Undertaken by internal Auditors of the School-----	56
Table 4.8: Frequency of Financial Audit Undertaken by External Auditors-----	57
Table 4.9: Extent of Financial Resources Controlling and Monitoring Practices -----	58
Table 4.10: Major challenges Financial Management Practices in the Schools' -----	61

List of Figures

Figure 4.1: Source of Budget for Secondary Schools at Study Sites (in percent) -----	39
Figure 4.2: Summary of Major Challenges Financial Management Practices-----	63

Abbreviations and Acronyms

ESDP	Education Sector Development Program
ETP	Education and Training Policy
FDRE	Federal Democratic Republic of Ethiopia
GEQIP	General Education Quality Improvement Program
KETB	Kebele Education and Training Board
EGSLCE	General School Leaving Certificate Examination
MOE	Ministry of Education
NGO	Non governmental organization
OREB	Oromia Regional Education Bureau
PTA	Parent-Teacher Association
REB	Regional Education Bureau
SPSS	Statistical Package for Social Science
UNESCO	United Nation Economic Social and Cultural Organization

Abstract

The purpose of this study was to investigate practices of school financial resource management in government secondary schools of Adama City Administration. For this study descriptive survey research design was used. The study was conducted purposively in three selected government secondary schools since the other four secondary schools were started their operation in the last two to three years. Methods of research utilized in study were mixed of qualitative and quantitative approach. The participants of the study were 139 respondents and census method was utilized to collect data from the population. A total of 135 questionnaires were disseminated to respondents (Principals, Vice principals, KETB members, PTA members, Departments, Accountants and other finance workers). Out of these 126 (93.33%) were correctly filled. In addition to this, qualitative data were gathered from seven respondents via structured interview; and a secondary source was collected from official documents related to the study. Then the data was tabulated, organized and analyzed using descriptive statistics such as percentage, mean and standard deviation. In addition, t-test and P-Value was used to analyze the presences of significant differences between responses of management organs and departments group. Furthermore, interview and open-ended items of the questionnaire were analyzed qualitatively using narrative form. Accordingly, the findings of the study revealed that low degree of participations of KETB on budget preparation, in sufficiency block grant annual budget, underutilization of specially RBA budget, absence of reporting internal income and student parent contribution were identified. Among the majors challenges to finance managements of the school understudy; problem of not using computerized accounting system, absence of well-organized finance record keeping system, absence of internal auditing system, lack of adequate skilled accountants, purchasing delay and purchasing out of school demand and quality problems of material purchased, and absence of human resource on certain job title were identified as severer factors. Thus, it can be concluded that Absence of participation private investor, NGO and community other than parent of student in financing school, absence of training leads to weak management of educational financial resources, not submission of financial utilization report leads schools to improper utilization of budget and mismanagement schools financial resource, Weak controlling system of budget utilization and finance recording system, skill gap on budget plan and utilization and lack of internal controlling and monitoring financial resource system.. Finally, to improve the situation, it was recommended that participating private investor, NGO and community other than parent of student in financing schools, giving orientation for KETB members on their responsibility, filling perception difference gaps through creating awareness and transparency, offering training, developing, controlling and monitoring system via reporting and having internal auditor, giving Technical support via supervision, using computerized accounting system and full filling human resource gaps of the school, decentralizing the black grant budget and conducting further research were forwarded.

Key words: Financial management, Practices, Challenges, Government secondary school, financial utilization

CHAPTER ONE

INTRODUCTION

This chapter deals with the introduction part of the thesis. It includes: background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, delimitation of the study, definition of key terms, and organization of the Study.

1.1. Background of the Study

Education is essential for the development of one's country. As a result, all countries greatly focused and invested on education of their citizens. Modern civilization is unthinkable without knowledge and technological skills, which can only be achieved through financially supported education. Regarding this, Melaku (2000) stated that: the significance of finance and the direct relationship with educational programs reveal that higher quality of education is generally provided in school system where sufficient amount of finance is allocated and most decisions that directly or indirectly affect the operation of educational programs of schools, appropriately used financial resources for their implementation.

As stated by Ogbonnaya (2003), the central purpose of financial management; whether in government, business, or individual; is the raising of funds and ensure that the funds so mobilized are utilized in effective and efficient manner. This means the performance of any school program depends very much on the way the financial inputs are managed and without appropriate financial management program of secondary schools will not be properly implemented.

Financial management in school and education system refers to the process of managing school funds (Mbama, 1992). According to Okumbe, (2001), financial management in education is concerned with the cost of education, source of income to meet the educational costs and the spending of the income in an objective manner in order to achieve the educational objectives. Therefore, properly managing and efficiently utilizing financial resources become the backbone of any institution.

The sources of school finance are government, internal income of the school itself, private investor, community participation and NGO (MOE, 2002). The management of school finances usually begins with the drafting of a budget. Where budgeting is an ongoing and dynamic

process, that is typically marked by regular phases, such as, planning, needs assessment and priority setting. Budgeting is a forward-looking process which should be guided by the school's vision for the future and a realistic assessment of the risks (Clarke, 2007 and DuPreezet al., 2003). The school principal, as leader of the school has numerous areas to effectively and adequately manage financial resources of its respective school if he/she is to be successful.

According to Education and Training Policy of the country (ETP) (MOE, 1994), sufficient budget allocation and proper utilization of the educational budget for the intended purpose is critical issue. Also, it is stated that the financing of education must be efficient and appropriate to promote equity and quality of education.

Moreover, ESDP V (MOE, 2015) assumed that the cost of education for five years planning periods is 454,000 million birr. Out of this, the government budget accounts around 384 000 million; and the remaining is covered by donors and community contributions. Community participation will be on finance, material and labor. Moreover, community will support to low-cost classroom construction through provision of local materials and labor. Thus, managing this financial resource becomes a crucial issue for the achievement of educational goals. This means it must be effectively and efficiently managed to bring about the needed change and results for which the funds have been made available. However, sometimes this important resource is mismanaged and misappropriated by those put in charge (Kumar, 2005, Nieman and Bennett, 2002). However, as far as the knowledge of the researcher is concerned, there is no study carried out on such topics on government secondary schools of Adama City Administration. Therefore, the theme of this study was to investigate the practices (sources, utilizations and controls or auditing) and challenges of school financial resource management at government secondary schools of Adama City.

1.2. Statement of the Problem

The growth and development of any educational sector solely depends on the management of its finance. This finance serves as important instrument that enables the teaching and learning process to properly proceed so that the goals and objectives can be achieved. On the other hand, educational finance is scarce and thus needs knowledge of how it is properly managed and utilized in the education system.

As said by Mbama (1992), financial management is the process of managing school funds according to the regulations and guidelines provided by the education authorities and relevant legislation. It is the fundamental element on which the success of any organization depends. The organizations that have good financial management will benefit in; effective and efficient use of resources, achieve objectives and fulfill commitments to stakeholders, become more accountable to donors and other stakeholders, gain the respect and confidence of funding agencies, partners and beneficiaries, gain advantage in competition for increasingly scarce resources and prepare for long-term financial sustainability (Suzanne, 2001).

According to Corbally (1997) and Naidu et al. (2008), financial resource management is a balancing task. This means, it is a coordinating function which is responsible for planning, accounting, auditing and reporting. Hence, to maintain the accomplishment of educational objectives these activities should be put into practices.

In many developing countries, the problems of financing secondary school and its management are sensitive and participation of stakeholders' rate remains low and not grew up in most of the countries. However, education costs in secondary school are often high and unsustainable if stakeholders don't participate consistently in school financial resource management practices as owner (MOE, 2002).

Marishane and Botha (2004) explained that school-based management as a mechanism aimed at improving schools by shifting decision making powers regarding the budget from the central level to the schools. According to Leithwood and Stainback (1995), school principals have responsibilities and duties of their positions; they often find it difficult to keep abreast of implementing policies and practices. In the same way Sagor and Barnett (1994) agree that having professional knowledge, skill and experience of policies and guidelines are essential to overcome the challenges. These policies and guidelines become the working norms of the school rather than formal board policies or statements of operating procedures. Typically, they governed to take an action what will not be tolerated in reaching the mission. School principals and PTAs should be empowered to lead and supervise school resources in decentralization (MOE, 2002). In addition, the Ministry of Education work manuals stated that school principals should work with PTAs in the financial matters like budgeting, purchasing and monitoring school financial resources.

According to Mgbodile (2002), some of the factors that leads to mismanagement of school funds are: delay in release of funds to schools, diversion of funds to other sectors of the economy, lack of training or inadequate training of heads of educational institutions on issues of finance management, negligence of financial clerks in school finance matters, outright appointments of unqualified personnel to manage school finances and other related issues.

In Ethiopia, as stated by MOE (1994), the financing of education must be just, efficient and appropriate to promote equity and quality education. Furthermore, MOE (2002) indicated that education and training institutions can generate their own income and use it to strengthen the educational process. However, MOE (2006) showed that as if there is weak administrative capacity of educational finance management. Oromia Education Bureau (OREB, 2012) mentioned that the challenges of financial management in most school are because of lack of capacity in financial management; shortage of the required finance for schools, lack of competence to plan and manage funds, lower level of implementing policies and objectives; which directly lead to the absence of quality of education.

In addition to these different research findings show similar facts. For instance; a study conducted by Sheberu(2015) on practices of financial management in secondary and preparatory schools in Bishoftu administrative town also indicated that weak management of educational finance resources. Moreover, a study conducted by Tadiwos (2014) on financial resources utilization challenges in some selected government primary schools of DamotPullasaWoreda in Southern Nations, Nationalities and People's Region showed that difficulty of properly utilizing financial resource and absence of internal and external auditing activities.

Nevertheless, both of them were not focused on the practices and challenges of finance management at government secondary schools found at City Administration level. Sheberu(2015) attempted to assess the issues of practices of financial management whereas Tadiwos (2014) endeavored to assess the issues of financial resources utilization challenges with variable. Besides, as far as the knowledge of the researcher is concerned, there is no study carried out on such topics at government secondary schools of Adama City. These showed that, there was a research gap, on the topic of practices and challenges of school finance management particularly in government secondary schools of Adama City Administration.

Furthermore, an informal observation and discussion held by the researcher with secondary school principals and educational officials from Adama City Administration about the topic under study make the researcher to recognize that, skill gaps of finance worker because school does not offer training on topics of financial resource management and the like, Activities of controlling and monitoring were not carried out by the concerned organs of the respective schools.

Therefore, the above-mentioned situations and the gap exist over secondary schools of Adama City Administration concerned the researcher to carry out study on issues related to practice and challenges of financial management at school level. Thus, this study was designed to investigate practices and challenges of financial management in government secondary schools of Adama City Administration.

1.3. Basic Research Questions

In this study attempt were made to find out answers for the following basic research questions:

1. What are the financial sources of government secondary schools in Adama City?
2. How do the government secondary schools in Adama city utilize their financial resource?
3. To what extent do financial resources are audited and monitored in government secondary schools of Adama City?
4. What are the major challenges that face financial management practices in the selected secondary schools of Adama City?

1.4. Objectives of the Study

1.4.1. General Objective

The overall objective of this study was to investigate the practice and challenges of school financial resource management in government secondary schools of Adama City Administration.

1.4.2. Specific Objectives

1. To explore the major sources of educational finance for secondary schools found in Adama City.
2. To assess how the schools have been utilized financial resource for the success of the selected Secondary schools in Adama City.
3. To examine the extent of monitoring and auditing financial resources in selected government secondary schools of the City
4. To identify major challenges of financial management practices in the selected Secondary schools of the City

1.5. Significances of the Study

There is inseparable relationship between the provision of quality education and managing educational finance. As resources are scarce to address economic and social needs of the society, available limited resources, particularly finance should be used effectively and efficiently. Accordingly, the finding of this study was significant in the following aspects:

- It will provide school principals and higher officials who are in charge of making decisions with important information about the status of financial resources management in government secondary schools of Adama City.
- It benefits educational leaders, planners and decision makers to consider and look in to problems that exist in education finance management strategies regarding secondary schools.
- It may help schools and education offices to solve major problems by indicating some intervention mechanisms about the issues under investigation.
- It will help to encourage and initiate other interested researcher in related fields to carry out further, broader and deeper study.

1.6. Delimitation of the Study

The issue of school financial resource management is broad and it encompasses all structure of education system includes Federal, Regional, Local and school levels. However this study to make specific and manageable; geographically, the scope of this study was delimited to government secondary schools of Adama City Administration. Adama was preferred as study

area, because of the researcher's affiliation to observe and get awareness about problems related to the practices of financial management while he had been working in the education sector in the past recent years in the City. Moreover, government secondary schools of Adama City are selected as a subject of the study to properly manage the study using the limited resources within the scheduled timeframe. In this regard, according to the data obtained from Adama City Education Office; there are seven government secondary schools in the City. However, four of them are started their operation in the last two to three years. Since, they were newly established; those secondary schools were not included for this study. Thus, the study purposively focuses on three of them. Namely; Adama, Goro, and Dembela secondary school.

Conceptually, the scope of the study was delimited to assess practices and challenges of financial management in the study schools. Basically, it focuses on major sources of educational finance for the schools, utilize of financial resource of the schools; the extent of monitoring and auditing financial resources in the study schools; and major challenges that affect the practices of financial management in the selected secondary schools of the city.

1.7. Limitation of the Study

This study has faced some limitations as the data was collected based on self-report of the respondents it may be subjected to certain under or over-reporting of some issues related to topic of the study. There was also unwillingness of some respondents to correctly complete the questionnaires. As a result, among 135 questionnaires distributed to respondents, 9 (6.67%) of them did not correctly filled and returned the questionnaire. Besides, the researcher was confronted reluctant among interviewees to give as much information as expected from them during the interview session. Nevertheless, the problems did not have significant impact on the results of the study.

1.8. Definition of Key Terms

This work focuses on government secondary schools of Adama City. Some words in the study are contextually used. Therefore, operational use of some terms becomes very important. The words and phrases used in the research are defined in this section to avoid doubts.

Audit: refers to the verification of the accuracy and completeness of the financial records of the organization and the appraisal of the legality, efficiency, and effectiveness of the financial management of the organization (Chalam, 2003).

Budget is a plan expressed in money. It is prepared and approved prior to the budget period and may show income, expenditure and capital to be employed (Chadwick, 2002).

Expenditure: An actual payment or the creation of an obligation to make a future payment for some benefit or service received (Rosenberg, 1983).

Financial management: refers to the process of managing school funds according to the regulations and guidelines provided by the education authorities and relevant legislation (Mbama, 1992).

1.9. Organization of the Study

This study was organized into five chapters. The first chapter contains background of the study, statement of the problem, objectives of the study, significance of the study, delimitation of the study, definition of operation terms, and organization of the study. Chapter two deals with the review of related literature; while the third chapter deals with research methodology and design. Chapter four presents data analysis and interpretation. The final chapter, chapter five contains the summary of findings, conclusion and recommendations of the study.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

This chapter deals with the literature review part of the thesis. It includes: the concept of financial management in education, rationale for educational financial resource management, the scope of financial management in education, school based financial management, school decision making in financial resource management, the source of finance in education, Budgeting, Utilization and controlling of Educational Finance, school financial management in Ethiopia and challenges of financial management in secondary education.

2.1. The Concept of Financial Management in Education

Financial management in education is concerned with the cost of education, sources of income to meet the education costs and the spending of the income in an objective manner in order to achieve the educational objectives (Okumbe, 2001). On the other hand, as said by Pandit (1995:52), financial management is management activity concerned with the planning and controlling of an organization's financial resources. This means that financial management is concerned with decisions on how to produce, raise money, expand and give accounts of funds provided for the implementation of programs of an organization or a school.

According to Padilla et al. (2012), in their study on financial sustainability for non-profit organizations, effective financial management practices is essential in enhancing transparency, efficiency, accuracy, accountability which enable an organization to achieve its objectives. As pointed out by Hendrickse (2008), financial management should include keeping an accurate record of all financial transactions, linking the budget to the firm's strategic and operational plans. Financial management further demands that management accounts ought to be produced in order for the managers to compare their organization's progress against the budget and then make decisions about the future.

Financial resource management helps to reduce costs and improves performances through the cost-effective selection utilization, and standardization of products, equipment, educational technologies and related processes to improve the quality of education offered for the students (Jack, 2012). Contrary to this improper financial resource management and poor physical facilities make the activities of teaching-learning processes tend to be less successful. Whereas,

UNESCO (2013/4) notes that financial resource management influences and limits the activities of the schools to achieve their preplanned objectives.

2.1.1. Rationale for Educational Financial Resource Management

Regarding the rationality of educational finance management Samoff (1999) stated that the responsibility of managing body of the system to maintain an appropriate balance between the limited financial resource and the need of society. Accordingly, managers accomplish these responsibilities through appropriate educational planning which helps them to counteract the need of the society in the process of using scarce educational resource. It is a national approach in the process of resources mobilization and optimum utilization.

2.1.2. The Scope of Financial Management in Education

The scope of educational financial management refers to the specific areas of financial management which includes the procurement and rising of funds, the allocation of financial resources to different educational institutions, the effective utilization of funds, supervision of cash receipts and payments and safeguarding of cash balance (Ogbonnaya, 2000:12). Also, Levacic (1995:63-64) lists namely the stages of financial management in schools. These are acquisition of resources, allocation of financial resources, planning of the budget, implementation and evaluation of the implementation of the budget plan.

On the other hand, Dash and Nena (2008) stated that the scope of school management is very wide and it includes elements such as: planning, budgeting, controlling, coordinating, decision making, evaluating and directing.

2.2. School Based Financial Management

A school financial management is execution by a person in a position of authority of those management actions (regulated tasks) connected with the financial aspects of the school and having the sole purpose of achieving effective education. Similarly, Joubert and Bray (2007) describe a school financial management as the performance of management action connected with the financial aspects of a school for achieving of effective education. The common factor in these definitions of financial management is that a connection is made between the management tasks and financial aspects of school. The implication is that management of

school finance involves the task of planning (budgeting), organizing (coordinating), leading (communication and motivating), as well as controlling or auditing (Clarke, 2007).

School based management can be explained as an approach to the management of public schools where in there is a significant and consistent decentralization to the school level authority and responsibility to make decisions related to the allocation of resources, in a system of education having centrally determined goals, priorities and frameworks for accountability (Mestry, 2006). Also, Marishane and Botha (2004) explained School based management as a mechanism aimed to improving schools by shifting decision making powers regarding the budget from the central level to the schools.

As stated by Mestry (2004), all income in the school should be identified, and all collections should be receipted, recorded and banked properly. The school should properly control the operation of the bank account and reconcile bank balance with the accounting records. The school should control the use of petty cash. The impressed system of funding petty cash items is one way of controlling. An enhanced level of control over financial management is vital for all governments to maintain their commitment to their citizens. The school should present finance reports for concerned bodies like students' parents, staffs, students and education office. The school should also audit their finance by external auditor at the end of budget year.

The good financial management of school participate students' family, community members and staff when making financial decisions and while budget planning. The school principal must exercise honesty and truthfulness with subordinates and others in dealing with the school financial matters.

The factors that leads to mismanagement of school funds are: delay in release of funds to schools, diversion of funds to other sectors of the economy, lack of training or inadequate training of heads of educational institutions in issues of finance management, financial clerk negligence in school finance matters, outright appointments of unqualified personnel to manage school finances and other related issues (Mgbodile, 2002).

2.2.1. School Decision Making in Financial Resource Management

The financial resource management has sequential stages in order to make appropriate decisions on finance to implement. The first stage in the process of financial resource management is securing or the demand of resources. To do so, it needs assessment need based

and preparing participatory plan. So, the major source of school finance is the budget share or the manual appropriation to the school system. The budget amount is directly related to the number of students. The second stage in making financial decision is allocating to the required budget depends on the amount that is expected to spend on each individual budget headings. The budget heading is given on the basis of activities of the education system such as teaching learning materials, maintenance, salary, infrastructures, co-curricular activities, projects and other educational materials. The third stage execution of the implementation of budgets regulation by accounting procedures (UNESCO, 2006).

According to Mbama (1992), the financial manager normally has the responsibility of the implementation of management decision as well as the administration of the day to day financial transactions. The financial manager's administrative duties include the supervision of cash flows and involve in the major decisions of school finance.

School principals and PTAs should be empowered to lead and supervise school resources in decentralization. Early maintain that school principals should work with PTAs in the financial matters like budgeting, purchasing and monitoring school financial resources. School principals are expected to organize plan, guide and control financial resources. They are also expected to run the day-to-day financial activities of their schools to decide on the school curriculum, to buy reference books and other supportive materials (MOE, 2002). Also, PTA members have power to administer and controls school buildings, equipment, financial resources and extracurricular activities (MOE, 2002).

2.2.2. The Source of Finance in Education

The ETP launched in 1994 states that to promote equality and quality of education financing education must be just, efficient and appropriate (MOE, 1994: 6). The sources of this finance are government, internal income of it school self, private investor, community participation and NGO (MOE, 2002).

2.2.2.1 Public Finance (Government Sources)

Grants are funds that government and other governmental organizations give to run schools. According to Adesina (1996), grants can be categories in to Capital grants and recurrent grants. Capital grants or expenditures are expenses involved in respect of educational programs and activities for over a period of five years and above, such as provision of building, libraries, etc.

while the recurrent expenditure are money voted for, in respect of educational programs for the periods of one year only, such as staff salaries, allowances and stationeries etc.

Public resources for education in most Africa countries including Ethiopia are raised in three ways: taxation, foreign loans and grants (Forojalla, 1993). The role of government in the provision of education is used for equalizing access to education and considering educational benefits that cannot enter into a private firm's calculation.

In Ethiopia financial support for the education sector from the government will be up to the completion of general secondary education (up to grade 10) and related training with increased cost sharing at high levels of education is the government (MOE, 1994). The public primary and general secondary schools are fully supported by government budget. However, students in the second cycle of secondary schools and in higher education are required to share a portion of the total expense made per student. In addition, Ayalew (2002:28) states that "national government command limited resources so that they seek to distribute these in a rational and efficient manner between various programs one of which is education." As clearly indicated in MOE (1994:61), the government block grant budget has to be allocated per number of students. These block budget allocates for students for grade 9-10 and 11-12 are 20 and 50 Birr per student respectively. This non-salary recurrent budget is used in schools to fulfill school infrastructures that can facilitate the teaching-learning activities of the schools. For example, as indicated ESDP V (MOE, 2015) the government education budget is in 2015/16 and 2016/17 are 58,838 and 66,944 million respectively.

2.2.2.2 Private and Donor Agencies

Private and Donor Agencies are the second contributor of education financing next to public financing, private sources are diversified in their types and nature. They are non-government sources, which include funding from families, business firms or corporations, etc. In another study UNESCO (2002) identified that private sources include contributions from individuals, household and other private entities (example; religious groups, firms, associations).

The financial support for educational purpose comes from international donor organizations in the form of loans and grants. This source is not permanent and it is unreliable means of finance (Forojalla, 1993).

2.2.2.3 Community Contribution

The provision of education and training in Ethiopia was confined to the sole responsibility of the government since the introduction of modern education in the country. The overall result was that access and equity of education has been found to be one of the lowest even in Africa. The situation has been changing recently since communities have started to support and manage schools.

Communities contribute cash, labor and materials for the expansion and renovation of schools, purchase of educational materials and equipment, and to run the day-to-day operation of schools. In rural areas it is customary for the community to contribute local materials and labor during the construction new schools, and upgrading and expansion of existing schools (MOE, 2002). As indicated in ESDP IV (MOE, 2010), community involvement will go beyond financial, material and labor contribution communities will be expected to exercise leadership, participate in school management in such a manner that it reflects their ownership of the school. Moreover, ESDP V (2015) showed that of the total annual budget of education sector 73,635 and 81,350 million in 2015/16 and 2016/17 respectively and the shares of community and, loan and NGO were estimated to Birr 14,796 million in 2015/16 and Birr 12,863 million in 2019/20. These community contributions are through labors, materials and other in-kind. The community contribution is for all schools regardless of the location of the school.

2.2.2.4 School Internal Income

Schools generate internal income in addition to the government budget they are subsidizing in order to overcome budget deficits. The income may be obtained from different school activities. Prior to the 1994 ETP, schools' internal income was one of the major sources for financing education. Schools were charging students registration fee and other contributions at the beginning of the school year. They were also generating income from sale of services and products such as producers of handcrafts and school farms. Whereas, After the ETP were launched in 1994, primary and general secondary schools were not allowed to charge students any form of fee. As result schools' incomes that were derived from student payment were no more available. Moreover, the new financial regulation required all government institutions including schools to report and transfers the amount they collected in a given fiscal year to the finance office.

The major sources for school internal income were farmlands, Parent's contribution, school club activities evening classes and rent of classrooms for different activities etc (MOE, 2002). The location of schools determines the type of income. The income from farmland is for rural schools while incomes from evening class and rent of classrooms are for urban schools.

2.3. Budgeting, Utilization and Controlling of Educational Finance

According to MOE (2002), the schools finance come from government income that is the budget of block grant, internal income of school and community contribution as well as NGO. Schools are required to properly utilize the finance obtained from the above sources according to their budget plan. In order to implement according to the plan, it needs well managing of finance and accounting. The schools implement the budget according to plan and timely report for concerned body.

Educational institutions or organizations require materials which are either directly offered by the government or purchased using the fund available or the local governmental level. As Dobleret.al. (1984), no organization can operate without materials and thus, these education materials must be available at proper time, in the proper quantity and at the proper place if not, the performance organization decrease. Whereas, MOE (1994) recommended that sufficient budget allocation and proper utilization of the educational budget for the intended purpose is critical issue for institution.

Planning can be defined as the formalization of what is intended to happen at some time in the future. It is concerns on actions taken prior to an event, typically formulating goals and objectives and then arranging for resources to be provided in order to achieve a desired outcome. As stated by Mestry and Bisschoff (2009), the School's vision and mission is embedded in the development plan and provides direction to the budgeting process. Planning leads to budgeting which is a statement usually expressed in financial terms, of the desired performance of an organization (in this case a school) in the pursuit of its objectives over a specified period. A budget is an action plan for the immediate future, representing the operational and tactical end of the corporate planning chain (Cole and Kelly, 2011).

Budget is defined by different scholars in different ways. Budget is a plan expressed in money (Chadwick, 2002). According to Croft et al. (2002), budgets are forecasts that specify the

financial resources which have been allowed to an organization's activities or to the achievement of its objectives for a given period of time.

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

According to Prasanna (1999), the process of budget determination involves a great deal of negotiation between the subordinate and his superior at various levels in the organization. Budgeting then, forces the administrator and staff to plan together what needs to done, how it will be done, and who will do it. Budgeting in an organization is a systematic design for planning, allocating, and controlling the use of resources (Koteen, 1989). The budget process provides a framework for making decisions about the size, allocation, and financing options appropriate to achieve program and policy objectives (Stesis,et.al. 2001).

The managers are responsible to carry out budgets formulation through participation, and it should be flexible to be changed if conditions arise, and It is a means to an end, and not an end by itself. As said by Help Age International (2008) process of budget preparation, approval, implementation, and review needs the participation of various stakeholders. It is through participation that people's perspectives can be brought to the attention of policy makers. On the other hand, the research done by Roman and Livingstone in Crowther (2004) has shown that the involvement of concerned body in the budgeting process through participatory in the development budget and leads to higher motivation to achieve the budget targets set. Furthermore, research was conducted by Davies (2004), and Sharp and Walker (2005), who stressed the importance of the involvement of stakeholders in the budgeting process. In line with this, Niemann (1997) suggested also, that financial activities are dealt with most effectively when both the administrative and academic personnel are involved in the process.

Finance is essentially required for salaries, purchase educational materials, educational resources and the like. According to Jordan, et al. (1985), purchasing of education materials for institution has its own objectives and guiding rules, procedures and principles. As the part of managerial activity purchasing requires planning, organizing and controlling. According to

Chadwick (2002), financial controls include audit, budgeting, and cost control. Controls are necessary in order to ensure that plans and objective are correctly implemented. Controlling the management of the school fund includes assessment, taking corrective action, supervision and disciplinary measures are the major activities in financial controlling. Therefore, financial control is the fourth and final primary financial management task that books directly with school financial organization, planning and leading. Financial control is the principal's task that ensures the coordination and effective functioning of all the school's financial activities. So that, the formulated school objectives are implemented and pursued according to the school financial plan (Kruge, 2005, Nieman and Bennett, 2004).

As stated by Boddy (2011) financial control process incorporates four elements. These are setting objectives or targets, measuring actual performance, comparing this against the standard and taking action to correct any significant gap between the two. Thus, controlling is the counterpart of planning and is the process of monitoring activities to ensure that results are in-line with the plan and taking corrective action if required.

Planning and preparing budget alone would not be adequate to bring about desirable result. Budgets must be coordinated, monitored and reviewed (Chadwick, 2002). Due to this fact different techniques of monitoring and evaluations should be applied. According to Corbally (1997), there are three important procedures which are helpful for assuring of the legality of utilization processes of financial resources. These are accounting, auditing and reporting.

2.3.1. Accounting

As stated by Condoli et al. (1984), accounting is recording and reporting activities and events affecting personnel, facilities, materials or money of an administrative unit and its programs. Also, Hermanson et al. (1989) stated that accounting is the methods and records established to record, summarize, process and report an entity's transactions and to maintain accountability for related assets and liabilities. Accounting provides useful financial information that enable to make a sound decision.

Financial accounting without the aid of a budget is not as much benefit to management (Morphet, 1987). Moreover, financial accounting activities in school includes recording of official receipt for money received, deposit the received in the bank, money regulation by check, purchasing system and money paid. Supporting documents should be kept for all

expenditures made. Bank reconciliation statements should be made each month. Monthly and yearly financial statement should be prepared. According to Crowther (2004), the key function of financial accounting in school are meeting constitutional requirements, record keeping, and production of final accounts and the raising of finance. Without a good accounting system, financial control becomes weakened; budget formulation becomes unrealistic because of lack of information; and transactions couldn't be carried out.

The accounting system should be comprehensive. From these perspective, the weak accounting (finance record keeping) systems affect the controlling auditing process and preparation of budget plan as well as monitoring and evaluation of finance by making difficulty to get accurate and full information finance (Bisschoff and Mestry, 2003).

2.3.2. Auditing

Auditing is a crucial instrument for monitoring and controlling of budget implementation as well as the essential part of the system of accountability and oversight in that it ensures compliance of operations with regulations, rules and procedures (Millichamp, 2002). An audit or detailed examination and analysis of a school's financial records should be conducted by a professional expert who is not normally in the school staff. This helps the school principal to finish the funds according to preplanned; check whether the objective of school complete and accurate with financial statistics; determine the adequacy of financial accounting procedure and records; and to check the flow of finance whether it keeps the right procedure or not (Morphet, 1987).

Auditing has several advantages in improving the financial activities of an organization. According to Kumar and Sharma (2001), auditing serves as a means for defection and prevention of errors frauds and to update records available. It also facilitates executions of decision without delay. Furthermore, auditing enhances acceptability of authorities and provision of professional advice. Auditing should be done by a competent, independent person (Arens, et al., 2012). Thus, auditing is concerned with the verification of the accounting data with the aim of determining the reliability and accuracy.

During auditing weak areas of financial management could be identified and so as to take corrective measures to improve the weak areas. Mbua (2002) categorized audits in education into two main types: Internal audit and External audit.

A) Internal Auditing

Internal audits are conducted by appropriate personnel within the school. Its objective is to examine the financial management process of the school and provide assurance to all stake holders. According to Bischoff and Mestry (2003), the school should establish sound internal financial control to ensure the reliability and accuracy of its financial transactions.

In internal auditing, the bursary department of a school may engage a person to be in charge of performing the work of auditing and accounting (Ogbonnaya, 2000:20). According to Corbally (1997:214), internal auditing is the pre-auditing done by employees to minimize mistakes and to avoid financial trouble.

B) External Auditing

External audits are conducted by more qualified individuals from outside the school system such as from woreda finance and economic development offices. In external auditing, the authorities of the institution engage the services of those outside the institution, normally qualified accounting personnel to verify the records kept in the accounting system of the school (Ogbonnaya, 2000:20). Similarly, as describe by Corbally(1997:214), external auditing is a post-auditing made after year's work has been completed external auditing is done by independent auditors which are not employees of the offices. Hence, external auditors are those experts nominated by the relevant government department with ultimate responsibility to carry out all sectors auditing process.

2.3.3. Reporting

Reporting is the procedure, which is permitted to clear and purposeful communication between school administrators, education office and the public with regard to the financial affairs of the school district (Samoff, 1999). There are two bodies of reporting. The first is internal reporting which is made for those responsible bodies in the school (teachers, students and personnel) and the second for public (PTA, KETB and families) or government (education office) to inform the financial plan.

On the other hand, the reporting aspect of accounting is extremely important in the budget planning, administration and control. As said by Knezevich (1989) reporting has the purposes of giving current information, present summary of income and expenditure and give fiscal information to the general stakeholders in order to understand the school financial management

on the side of parents. Thus, genuine and honest report is an important task of finance management in school that it clears the necessary information for the community.

Financial reports usually need accounting and its products such as an organization's annual report as a platform upon which to build many decisions and activities. Organizations must follow specific rules and formats of presentation for their annual reports and financial statements.

As Jordan, et al. (1985), there are three levels of financial reports prepared by local institutions. These are the comprehensive financial report prepared annually comprising all financial statements, The general purpose financial statement prepared monthly or quarterly and The popular report summarizing data contained in the comprehensive financial report into format that is easily understood by the public and that may contain graphs and figures to enable reading.

2.4. School Financial Management in Ethiopia

According to MOE (1994), educational management should be democratic, professional, coordinated, efficient and effective. In addition to this educational management was decentralized to create the necessary condition to expand, enrich and improve the relevance, quality, accessibility and equity of education. It is also stated that the financing of education be just, efficient and appropriate to promote equity and quality of education. The finance of school managed by the school governing body that is PTA and KETB and under these umbrella principals, accountants, and cashier manipulate the activities of managing finance and present timely report concerned body.

In Ethiopia the sources of finance for education are government, internal income of it school self, private investor, community participation and NGO. Community contribution is an important source of finance for schools. The major sources for school internal income were farmlands, parent's contribution, school club activities evening classes and rent of classrooms for different activities etc. (MOE, 2002). The Policy document provide by the ministry of education (1994) summarized the financing of education related to secondary school as follows: these are the priority for government financial support will be up to the completion of the general secondary education and related training but with increased cost sharing at higher levels

of education and training, and conditions will be created for education and training institutions to generate their own income.

Education is a government priority sector, has been a priority sector since the establishment of the ETP in 1994 and will remain a priority sector as Ethiopia moves towards middle-income status. Share of government budget to education sector shares to education have been around 20–25% for the past 10 years. While, recent additional commitments to the education sector move this to 25% for the 1st year of the plan the scenario modeled estimates between 24–25% for the five-year period, with variable shares in recurrent and capital at the federal and regional levels, based on historic trends (ESDP V, 2015).

According to the document of ESDP-V of the total annual budget of education sector in 2015/16 and 2016/17 are 73,635 and 81,350 million respectively of this governmental budget are 58,838 and 66,944 million and others are covered via community participation, loan and NGO. As indicated in ESDP V (2015) the share of community and, loan, and NGO were estimated to Birr 14,796 million in 2015/16 and Birr 12,863 million in 2019/20. Of these major donor contributions for projects where as community contributions covers labors, materials and other in-kind (ESDP V, 2015).

2.5. Challenges of Financial Management in Secondary Education

The study of Barasa (2009) recognized that, efficient management of financial resources is an important task for head teachers. Without adequate financial resources, institutions cannot carry out their defined tasks effectively. Money must be available to run the different departments of the school. The available funds will be used to purchase the required teaching and learning apparatus such as chalks, textbooks, paying of the support staff and building and improvement of infrastructures.

The study of Sheberu(2015) showed that low participation of stakeholders to increase school income, lack of skilled and experienced, lack of training, lack of budget allocation criteria, not enough structured guide-line and procedures, lack of budget, low controlling systems, low participation of concerned bodies or school personnel's involve in the budget planning and decision making process, improper utilization of financial resources and lack of auditing school finance can affect highly the effectiveness and efficiency of financial management in the studied schools.

Likewise, the study by Tadiwos (2014) indicated that the critical challenges for ineffective utilization of financial resource in the studied schools are a release of budget allocated to schools very lately, lack of adequate skilled manpower that controls effective budget utilization, engagement of school management on different duties. lack of planning and performing the school activities together with stakeholders, school principals working by their own without inviting others, interferences of school principals in all works, lack of team work approach among KETB, PSTA and school management and no relevant training on financial control and utilization to stakeholders.

2.6. Chapter Summary

Financial resource management helps the school to reduce costs, improves performances influences and limits its activities to achieve preplanned objectives. As already known finance is the back bone of school. The sources of this finance are government, internal income of it school self, private investor, community participation and NGO (MOE, 2002). The block budget allocates students for grade 9-10 is 20 Birr per student. Whereas the private sources include contributions from individuals, household and other private entities (example; religious groups, firms, associations).

Finance management can be started from Planning. This can be defined as the formalization of what is intended to happen at some time in the future. It is a concern on actions taken prior to an event, typically formulating goals and objectives and then arranging for resources to be provided in order to achieve a desired outcome. The good financial management makes participate students' family, community members and staff when making financial decisions and while budget planning, approval, implementation, and review. This lead to stockholders to higher motivation and help schools to achieve the budget targets set. Planning and preparing budget alone would not be adequate to bring about desirable result. Further require budgets must be coordinated, monitored and reviewed (Chadwick, 2002). The legality of utilization processes of financial resources can be assured via accounting, auditing and reporting. The school is expected unceasingly undergo for these issues for monitoring and controlling their budget.

On the other hand, there were studies conducted on practices of financial management in secondary and preparatory schools in Bishoftu administrative town and financial resources utilization challenges in some selected government primary schools of DamotPullasaWoreda in

Southern Nations, Nationalities and People's Region. Accordingly, there were challenges identified via these studies. These were low participation of stakeholders to increase school income, lack of skilled and experienced, lack of budget allocation criteria, not enough structured guide-line and procedures, lack of budget, improper utilization of financial resources and lack of auditing school finance lack of planning and performing the school activities together with stakeholders, school principals working by their own without inviting others, interferences of school principals in all works, lack of team work approach among KETB, PSTA and school management and no relevant training on financial control and utilization to stakeholders highly affects the effectiveness and efficiency of financial management in the studied schools. (Tadiwos, 2014 and Sheberu, 2015).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This section discussed about research methodology that was employed to achieve the objectives of the study. It contains the setting where the research was conducted, research design, data sources, sampling and sampling techniques, data collection instruments, pilot test, methods of data analysis and ethical considerations.

3.1. Overview of the Study Area

This study was designed to take place in the Oromia Regional State, Eastern Shoa Zone, on three selected government secondary schools of Adama City Administration. Adama was founded in 1915; and the name Adama has been derived from the Oromo word ‘adaamii’, which means a cactus or a cactus like trees. The City is located at 8.14° - 8.44° N and 39.04° - 39.25° E with an elevation of 1600-1700 meter above sea level at about 99KM to Southeast of the capital Addis Ababa in the middle of the Great Rift Valley.

Based on the 2007 Census conducted by Central Statistics Agency the data obtained from Finance and Economic Development Office of the City shows that Adama City has a total population of over 400,000; residing in 14 urban and 4 rural Kebeles on a total area of 133.6 square KM. (CSA, December 2008:68)

According to the statistical data of Adama City Education Office (ACA, 2014); in Adama there are three universities, 8 colleges, 5 preparatory schools, 11 secondary schools, 88 primary schools, and 101 kindergartens that provide education for their respective students during 2015/16 academic year.

Out of the eleven secondary schools, four of them are private and seven of them are owned by government. Among those educational institutions this study was, therefore, investigated the practices and challenges of financial management in three government secondary school of the City.

3.2. Research Design

The study focused on the practice and challenges of school financial resource management in government secondary schools. In this study, descriptive survey design was employed. This was done by considering the versatility of the descriptive survey approach to get available information from concerned bodies and very essential to reveal the present situation of current financial management practices and problems in the study area. According to Cresswell (2003:29), a descriptive study describes and concerned with conditions or relationships that exists, opinions that are held, process that are going on, effects that are evident or trends that are developing. Thus, the use of descriptive method is found appropriate.

3.3 Methods of research

In this study, a mixed method (combined quantitative/qualitative approach) was used for collecting and analyzing of data. According to Saunders, Lewis and Thornhill (2003) and Saunders et al. (2009) stated that there are two major advantages of employing multi methods in the same study. Firstly, different methods can be used for different purposes in the study. This would give the researcher confidence in having addressing the most important issues. The second advantage of using multi-methods approach is that it enables triangulation to take place. Consequently, the combinations of quantitative and qualitative research methods were utilized for this study.

3.4 Sources of Data

Both primary and secondary sources of data were used to get adequate information about the practice and challenges of financial management in the study schools. The primary data sources were principals, vice principals, department heads and secretary, Kebele Education and Training Board (KETB) members, Parent-Teacher Association (PTA) members, accountants of the schools and other finance worker. In addition, the primary data were collected from department head of planning, budgeting and project monitoring and evaluation, and cluster supervisors of Adama City Education Office, and department head of Auditors and department head of planning of Adama City finance and economic development Office.

Besides, secondary data was collected from official documents such as school annual budget plan, reports, Educational Statistics Abstracts, and other relevant documents.

3.5 Sample Size and Sampling Technique

3.5.1 Population and Sample Size

According to the data obtained from Adama City Education Office; there were seven government secondary schools in the City. However, four of them (Adama Bosat, Adama Number three, Burka and Bole secondary schools) were started their operation in the last two to three years. Since, they were newly established; these secondary schools were not included for this study. Thus, the study focuses available three schools of city: namely Adama, Goro, and Dembela secondary school.

According to the data obtained from those three secondary schools there were three Principals, eight Vice principals, 25 KETB members, 21 PTA members, 72 Department heads and secretary, six school Accountants and other finance workers who involved on financial management in those secondary schools. Those respondents were the main sources of data and considered as a population of this study.

In general, the target populations that participate in the study were one hundred thirty-nine. All of those groups of the target population were selected as a sample size purposively and included for this study to respond a questionnaire and interview (see Table 3.1). As stated by Kothari (2004), Census method technique enables to select all existing respondents and is takes place when the researcher included all members of the population to the study; usually if the number population is small.

Since those respondents were directly engaged on financial management of the schools' understudy; they had detailed information about the practices of financial management; and major factors that had been affecting utilization and its effectiveness in these schools. This was helped the researcher to get significant information for the study.

Table 3.1: Target Population and Sample Size

N ^o	Type of Respondents	Total Population	Sample Size	Correctly Filled	
				Count	%
1	School Management Organs				
	Principals	3	3	3	100.00
	Vice principals	8	8	8	100.00
	KETB	25	25	23	92.00
	PTA	21	21	19	90.48
	School Accountants and other finance worker	6	6	6	100.00
	Total	63	63	59	93.65
2	Departments (Schools)	72	72	67	93.06
	Total from the Schools	135	135	126	93.33
3	From Adama City Education office				
	Department head of planning, budgeting and project monitoring and evaluation	1	1	1	100.00
	Cluster supervisors	1	1	1	100.00
4	From Adama City finance and economic development Office				
	Department head of planning	1	1	1	100.00
	Department head of Auditors	1	1	1	100.00
	G/Total	139	139	130	93.52

3.5.2 Sampling Techniques

There are different sampling techniques which can be applied to select subject of the study. In this study, the researcher selected the respective sample size via purposive sampling to respond the questionnaire. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. Simply put, the researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience (Bernard 2002, Lewis & Sheppard 2006). Thus, this sampling technique was used in this study, because the respondents are directly or indirectly have involved in administration of school finance and can play great roles in decision-making on the management of school finance. Besides, they can provide good information from their experience about the issue under study and they were also limited in numbers.

3.6 Instruments of Data Collection

In this study, three types of data gathering instruments were employed: questionnaire, interview and document review.

3.6.1 Questionnaire

A questionnaire is an enquire from data gathering instrument which respondents answer to the questions provided or respond to statements in writing and used to get factual information (Best and Kahn, 2005). Consequently, the researcher used questionnaire. It was appropriate in collecting the information from the source about practice and problems of financial management.

Thus, for the purpose of this study, a questionnaire was prepared by the researcher from extensive literature to collect information from the sample respondents. In the questionnaire open-ended and closed-ended questions were included. The close-ended questions were developed; with believe that, they were helped the respondents to choose an option from the given alternatives that best fit their responses. In addition, the open-ended questions were included in order to give an opportunity for respondents to express their view, feelings, and perceptions related to the practices and challenges of financial management in the study schools.

The questionnaire was prepared in English Language and administered to all sample respondents with the supposition that they can understand the language. Because most of the respondents found in the study areas have higher level of education. However, to consider those respondents incapable of using questionnaire developed in English language was translated in to Afan Oromo.

The questions in the questionnaire were organized in to four parts based up-on objectives of the study and basic research questions. The first part contains items about background information of the respondents. In the second part major items related to the utilization of financial resource of the schools were included. In the third part, questions related to the extent of monitoring and auditing financial resources in the study schools were raised. The last part incorporates questions related to major challenges affecting the practices of financial management in the selected Secondary schools of the City.

3.6.2 Interviews

In this study, interview was undertaken in the form of person-to-person encounter using semi-structured questions, enabling respondents to address ideas in their own terms and words. The interview was administered with school principals, department head of planning, budgeting and project monitoring and evaluation, and cluster supervisors of Adama City Education Office, and department head of planning and department head of Auditors of Finance and Economic Development Office of the City to get more detailed information about the topic under study and to fill the gaps that were not covered through the questionnaires. The interview questionnaire was developed in English language and then translated into Oromo language to reduce confusion while conducting the interview.

In this regard as stated by Dawson (2002), in a semi-structured interview, the researcher wants to know specific information which can be compared and contrasted with information gained in other form of data collection instruments. Thus, using interview for this study helped the researcher to collect more supplementary opinion so as to stabilize the data collected through the questionnaire. To this end, different questions were raised with all interviewees by the researcher.

3.6.3 Document Analysis

With regards to data obtained from document analysis, Best and Kahn (2005) stated that, the information obtained from official documents using format or through observation checklist were more valid and more reliable than other information gathered through other means.

Thus, in this study; in order to properly collect major data from secondary sources; a checklist was developed and used during data collection processes on issues associated with practices and challenges of school financial resource management in the target schools, Adama City Education office and finance and economic development Office. This was helped the researcher to focus on important data and not overemphasis on irrelevant data to be collected from secondary sources. The collection of such data was done by the researcher himself.

3.7 Procedure of Data Collection

First, the researcher received letter from department of education planning and management to both schools and offices that ask their cooperation and support for the success of the study. Next to this the researcher had undergone discussion with the school principals and representatives of the education offices and finance and economic development to get permission via explaining the importance of this research. Before conducting research at the study sites, the researcher conducted pilot test at Wonji secondary school and then modification of some questionnaires were made.

Secondly, the researcher with principals gave orientation for respondents on the objectives of data collection tools then the researcher distributed the questionnaire for respondents to give their response on question. After this, the questionnaires distributed to respondents of the study sites were collected. Following to these, the researchers fix program with principals, education office and finance and economic development office in order to collect data by interview and checklist regarding the study. Lastly, researcher conducting observation of study schools according to checklist developed for this purpose.

3.8 Pilot Test

The purpose of the pilot test is to check if the design of the questionnaire works in practice, and to identify and adjust problematic questions and also to refine the questionnaire (Kothari, 2004). Thus, the researcher was performed pilot survey of the designed questionnaires on one government secondary schools before administering the main questionnaires to the sample respondents.

Initially, the validity of the instruments was tested by two lecturers from the department, including the research advisor. The comments forwarded from those professionals were considered to update the questionnaire before it was used as data collection tool for the study.

Then, its reliability was tested through the pilot study. A pilot study was carried out at Wonji secondary school; which was found in Adama district and not included in this study. To these effect 24 questionnaires was distributed for purposively selected respondents.

After this, to measure the reliability of the questionnaire, Cronbach's alpha coefficient was calculated for all parts of the questionnaire. Concerning the acceptance level of Cronbach's alpha results Cohen et al. (2007:506), suggested to use the alpha coefficient results on the basis

of the following guidelines: >0.90 =Very high reliable; $0.80-0.89$ =Highly reliable; $0.70-0.79$ =Reliable; $0.60-0.69$ =Marginally reliable; and <0.60 = Lowly reliable or unacceptable.

Accordingly, the calculated Cronbach's alpha coefficient for all items of the questionnaire was found at 0.831 (Cronbach's Alpha based on standardized items was 0.838). This showed the reliability level of the questionnaire was highly acceptable

3.9 Method of Data Analysis

The data analysis techniques to be used were both qualitative and quantitative approach. The major data needed for this study was collected from the sample respondents through a questionnaire. At the beginning the data collected from sample respondents through the questionnaire, was checked and organized for tabulation. The tabulation of the data was made using Statistical Package for Social Science (SPSS-V20) software. Then, the tabulated data was analyzed and interpreted using descriptive statistics like percentage mean and standard deviation. In addition, t-test was used to analyze the presences of significant differences between responses of management organs and departments category of the respondents. The results of SPSS were organized and illustrated using tables and graphs. Furthermore, description and presentation of the data was takes place following each tables and graphs.

With regards to rating scales, as stated by Fowler (as cited in Sheberu, 2015), for analysis purpose based on principles of rounding off, mean values were interpreted as: means 1-1.5=Very low, 1.51-2.50= low, 2.51-3.50=Medium, 3.51-4.50=High and 4.51-5.00= Very high. Therefore, analysis and interpretation of data was made for the responses of management's organs and departments' group correctly filled questionnaires.

On the other hand, the information obtained from interview, open-ended items of the questionnaire and document via check list developed was analyzed qualitatively using narrative form under tables and graphs they were associated with. Whereas, the data collected via check list regarding source of financial budget of secondary school under study were analyzed using percentage.

3.10 Ethical Considerations

Throughout this research, the researcher was governed by the ethical principles of the research. Specially, the most importantly emphasized ethical principles applied in this study were respecting the privacy of respondents and confidentiality of information revealed by the respondents. So, during data collection, a letter from Addis Ababa University was used as introductory means to get permission for collecting the data required for this study from the sample secondary school of the City.

The data collection process was conducted by informing the respondents' the right they have to participate or not in this study and to respond the questionnaire or interview questions. They can withdraw from the study at any time without explaining their reasons. Thus, all the data needed for this study were collected from the sample respondents by their own interest only. Confidentiality of information about the respondents was secured; no personal details of individual respondents are produced on any parts of this study documents. Furthermore, any confidential information that was revealed by the respondents has kept secret except they were used for academic purpose.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE DATA

This chapter deals with presentation, analysis and interpretation of the data collected from respondents through questionnaire, interview and observation via using check list to address objectives of the study: investigating practice and challenges of school financial resource management in government secondary schools of Adama City Administration. More specifically, the objective of the study focuses on explore the major sources of educational finance; assess how the schools have been utilized financial resource; examine the extent of monitoring and auditing financial resources; and identify major factors that affect financial management practices in the selected Secondary Schools of the City.

The primary source of data for this study were principals, vice principals, department heads and secretary, Kebele Education and Training Board (KETB)members, Parent-Teacher Association (PTA)members and accountants and other finance of the schools. In addition, the primary data were collected from Department head of planning, budgeting and project monitoring and evaluation and Cluster supervisors of Adama City Education Office, and Department head of planning and Department head of Auditors of Finance and Economic Development Office of the City.

Those respondents were categorized in to management organs and departments (users). The management organs constitute principals, vice principals, Kebele Education and Training Board members, parent teacher association members, school accountants and other finance officers. Whereas the categories of departments (users group) constitute heads of departments and secretary found in the study schools.

The questionnaire was used to collect information from school management organs and the departments (users group). Initially, the questionnaire was disseminated to 63 school management organs and 72from departments selected as a sample. Among those respondents the questionnaires were correctly filled by 59 (93. 65%) management organs and 67(93.06%) the departments.

The questionnaire was developed to collect appropriate data for the study on practices and challenges of financial management at government secondary schools of Adama City. Regarding this, some major indicators of practices and challenges of financial management

were presented to respondents to be rated on a five-point Linkert scale: from Very High=5 to Very Low=1.

The analyses of data in this chapter were organized into five parts. The first part presents the data related to respondents' background information; the second part focuses on the data related to financial sources. Next to this, the third part present utilization of financial resource, and the fourth part focuses on issue related to extent of financial resources is audited and monitored in the study schools. Lastly in part five, issues about major factors that affect financial management practices in government secondary school of the City was presented and analyzed.

4.1. Demographic Characteristics of Respondents

The data obtained regarding sex, age, educational backgrounds and service years of the respondents were presented in Table 4.1 and analyzed accordingly.

According to the data on this table, out of total respondents 43(72.88%) of school management organs and 59(88.06%) of the departments were males. Only 16(27.12%) of school management organs and 8 (11.94%) of departments were female. This shows, the participation of women in financial resource management practices of the schools' understudy was low, compared to their male counterparts.

Regarding age of the respondents, as illustrated on table 4.1, out of the total respondents only 6(10.17%) of managements organs and 8(11.94%) department heads were found at less than 26 years old and 22(37.29%) of managements organs and 26(38.81%) of the departments were found between the range of 26 and 35 years old. On the other hand, 16(27.12%) of managements organs and 14(20.9%) of departments groups were found between the range 36 and 45 years old. Moreover, 15(25.42%) and 19(28.36%) of managements organs and the departments respectively were found above 45yearsold. In general, one can be observed that, age distribution of the majority of management organs and departments were found between 26 and 35 years old.

Concerning educational background of the respondents, the data presented on table 4.1 indicated that, almost all department groups 66(98.51%) and most management organs 47(79.66%) had a bachelor's degree level of education. Furthermore, 2(3.39%) of management organs were masters' degree holder. Hence, majority of the respondents participated in this

study had the required level of educational back ground to work in secondary schools of the City.

Table 4.1: Characteristics of the respondents: sex, age, educational backgrounds and experiences

Items		Department		Management Organ		Total	
		Count	%	Count	%	Count	%
Gender	Male	59	88.06	43	72.88	102	80.95
	Female	8	11.94	16	27.12	24	19.05
	Total	67	100	59	100	126	100
Age	Less than 26 Years	8	11.94	6	10.17	14	11.11
	26-35 Years	26	38.81	22	37.29	48	38.10
	36-45 Years	14	20.90	16	27.12	30	23.81
	Above 45 Year	19	28.36	15	25.42	34	26.98
	Total	67	100	59	100	126	100
Educational backgrounds	Less than Diploma	0	0.00	3	5.08	3	2.38
	Diploma	1	1.49	7	11.86	8	6.35
	First Degree	66	98.51	47	79.66	113	89.68
	Master's Degree & above	0	0.00	2	3.39	2	1.59
	Total	67	100	59	100	126	100
Service Years	1- 5 Years	9	13.43	11	18.64	20	15.87
	6-10 Years	15	22.39	16	27.12	31	24.60
	11-15 Years	10	14.93	18	30.51	28	22.22
	16-20 Years	19	28.36	5	8.47	24	19.05
	Above 20 Years	14	20.90	9	15.25	23	18.25
	Total	67	100	59	100	126	100

With regards to work experiences of the respondents, 11(18.64%) of managements organs and 9(13.43%) of the departments were served for about 5 years. Yet, 16(27.12%) and 15(22.39 %) of managements organs and the departments respectively were found between 6 and 10 service years. On the other hand, 18(30.51%) of managements organs and 10 (14.93%) of departments groups were found between 11 and 15 years of services. Moreover, the data in the Table also showed that, 5(8.47%) of managements organs and 19(28.36%) of department group were found between 16 and 20 service years. In addition, 9(15.25%) and 14(20.90%) management organs and department groups respectively had above 20 years of services. These showed that, majorities of the respondents were experienced and familiar with the issue under investigation.

Thus, it is possible to assume that, and those respondents with relatively longer years of experience had better knowledge and understanding about the practices of financial management and can contribute responding the questioner correctly for the study in the area.

The data obtained concerning field of specialization of the respondents were presented in Table 4.2 and analyzed accordingly.

Table 4.2: Field of Specialization of the Respondents

Items	Department		Management Organ		Total	
	Count	%	Count	%	Count	%
Educational Leadership	0	0.00	2	3.39	2	1.59
Management	0	0.00	6	10.17	6	4.76
Accounting	0	0.00	5	8.47	5	3.97
Teaching	67	100.00	26	44.07	93	73.81
Others	0	0.00	20	33.90	20	15.87
Total	67	100	59	100	126	100

As showed on Table 4.2, fields of specialization of management group who graduated in Educational Leadership and Management field of study were 2(3.39%)and 6(10.17%)of the respondents respectively. The majority of management organs were Specialization for teaching (26 or 44.07%). However, about one-third of the management organs' (20 or 33.90%) Field of Specialization were categorized out-off Educational Leadership, Management, Accounting, and Teaching. On the other hand, all of the departments' fields of specialization were at teaching profession 67(100%).As illustrated in the table, all teachers had teaching field of specialization therefore the departments full fill specialization required at secondary schools. Whereas, the managements group had Educational Leadership, Management, Accounting, Teaching and others field of specialization. Therefore, these respondents are able to give genuine response for the success of the study.

4.2. Source of Finance

The Education and Training Policy launched in 1994 states that to promote equality and quality of education financing education must be just, efficient and appropriate (MOE, 1994:6). The sources of this finance are government, internal income of the schools, private investor, community participation and NGO (MOE, 2002).

In relation to this, under this part of the chapter format prepared to gather data on source of finance of those secondary school and distributed to be filled for three successive budget years from 2013/14 to 2015/16 (2006 to 2008 EC) and this data organized and analyzed as presented on Table 4.3 and Figure 4.1.

Table 4.3: Budget Source of Secondary Schools at Study Sites (in cash and percent)

Budget Years (EC)	Schools	Source Of Finance Of Secondary School Of Study Sites									
		Block grant		School Grant		student parent contribution		Internal income		Result based Aids	
		cash	%	Cash	%	cash	%	cash	%	cash	%
2013/14 (2006)	Adama	48,823	6.70	377,350.00	51.82	200,000	27.47	102,000	14.01	0.00	0.00
	Dembela	24,701	3.13	59,696.00	7.55	180,550	22.84	110,005	13.92	415,436.00	52.56
	Goro	44,938	7.81	159,386.00	27.68	371,427	64.51	0	0.00	0	0.00
2014/15 (2007)	Adama	59,760	7.65	494,326.00	63.29	125,000	16.00	102,000	13.06	0	0.00
	Dembela	38,060	1.45	70,098.75	2.66	218,120	8.29	95,000	3.61	2,210,456.74	83.99
	Goro	77,920	8.31	351,824.00	37.52	507,895	54.17	0.00	0.00	0.00	0.00
2015/16 (2008)	Adama	54,640	2.62	305,679.95	14.66	300,000	14.39	102,000	4.89	1,322,670.16	63.44
	Dembela	29,880	5.92	90,620.00	17.97	240,000	47.58	118,238	23.44	25,667.82	5.09
	Goro	65,460	3.98	236,570.40	14.40	449,025	27.33	0.00	0.00	891,956.78	54.29

Source; Primarily data collected using checklist from field Survey (March, 2017)

As illustrated on Table 4.3 the budget sources of the schools in the study site were block grant, school grant, student parent contribution, internal income and result based aids (RBA). As indicated above the data required for this study were on those sources of finance for three successive years from 2013/14 to 2015/16 (2006 to 2008 EC).

As it can be seen from the data of Table 4.3, the budget source share during the year 2013/14 for Adama Secondary school was 6.70% block grant, 51.82% school grant, 27.47% student parent contribution, and 14.01% internal income. Whereas, for Dembela Secondary school,

3.13% block grant, 7.55% school grant, 22.84% student parent contribution, 13.92% internal income and 52.56% result-based aids. Moreover, for Goro Secondary school, the sources of budget were 7.81% block grant, 27.68% school grant, and 64.51% student parent contribution. According to those data, the table, the major budget source during 2013/14 fiscal year for Adama secondary school was 51.8% from school grant. But for Dembela secondary school 52.5% was from RBA; and for Goro secondary school 64.5% were from student parent contribution.

On the year 2014/15 the share of budget source of these secondary schools was changed. As can be seen from the Table; for Adama secondary school 7.65% was block grant, 63.29% school grant, 16.00% student parent contribution, and 13.06% internal income. Whereas, for Dembela secondary school 1.45% was block grant, 2.66% school grant, 8.29% student parent contribution, 3.61% internal income and 83.99% was result based aids. Moreover, at Goro secondary school 8.31% was block grant, 37.52% school grant, and 54.17% student parent contribution. As illustrated on table, the major budget source during 2014/15 for Adama secondary school was 63.29% from school grant. For Dembela secondary school 83.99 % was from RBA; and for Goro secondary school 64.5 % was student parent contribution.

Yet during 2015/16 budget year, budget source share of Adama secondary school was 2.62% from block grant, 14.66% from school grant, 14.39% from student parent contribution, 4.89% from internal income and 63.44% was from result-based aids. Whereas, in Dembela secondary school block grant accounted 5.92%, school grant 17.97%, student parent contribution 47.58%, internal income 23.44% and result based aids 5.09%. Moreover, in Goro secondary school, block grant was accounted 3.98%, school grant 14.40%, student parent contribution 27.33%, and result based aids 54.29%. During this budget year, as clearly indicated on table 4.3 and figure 4.1 the major budget source for Adama secondary school was result based aids (63.44%); for Dembela secondary school student parent contribution (47.58%); and for Goro secondary school result-based aids (54.29%).

In general, the results illustrated in table 4.3 indicated on year 2013/14 of overall budgets three secondary schools earned/had in percent share of Adama (34.77), Dembela (37.74) and Goro secondary school (27.49) however the number of students were 4,210, 2,130 and 3,875 respectively. Whereas, on 2014/15 Adama (17.95), Dembela (60.49) and Goro secondary school (21.55) yet the number of students were 2,988, 1,903 and 3,896 respectively.

Furthermore, 2015/16 Adama (49.26), Dembela (11.91) and Goro secondary school (38.82) but the numbers of students were 2,732, 1,494 and 3,273 respectively. Hence, over all annual budgets of those schools were far from each other. These were due to number of student have regarding block grant and school grant budget, amount Birr decided to gather student parent contribution from student parent per student, having internal income and getting awards of RBA budget. Of these the main cause of difference in budget among secondary schools at study sites were RBA budget provided as awards secondary of schools.

According to MOE, (2002) the sources of finance are government, internal income of it school self, private investor, community participation and NGO. Whereas, the data gathered from the study sites showed that secondary schools support via private investor, NGO and community other than parent of student was poor.

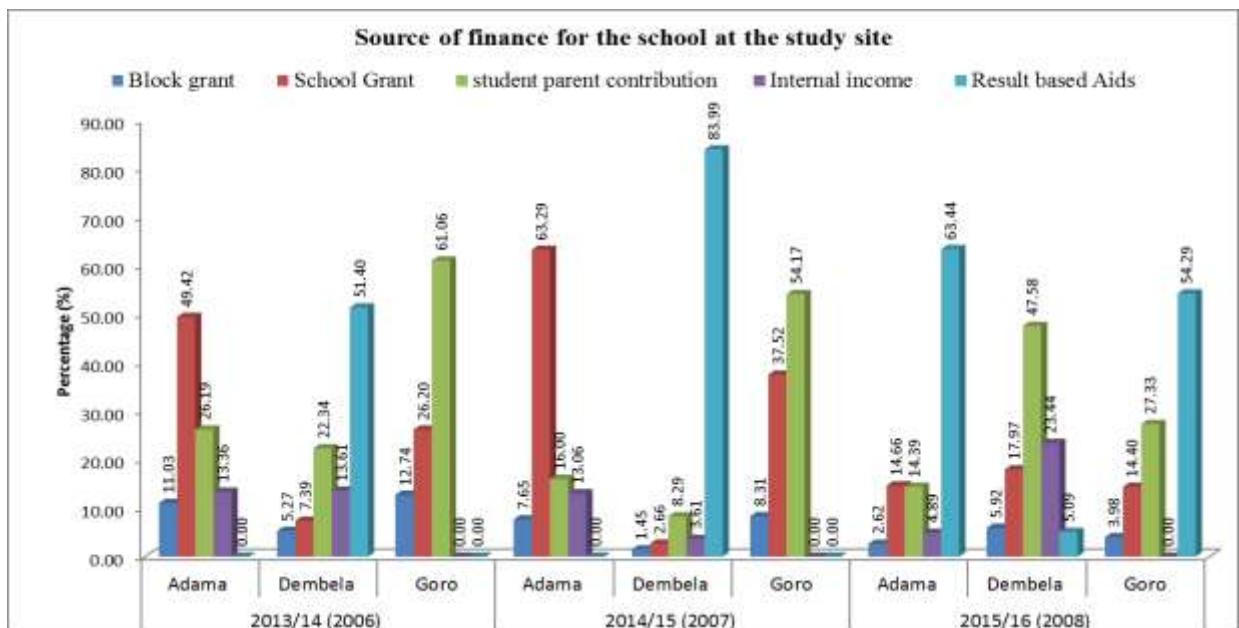


Figure 4.1: Source of Budget for Secondary Schools at Study Sites (in percent)

Regarding this, researcher conducted interview with school principal, cluster supervisor, department head of planning, budgeting and project monitoring and evaluation of Adama city Education office, and Department head of planning and department head of Auditors of Adama City finance and economic development Office on source of school budgets. They responded that, “The schools’ budgets sources were block grant, school grant, result based aids (RBA), student parent contribution and internal income”. “According to education office budget planning department heads block grant the non-salary recurrent budget assigned for secondary

school was 20 Birr per student but some time based on city administration budget may less than 20 Birr and also more than 20 Birr per student”. These interviewees said that “the finance and economic development of Adama city administration purchased via their block grant budget education material and the like. These were stationary material, garment for uniform of workers such as cleaners, guards of school and the like”.

But, according to school principal and cluster supervisor views, “Schools were not satisfied on material purchased by this institution because of the quality of material, items purchased for school are sometimes outside of their need and delay of purchasing of materials”. The interviewees from finance and economic office on these shows, “The institution was buying education materials at one place collectively to lower expense of schools.

Next to this, the interviewee responded, “School grant budget was offered and utilized via schools according to its rule to improve quality of education’. The amount of budget provided for schools in 2008 and 2015 were 15 per student and 60 per student respectively (OREB, 2001) and OREB, 2007).

Also, “Result based aids budget was provided to schools following its rules.” RBA provides as award for secondary school contrast to previous year increase number of student take EGSLCE and/or number of student scored 2 and above (MOE, 2011). According RBA program school earn per number of student increase for male 50 and girl 85 pound (MOE, 2011).

Lastly regarding internal income and student parent contribution source of finance of schools the interviewee responded that, ‘The internal income (rental fee for place of car maintenance, place used for shop and the like) and student parent contribution payment collected from parents through the decision of PTA. The amount of payment collected via these schools were varies between 100 and 200 Birr per family of students’. The school principal responded that, ‘The school has used these budgets for electric, water and telephone service payment, salary of contract worker such as cleaner, security of school, store man and record officer, and top up of worker took additional responsibility on vacant job title such as finance worker at one school and the like’. ‘The schools were expected to prepare budget plan of internal income and student parent contribution that includes issue like estimate of amount budget collected and purpose of its utilization and submit to education office of city administration after decision made by city administration schools use the allowed finance’.

Therefore, adama ,Dembela and Goro secondary schools budgets sources were block grant, school grant, result based aids (RBA), student parent contribution and internal income. The overall annual budgets of those schools were far from each other. These were due to number of student for block grant and school grant, amount PTA decide to collect student parent contribution from student parent per student, having internal income and getting awards of RBA budget.

On the other hand, the interview result showed, ‘These secondary schools were donated education material from Adama Science and Technology University. These were some computers, reference books, chair for library and ICT laboratory’.

4.3. Utilization of Financial Resources

School budget administration and utilization process needs mass participation. The participation of concerned stakeholders in the management of school finance is very important. According to Help Age International (2008), the process of budget preparation, approval, implementation and review needs the participation of various stakeholders. It is through participation that people’s perspectives can be brought to the attention of policy makers. Moreover, the results of a research done by Roman and Livingstone in Crowther (2004) has shown that, the involvement of concerned body in the budgeting process through participatory in the development budget; can leads to higher motivation to achieve the budget targets set.

In this regard, under this part of the chapter responses of respondents regarding the extents of participation of different organs of the schools’ under study in the process of school budget preparation were presented and analyzed. It gave emphasis for the participation of school Principals, KETB, PTA, Department Heads, Teachers, School Accountants, Education Office of the City and Finance and Economic Development office of the City. The results illustrated in Table 4.4 showed responses the two group of respondents on the extents of different organs participation in budgets preparation in the school’s understudy.

Table 4.4: Extent of Participation of Different Organs in School Budget Preparation

No	Items	Departments		School Management Organs		Total		t-test	P-Value
		Mean	SD	Mean	SD	Mean	SD		
1	School Principals	4.09	1.01	4.37	0.76	4.22	0.91	1.76	0.082
2	KETB Members	2.63	1.14	3.19	1.41	2.89	1.30	2.46	0.015
3	PTA Members	3.58	1.08	3.85	1.17	3.71	1.12	1.33	0.187
4	Department Heads	2.72	0.95	3.39	1.13	3.03	1.09	3.63	0.000
5	Teachers	2.25	1.09	2.36	1.09	2.30	1.09	0.52	0.601
6	School Accountants	3.93	0.99	4.22	1.05	4.06	1.03	1.62	0.107
7	Education Office of the City	2.81	1.25	3.07	1.27	2.93	1.26	1.17	0.246
8	Finance and Economic Development office of the City	2.82	1.10	3.10	1.03	2.95	1.07	1.47	0.143

Source: Primarily data collected by the researcher from field Survey (March, 2017)

In Table 4.4 the School Management Organs and Departments groups' responses regarding extent of participation of School Principals, KETB members, PTA Members, Department Heads, Teachers, School Accountants, Education Office of the City, and Finance and Economic Development office of the City in the process of school budget preparation were illustrated.

As it can be seen on item number one of the table, overall respondents' opinion on principals' participation on school budget preparation were found at higher rates (M=4.21, SD=0.92). This revealed that the participation of principals was very high in preparation of school budget. However, school principals' extents of participation on budget preparation was rated by management organs (M=4.36, SD=0.78) relatively higher than the department groups (M=4.09, SD=1.01). However, there is no statistically significant difference between the two groups of respondents in rating extents of participation of schools' principals on their budget preparation ($t(59, 67)=1.64, P=0.104 >0.05$).

With regards to item number two, as illustrated on the table, the overall views of respondents on extent of participation of KETB on school budget preparation was distinguished (M=2.89 and SD=1.30). This implies that the participation of KETB on budget preparation was found at moderate level. However, the management organs relatively rated higher mean value (M=3.19, SD=1.41) than Department groups (M=2.63, SD=1.14). Yet, there is statistically significant deference between the two groups of respondents in ranking extents of participation of KETB on School budget preparation ($t(59, 67)=2.46, P=0.015 <0.05$). These showed that respondents

groups had different perception on participation of KETB on School budget preparation in study sites.

In line with this in the literature MOE (2002:21-23) stated that, KETB is a structure obtained by ministry education which found on top place and has decisive role in the school. As listed in the document, these bodies have broad dues and responsibly on financial issue of the school. Moreover, the interview carried with school principal and cluster supervisor on participation this organ; responded that; ‘‘most of the times KETB members were not available on meeting held by the school as a result of this schools were not getting sufficient support from those organs’’.

Moreover, as it can be seen on item number three of the table, the overall opinion on participation of PTA on school budget preparation were Higher (M=3.71, SD= 1.12). However, PTA Members extents of participation on School budget preparation were rather higher mean value by management organ (M=3.85, SD=1.17) relatively than Departments groups (M=3.58, SD=1.08). But, the extents of participation of PTA on budget preparation according to the views of both groups of respondents, statistical analysis did not showed differences ($t(59, 67)=1.33, P=0.187 >0.05$). This result indicated that the participation of PTA on budget preparation was high. Furthermore, the researcher conducted interview with school principal and cluster supervisor on participation PTA on budget preparation. ‘‘The interviewee stated that: PTA was available every 15 days in the school and working for the school on budget preparation and the like’’.

Yet, as illustrated on table4.4 of item four, the management and department groups opinion on participation of departments' heads on school budget preparation were found medium (M=3.03,SD=1.09). This shows that the participation of department heads on budget preparation was moderate. Concerning, departments Heads extents of participation on School budget preparation the management organ (M=3.39, SD=1.13) relatively rated higher mean value than Departments groups (M=2.72, SD=0.95). Moreover, the results of t-test also showed that, these respondents' groups had different perception on rating participation of department heads on School budget preparation ($t(59, 67) =3.63, P=0.000<0.05$).

Furthermore, as presented on item five of Table 4.4, respondents' response on extent of participation Teachers on school budget preparation; the overall reply of managements and department groups were identified at lower rates (M=2.30, SD= 1.09). This showed that the

participation of Teachers on budget preparation was found at lower level. Moreover, the results of t-test also showed that, the two groups of respondents have almost the same view in rating extent of participation of teachers ($t(59, 67)=0.52, P= 0.601>0.05$).

Again, as indicated on item six of Table 4.4, the management and department groups reply extent of participation of school Accountants on school budget preparation were rated higher ($M=4.06, SD= 1.03$). This confirmed that the participation of School Accountants on budget preparation was high. In this regard, the two groups of respondents have no statistically significant difference between them in rating extent of participation of School Accountants ($t(59, 67)=1.62, P=0.107>0.05$).

Further, with regards to item seven, as illustrated on Table 4.4, the management and department group were asked to respond the extent of participation Education Office of the City on school budget preparation. The rate of participation Education Office of the City on school budget preparation were identified intermediate ($M=2.93, SD= 1.26$). This verifies that the participation of Education Office of the City on budget preparation of the study schools was moderate. Moreover, the two groups of respondents have no perception difference between them statistically in ranking extent of participation of Education Office of the City ($t(59, 67) =1.17, P=0.246>0.05$).

In similar manner, with regards to item number eight, as showed on Table 4.4, the management and department group responds on extent of participation Finance and Economic Development office of the City on school budget preparation were found moderate ($M=2.95, SD=1.07$). In addition to this, the two groups of respondents have no statistically differences in rating the extent of participation of Finance and Economic Development office of the City ($t(59, 67)=1.47, P=0.143>0.05$). This shows that the two groups of the respondents on this item had the same perception.

In general, the results illustrated in table 4.4 indicated that, overall views of the respondents on extent of Participation Teacher ($M=2.30, SD= 1.09$) on budget preparation were found at lower rates. Whereas, the extent of participation principals ($M=4.21, SD=0.92$), PTA ($M=3.71, SD= 1.12$) and School Accountants ($M=4.06, SD= 1.03$) were distinguished at higher rates. However, the extent of participation KETB ($M=2.89, SD=1.30$), departments' heads ($M=3.03, SD= 1.09$), Education Office of the City ($M=2.93, SD= 1.26$) and Finance and Economic Development office of the City ($M=2.95, SD=1.07$) were found at moderate level.

Furthermore, the researcher conducted interview with principal and supervisor on participation of these organs on the school budget preparation. “They responded that, the schools prepare outline of budget plan on internal income and student parent contribution for fiscal year; after that PTA on their meeting make a decision on the plan then school organize meetings to make awareness on budget plan for members of departments, teachers and supporting staff, and also for student parents. During these meetings they discuss how school prepared budget and other issue rise via member of the assembly and school amends if needed to make part of plan. On the other hand, budgets regarding school grant and RBA were providing via city administration finance and economic development based on number of students”. “The school role was preparing budget utilization plan based on rules and regulations. On the other hand, the participation of Education Office of the City and Finance and Economic Development office of the City on school budgets preparation was just providing school budget according to the rules and regulation”.

In line with this, Niemann (1997) suggested that financial activities are dealt with most effectively when both the administrative and academic personnel are involved in the process. Furthermore, research was conducted by Davies, (2004), and Sharp and Walker, (2005) who stressed the importance of the involvement of stakeholders in the budgeting process.

The results illustrated in Table 4.5 indicated responses of respondents on criteria usually used while preparing School annual budget.

Table 4.5: Criteria Usually Used while Preparing School Annual Budget

No	Items	Departments		School Management Organs		Total		t-test	P-Value
		Mean	SD	Mean	SD	Mean	SD		
1	Number of students enrolled	4.34	0.86	4.41	0.81	4.37	0.84	0.42	0.67
2	Budget utilized in the previous years	3.27	1.12	3.58	1.22	3.41	1.17	1.47	0.14
3	The predetermined ceiling set by the Adama city Finance Officer	2.90	1.14	2.92	1.28	2.90	1.20	0.09	0.93
4	Scope the programs and objectives of the school	3.18	1.09	3.44	1.30	3.30	1.20	1.23	0.22

Source: Primarily data collected by the researcher from field Survey (March, 2017)

In table 4.5 respondents from management organs and department groups responses on criteria usually used while annual budget preparation such as number of students’ enrolled, budget utilized in the previous years, predetermined ceiling set by City finance officer and scope the programs and objectives of the school were illustrated.

Regarding the first item, as illustrated on table 4.5, respondents rating results about the number of students enrolled as criteria while preparing school annual budget was found high ($M=4.37$, $SD=0.84$). This implies that much of the respondents were perceived that the number of students enrolled used as criteria while preparing school annual budget. Yet, statistically significant difference was not observed between the two groups of respondents in rating the number of students enrolled as criteria while budget preparation was taken place in the study schools ($t(59, 67)=0.42$, $P=0.67>0.05$).

In relation to this, according to the regulation of MOE (2002:61) the government block grant budget has to be allocated to any school based on the number of students during that year. The block budget allocated for grade 9-10 was 20 Birr per student. The result of the analysis shows that most of the respondents agreed that number of students enrolled as criteria used while preparing school annual budget.

With regards to item number two of table 4.5, the result indicated that, the practices of using previous year's budget utilization practices as criteria while preparing school annual budget were rated moderate ($M=3.41$, $SD=1.17$). Moreover, statistically there is no significant deference between the two groups of respondents in rating the item as criteria while budget preparation ($t(59, 67)=1.47$, $P=0.14 >0.05$). This implies that the degree that budget utilized in the previous years was used as criteria while preparing school annual budget was moderate.

Regarding item number three of the table, management organs and department groups were responded the item synonymously. That is, statistically no significant deference was observed between them in rating the item ($t(59, 67) =0.09$, $P=0.93>0.05$). According to the responses of those respondent extent predetermined ceiling set by Adama city Finance Office used as criteria while preparing school annual budget were identified $M=2.90$ and $SD=1.20$. This shows that the extent predetermined ceiling set by Adama city Finance Office used as Criteria while preparing school annual budget was moderate.

Furthermore, regarding item number four, as can be seen from the data of table 4.5, both group of the respondents (management organs and department groups) responses on practices of the schools in utilizing scope the programs and objectives of the school as criteria for preparing school annual budget were found $M=3.30$ and $SD=1.20$. This confirms that the extents to which scope the programs and objectives of the school used as criteria while preparing school annual budget was moderate. However, statistically significant difference was not observed between

the two groups of respondents in rating practices of the schools in utilizing scope the programs and objectives of the school as criteria for preparing annual budget ($t(59, 67) = 1.23$, $P = 0.22 > 0.05$).

In general, the results illustrated in table 4.5 showed that, large numbers of respondents have understanding that the criteria for budget preparation was basically based on number of students' enrolled ($M = 4.37$, $SD = 0.84$). Moreover, budget utilized in the previous years ($M = 3.41$, $SD = 1.17$); and scope the programs and objectives of the school ($M = 3.30$, $SD = 1.20$) were also used as the second and the third criteria. On the hand a few respondents have perceived the predetermined ceiling set by the Adama city Finance Officer ($M = 2.90$, $SD = 1.20$).

Furthermore, researcher conducted interview with school principal, finance and economic developments of city administration deputy head and budget planning department head, and education office head Department head of planning, budgeting and project monitoring and evaluation on criteria have been usually used in the school while preparing school annual budget. They responded that, the school budgets were categorized in to three. These are: Block grants: Education office prepare budget plan of all school and submit to finance and economic developments office based the number of the students. Similarly, the literature (MOE 2002:61) stated that the government block grant budget has to be allocated per number of students. This block grant allocates for grade 9-10 students is 20 Birr per student for non-salary recurrent budget.

Budgets of supports (school grants and RBA): these budgets are offered based on number of students and schools utilize according to their respective plan developed based on rule of budget utilization. According to Oromia education Bureau (2008:6) school grant guide line secondary schools earn 20 Birr per student. Whereas, as said by Oromia education Bureau improved guide line (2015: 20) school grant guide line secondary schools get 60 Birr per student. Whereas, RBA provides as award for secondary school contrast to previous year the number of increase student take EGSLCE and/or students scored 2 and above. According RBA program school earn per number of student increase for male 50 and girl 85 pound (MOE, 2011). The schools utilize create conducive for teaching learning and to improve students results such as class maintenance, full fill resource of laboratory, library and ICT, water and latrine service, resource for special need students, payment for tutorial, for award and the like can be uses school.

Income generated by school (student parent contribution and internal income): these budgets gathered from student parents were based on decision of school PTA and internal income from rents of car maintenance shop, place used for other shops and the like.

A financial resource is always scarce and does not needs only allocation but also careful administration and utilization. In connection to this, unless adequate finance and other resources are available for education and wisely used, it is not possible to have good school or provide satisfactory educational opportunities in any country (Morphet 1987:28). Moreover, ETP of the country stated that sufficient budget allocation and proper utilization of the educational budget for the intended purpose is critical issue and also, financing of education must be efficient and appropriate to promote equity and quality of education (MOE, 1994).

On the basis of such facts respondents were asked to rate the practices of administrating and utilizing school budget in the study schools. Accordingly, the data in table 4.6 illustrated replies of respondents for 13 items prepared in relation to Administration of budget and its utilization on study site were presented and analyzed.

Table 4.6: Planning and Utilization of School Budget

No	Items	Departments		School Management Organs		Total		t-test	P-Value
		Mean	SD	Mean	SD	Mean	SD		
1	Annual budget allocated to the school is sufficient for key tasks planned during that fiscal year	2.94	1.07	3.05	1.09	2.99	1.08	0.57	0.567
2	The school properly submitted its annual budget request on the deadlines	3.64	1.05	4.10	0.88	3.86	1.00	2.63	0.010
3	The school have been utilizing the approved budget according to their respective plan	3.27	1.08	3.32	1.36	3.29	1.21	0.25	0.807
4	There was congruence between budget planed and budget utilized by the school	2.84	1.08	2.71	1.10	2.78	1.09	-0.64	0.525
5	The school regularly submitted financial utilization report to concerned bodies at scheduled time	3.66	0.93	3.95	0.94	3.79	0.94	1.76	0.082
6	The schools perform every activity of financial resource management according to stated rules and regulations	3.22	1.06	4.05	0.90	3.61	1.07	4.70	0.000
7	There is a transparency on planning budget and finance utilization in the school	2.63	1.03	3.81	0.80	3.18	1.10	7.17	0.000
8	In the school stakeholders such as KETB, PTA, department heads, school communities and others are participated in budget related decision making	2.84	1.08	3.93	0.91	3.35	1.14	6.12	0.000

No	Items	Departments		School Management Organs		Total		t-test	P-Value
		Mean	SD	Mean	SD	Mean	SD		
9	The school usually offer training for KETB, PTA, department heads and others on financial resource management related topics	2.79	1.09	2.76	1.29	2.78	1.19	-0.13	0.894
10	In the school, there is a clear accountability of financial resources management practices	3.43	0.96	4.17	0.81	3.78	0.96	4.62	0.000
11	The school has clearly stated cash flow	3.27	1.12	3.66	1.04	3.45	1.10	2.02	0.045
12	The school has computerized accounting system	2.88	1.08	3.08	1.25	2.98	1.16	0.98	0.327
13	The school has well organized finance record keeping systems	2.88	0.98	3.59	1.04	3.21	1.06	3.97	0.000

Source: Primarily data collected by the researcher from field Survey (March, 2017)

Accordingly, the data in item one of table 4.6 indicated most of the respondent were disagreed (M=2.99, SD=1.08) on annual budget allocated to the school sufficiency for key tasks planned during that fiscal year. This result confirms that annual budget allocated to the school were not sufficient for key tasks planned during fiscal year. On this issue, the management organ relatively rated higher mean value (M=3.05, SD=1.09) than Departments groups (M=2.94, SD=1.07). However, statistically difference was not observed between the two groups of respondents' in responding about annual budget allocated to the school is sufficient for key tasks planned during that fiscal year ($t(59, 67) = 0.57, P = 0.57 > 0.05$).

Moreover, in line with this, researcher conducted interview with school principal, finance and economic developments of city administration deputy head and budget planning department head and education office budgets planning head and cluster supervisor on sufficiency of budgets of secondary school. Except cluster supervisor they responded that: block grant budget allocated from cityadministration 20 birr per students for a year was in sufficient. Finance and economic development were purchasing via this budget for school material such as stationary material, garment for uniform workers (cleaners and guards of school) and for other service. Besides this, the price of these materials was increasing from time to time. Therefore, Block grant budget allocated for secondary school was not sufficient. Whereas, according to cluster supervisor view schools budget were sufficient for those school earn better budget of RBA.

The data of the table in item number two reveals that greatest number of management and department groups were agreed (M=3.86, SD=1.00) on school properly submitted its annual budget request on the deadlines. This shows that the school to some extent properly submits its annual budget request on the deadlines. Whereas, the management organ (M=4.10, SD=0.88)

relatively rated higher mean value than Departments groups ($M=3.64$, $SD=1.05$). Moreover, statistically significant difference was observed between the two groups of the respondents in ranking schools properly submitted its annual budget request on the deadlines ($t(59, 67)=2.63$, $P=0.01<0.05$).

In relation to this, an interview conducted with school principal and respondents from finance and economic development office and education office also stated that: “The schools prepared plan that have estimate of amount budget collected from internal income and student parent contribution submit to education office of city administration after decision made by city administration schools uses the allowed finance. Schools submitted its annual budget request properly and was received school grant and RBA from finance and economic development office when informed budget ready for school”.

The data in item number three of the table portrays that nearly most of the management and department groups were agreed ($M=3.29$, $SD=1.21$) on the school have been utilizing the approved budget according to their respective plan. This implies that the school has been utilizing the approved budget according to their respective plan. While, the management organ ($M=3.32$, $SD=1.36$) relatively rated higher mean value than Departments groups ($M=3.27$, $SD=1.08$). However, there is no statistically significant difference between the two groups of respondents in responding the item ($t(59, 67)=0.25$, $P=0.81>0.05$).

In addition, the researcher has conducted interview with deputy head of finance and economic development and head of auditing department on the schools whether or not have been utilizing the approved budget according to their respective plan. He revealed that: School grant and RBA budget school receive from city finance and submitting plan developed based on rules for utilizing budgets. Some of these Schools uses outside of plan but those schools utilized the budgets outside of rule, office auditors provide feedback on issues school expected to improve in future.” “Whereas, auditors of city administration were not checked school whether utilized or not their internal come and student parent contribution according to plan.

The data in item number four of table 4.6 illustrates that most of respondents were disagreed ($M=2.78$, $SD=1.09$) on congruence between budget planned and budget utilized by the school. This shows that large number of respondent views no congruence between budget planned and budget utilized by the school in the study schools. But, the management organ rated mean value ($M=2.70$, $SD=1.10$) lower than Departments groups ($M=2.84$, $SD=1.08$). However, statistically

there is no deference in perception between the two groups of respondents in rating the item ($t(59, 67)=-0.64, P=0.53>0.05$). In this regard, the researcher has conducted interview with principal on congruence between budget planed and budget utilized via the school. They revealed that: schools were underutilization specially RBA budget in fiscal year.

According to the data illustrated in item number five, utmost of management and department groups were agreed ($M=3.79, SD=0.94$) on the school regularly submitted financial utilization report to concerned bodies at scheduled time. This implies that school regularly submitted financial utilization report to concerned bodies at scheduled time. Nevertheless, the management organ ($M=3.95, SD=0.94$) relatively rated higher mean value than departments groups ($M=3.66, SD=0.93$). But, statistically significant differences were not observed between them in responding to the item ($t(59, 67) =1.76, P=0.08>0.05$).

Regarding item number six of table 4.6; the results revealed that, maximum number of the respondents were agreed ($M=3.61, SD=1.07$) on the schools perform every activity of financial resource management according to stated rules and regulations. This seems every activity of financial resource management schools performs according to the stated rules and regulations. In this regard, the management organ ($M=4.05, SD=0.90$) rated higher mean value than Departments groups ($M=3.22, SD=1.06$). Moreover, statistically significant differences were observed between management and department groups in rating whether or not school perform every activity of financial resource management according to stated rules and regulations ($t(59, 67)=4.70, P=0.00<0.05$). Concerning this, the researcher has conducted interview with deputy head of finance and economic development and head of auditing department on school performing every activities according to stated rules and regulations. They revealed that: schools were performing most of activities regarding to school grant and RBA budgets according to finance rule and regulation.

The data in item seven presented that nearly most of management and department groups were agreed ($M=3.18, SD=1.10$) on presence transparency of planning budget and finance utilization in the school. This confirms that according to large respondents views, there are transparency on planning budget and finance utilization in the school. However, the management organ ($M=3.81, SD=0.80$) mean value rated higher than Departments groups ($M=2.63, SD=1.03$) in relation to overall respondent. Moreover, statistically significant deference was observed between the two groups of respondents in rating transparency on planning budget and finance

utilization in the school ($t(59, 67)=7.17$ $P=0.00<0.05$). In this regard, the researcher has conducted an interview with the school principal and cluster supervisors concerning transparency of school finance utilization. They revealed that: the school grant, RBA budget school, internal income and student parent contribution are transparent to the school community (teachers and staff, and student parents) via posting on the notice board and submitting reports on meetings held by the school.

The data item eight of table 4.6 illustrates that the greatest number of respondents were agreed ($M=3.35$, $SD=1.14$) on stakeholders such as KETB, PTA, department heads, school communities and others who participate in budget-related decision making. This confirms that the school stakeholders such as KETB, PTA, department heads, school communities and others participate in budget-related decision making. However, the contrast of mean value of the management organ ($M=3.93$, $SD=0.91$) was higher than the Departments groups ($M=2.84$, $SD=1.08$). Besides, statistically significant differences were observed between the two groups of the respondents in responding to the item ($t(59, 67) = 6.12$, $P=0.00<0.05$).

The researcher further conducted an interview with the school principal and cluster supervisors on KETB, PTA and department heads participation in budget-related decision making. They revealed that: the participation of these organs in budget-related decision making differs from one another. The school utilizes school grant and RBA budget after the consent of PTA, whereas, the school gathers student parent contribution budget after a decision held by PTA. KETB were not actively participating in school works. On the other hand, Department heads on budget-related decision had no participation rather than giving comment on meetings of academic and staff. According to Chadwick (2002) the effective principles of budgeting include the following points. It should be a team effort. All those involved should work together in harmony and adopt a commonsense approach throughout the budgeting process. The people involved may even bring to the attention of management information that is vital to the success of the budgeting process, and stop them from going ahead with a development that could have disastrous consequences.

Regarding item nine of table 4.6, the majority of the respondents responded that the school usually does not offer training for KETB, PTA, department heads and others on financial resource management related topics ($M=2.78$, $SD=1.19$). This verifies that the school usually does not offer training for KETB, PTA, department heads and others on financial resource management

related topics. In this regard, a mean value of the management organ ($M=2.76$, $SD=1.29$) responses was almost similar with the responses of the Departments groups ($M=2.79$, $SD=1.09$). Moreover, the results of t-test also statistical did not show significant difference between the two groups of respondents' ($t(59, 67)=-0.13$, $P=0.89>0.05$). The results of an interview conducted with school principal regarding training offered for KETB, PTA, department heads, accountants and others on financial resource management and related topics; also revealed that: the schools were not given training for these organs on financial resource management and related topics.

According to the data of item number 10 of table 4.6, most of management and department groups were agreed ($M=3.78$, $SD=0.96$) that the presence a clear accountability of financial resources management practices in the school. This shows that in the school there is a clear accountability of financial resources management practices. However, the mean value of the management organ ($M=4.17$, $SD=0.81$) was higher than Departments groups ($M=3.43$, $SD=0.96$). Furthermore, the results of t-test also showed statistically significant deference between the two groups of respondents in responding the presence of a clear accountability of financial resources management practices in the school ($t(59, 67) = 4.62$, $P=0.00<0.05$).

Yet the data in item 11 of this table illustrates that, almost greater number of respondents were agreed ($M=3.45$, $SD=1.10$) on the school utilization clearly stated cash flow. This implies that large number of respondents' perception about schools' utilization of clearly stated cash flow. But, the management organ was rated higher mean value ($M=3.66$, $SD=1.04$) than Departments groups ($M=3.27$, $SD=1.12$). Moreover, statistically significant deference was also observed between the two groups of respondents in responding the item ($t(59, 67)= 2.02$, $P=0.045<0.05$).

According to item 12 of this table, majority of management and department groups were agreed ($M=2.98$, $SD=1.16$) on school not utilization computerized accounting system. This indicates that the school has not computerized accounting system. Nevertheless, the management organ ($M=3.08$, $SD=1.25$) mean value was relatively higher than Departments groups ($M=2.88$, $SD=1.08$). Yet, statistically no perception deference between the two groups of respondents in rating the item ($t(59, 67)=0.98$, $P=0.33>0.05$).

Regarding respondent response to item number 13, most of respondents were agreed ($M=3.21$, $SD=1.06$) on the existence of well-organized finance record keeping systems at those schools. This implies that the school has attempted to have well-organized finance record keeping

systems. Whereas, the management organ (M=3.59, SD=1.04) were rated higher than mean value than Departments groups (M=2.88, SD=0.98). Nevertheless, statistically significant perception deference was observed between the two groups of respondents in rating the presence of well-organized finance record keeping systems at the study schools ($t(59, 67) = 3.97, P=0.00 < 0.05$).

In general, according to the results of this table, out of the thirteen items listed in the table administrating and utilizing school budget was relatively better regarding the following items. The school properly submitted its annual budget request on the deadlines (M=3.86, SD=1.00); the school regularly submitted financial utilization report to concerned bodies at scheduled time (M=3.79, SD=0.94); in the school, there is a clear accountability of financial resources management practices (M=3.78, SD=0.96); the school's perform every activities of financial resource management according to stated rules and regulations (M=3.61, SD=1.07); and the school has clearly stated cash flow (M=3.45, SD=1.10). However, the responses of department group was somewhat different from the management organ for four items of the above items.

The remaining items were rate about moderate level of respondents' responses. Accordingly, in the school stakeholders such as KETB, PTA, department heads, school communities and others are participated in budget related decision making (M=3.35, SD=1.14); The school have been utilizing the approved budget according to their respective plan (M=3.29, SD=1.210); the school has well organized finance record keeping systems (M=3.21, SD=1.06); there is a transparency on planning budget and finance utilization in the school (M=3.18, SD=1.10); annual budget allocated to the school is sufficient for key tasks planned during that fiscal year (M=2.99, SD=1.08); the school has computerized accounting system (M=2.98, SD=1.16); there were congruence between budget planed and budget utilized by the school (M=2.78, SD=1.09); and the school usually offer training for school KETB, PTA, department heads and others on financial resource management related topics (M=2.78, SD=1.19).

The researcher conducted interview with school principals and Department head of planning and Auditors on purchasing process of school. The interviewees explained that school purchasing process included need assessment, prepare plan, decision on purchasing plan via PTA on budget such as school grant, RBA and student parent contribution then purchasing takes place which includes document preparation, posting bid notice on notice boards, registering computing seller, committee opening document of candidates' seller, identifying

winners, calling winner and enter material to store. Chapman and Arnold (2004) stated that to carry out effective purchasing of materials, all the concerned individuals in the organization are to be participated and followed the purchasing procedures.

In addition, the researcher conducted document analysis of the sample schools and observes that schools don't have clearly stated cash flow, computerized accounting system, well organized finance record keeping system, absence of utilizing cash ledgers and cash book, absence of permanent finance worker and internal income and student parent contribution budget utilization report. However, the schools had legal receipt for collecting internal income and student parent contribution, have accounts for school grant and RBA and internal income, have rule and regulation guideline on finance, have financial plan and have some of necessary equipment in finance section and report of school grant and RBA, have presence of external Auditors feedback of this year, Meeting minutes of the school on financial issues, Utilizes petty cash, having Model 19, 20 and 22; and Utilizes payment voucher for service and material purchased payment and documents of purchasing.

4.4. Auditing and Monitoring

4.4.1. Internal Auditing

Under this part of the chapter data collected on extent of financial resources audited and monitored were presented and analyzed. The responses of respondents were illustrated in table 4.7. In line with this, Millichamp (2002) stated that auditing is a crucial instrument for monitoring and controlling of budget implementation as well as the essential part of the system of accountability, also it ensures compliance of operations with regulations, rules and procedures. Internal auditors usually have a continual presence in the organization that provides them with a better understanding of the organization and its control systems.

As presents on table 4.7, the data obtained from respondent response showed that, in the schools' understudy, financial audit had not frequently undertaken by internal Auditors. It showed that 67(53.17%) of the respondents were responded as internal audits was not carried in the study schools. However, 31(24.60%) of the respondents' responded as internal audits was undertaken once in year; 15(11.90%) of them were responded as it was once in semester; 5(3.97%) once a quarter, and 1(1.69%) once in a month. These clearly confirmed that schools'

management and concerned bodies had lack of understanding on significance of finance audit at the schools' understudy.

Table 4.7: Frequency of Financial Audit Undertaken by internal Auditors of the School

N ^o	Item	Departments		Management Organs		Total	
		Count	%	Count	%	Count	%
1	Once a month	1	1.49	0	0.00	1	0.79
2	Once a quarter	4	5.97	1	1.69	5	3.97
3	Once a semester	9	13.43	6	10.17	15	11.90
4	Once in a year	20	29.85	11	18.64	31	24.60
5	Not at all	32	47.76	35	59.32	67	53.17
6	Others	1	1.49	6	10.17	7	5.56
Total		67	100	59	100	126	100

Source: Primarily data collected by the researcher from field Survey (March, 2017)

Moreover, interview results conducted with school principal and deputy head of finance and economic development and head of auditing department also revealed that “the schools are not conducting internal auditing.” Additionally, the researcher had carried out document analysis and not come across any document that indicated the practice of the schools performing internal auditing during the recent past two years.

These all confirmed absence of the practice of internal audits at the secondary schools of the City. In this regard, as stated by Corbally (1997:214) internal auditing is pre-auditing practices should be done to minimize mistakes and to avoid financial troubles. Hence, educational institution of study site expected to think over on developing internal auditing system.

4.4.2. External Auditing

Auditing in the schools is very important and helps to use finance resource appropriately. The achievement of auditing school finance by external auditor helps to minimize improper utilization of school finance; it creates a sense of trust between schools and Schools stakeholders, it strength further coordination and support to achieve educational objectives, it also helps to examine the fiscal efficiency of the schools. Moreover, it protects the system and the school personnel from illegalities and losses financial control (Van Deventer and Kruger, 2005; and Nieman and Bennett, 2004). In line with this the data in Table 4.8 present responses

of respondents on how frequently school financial audit had been undertaken by auditors of Finance Office of the City or other external auditors.

Table 4.8: Frequency of Financial Audit Undertaken by External Auditors

N ^o	Item	Departments		Management Organs		Total	
		Count	%	Count	%	Count	%
1	Once a month	0	0.00	0	0.00	0	0.00
2	Once a quarter	6	8.96	3	5.08	9	7.14
3	Once a semester	8	11.94	7	11.86	15	11.90
4	Once in a year	22	32.84	16	27.12	38	30.16
5	Not at all	29	43.28	33	55.93	62	49.21
6	Others	2	2.99	0	0.00	2	1.59
Total		67	100	59	100	126	100

Source: Primarily data collected by the researcher from field Survey (March, 2017)

As it can be seen on table 4.8, the data acquired from respondent response shows how frequently school financial audit had been undertaken by auditors of Finance Office of the City or external auditors. It confirms that 62(49.21%) of the respondents were responded as external audit was not carried out and 38(30.16%) of the respondents were responded as external audit was undertaken once in year. Moreover, 15(11.90%) respondents responded once in semester, and 9(7.14%) of them were responded once a quarter of the budget year.

Furthermore, the researcher has conducted interview with school principal and deputy head of finance and economic development and head of auditing department. The school principal revealed that “The schools were audited by city administration auditors and these auditors did not have fixed program of auditing the schools. Also, most of the time schools are audited by auditors when rumors heard and principal substituted. These auditors were usually auditing school grant and RBA budget. But, most schools did not audit their internal income and student parent contribution of the schools for more three years.

The interviewee of city administration finance and economic development office deputy head and head of auditing department on his part said that the number auditors of their office have and number of school do not counterpart within each other. So, the office was not covered all school in a year. However, their office auditors were on the way to complete auditing of school grant and RBA budget.” In addition to this, according to view of interviewee of office most of the times main gaps observed in auditing were forgotten with-holding tax collection and doing

non-profession committee small project for instance latrine house design, preparing specification, supervise project and make decision for payment, finance record keeping gaps and giving labor work without signed agreement. Regarding the improvement observed on the feedback provide from office was what we see in future. This shows that there was skill gaps of accountant expected to be filled via training. Regarding these the schools' principals indicated that auditors finding on gaps of schools were for instance purchasing out sides vat, not signing committee on post of computing candidate, properly utilization different format and purchasing sofa (couch) by school grant for school and the like. According to school principal schools were start to improve some of the issues listed as feedback.

As stated by Corbally (1997:214), external auditing is a post-auditing made after year's work has been completed. And, this external auditing is done by independent auditors which are not employees of the offices. It is obvious that the absence of external auditing activities may bring up undesired results such as mismanagement and improper utilization of scarce financial resources.

4.4.3. Auditing, Monitoring and Controlling

The accounting system in any organization should be comprehensive (Bisschoff and Mestry, 2003). From this perspective, weak accounting and finance record keeping systems can affect controlling auditing process and preparation of budget plan as well as monitoring and evaluation of finance by making difficulty to get accurate and full information of finance.

Table 4.9: Extent of Financial Resources Controlling and Monitoring Practices

No	Items	Departments		School Management Organs		Total		t-test	P-Value
		Mean	SD	Mean	SD	Mean	SD		
1	Extent of school internal auditors experiences on auditing system	1.60	0.85	1.81	1.25	1.70	1.06	1.15	0.254
2	Degree of internal auditors comment used by your school	1.88	1.02	1.85	1.30	1.87	1.15	-0.16	0.873
3	Degree of your school used external auditors comments	2.84	1.05	3.34	1.09	3.07	1.10	2.63	0.010
4	Degree of school audit results are transparent to all concerned bodies	2.33	0.88	3.32	1.15	2.79	1.13	5.49	0.000
5	The extent to which schools have a system of controlling and monitoring whether the allocated budgets are being utilized for the targeted purposes	2.40	0.84	3.71	1.27	3.02	1.25	6.89	0.000
6	Training offered for school auditor on auditing related topics	1.63	0.88	1.95	1.09	1.78	1.00	1.83	0.069

Source: Primarily data collected by the researcher from field Survey (March, 2017)

Financial control is the principal's task that ensures the coordination and effective functioning of all the school's financial activities, so that, the formulated school objectives are implemented and pursued according to the school financial plan (Kruger, 2005, Nieman and Bennett, 2004). In Table 4.9 respondent responses regarding financial resources monitoring were presented.

The data in item number one of the table, on extent of school internal auditors' experiences on auditing system response of management and departments were found few ($M=1.70$, $SD=1.06$). This means that school almost had not experiences of internally auditing. This conforms that schools were not familiar to internally auditing system. While, the management organ ($M=1.81$, $SD=1.25$) relatively rated higher mean value than Departments groups ($M=1.60$, $SD=0.85$). However, there is no statistically significant difference between the two groups of respondents in responding to the item ($t(59, 67)=1.15$, $P=0.254>0.05$).

Again, as indicated on item two of table 4.9 Degree of internal auditors' comment used by the school replies of respondents were observed low ($M=1.87$, $SD=1.15$). This result also, confirmed that the school was no familiar with internal auditing. Whereas, the management organ ($M=1.85$, $SD=1.30$) relatively rated higher mean value than Departments groups ($M=1.88$, $SD=1.02$). But, Degree of internal auditors' comment used by the school according to the views of both groups of respondents, the statistical analysis did not showed the differences ($t(59, 67) = 1.15$, $P=0.254>0.05$).

As it can be seen on item number three of the table, the management and department groups were asked their response on degree of school used external auditor comments. These respondents' response was found intermediate ($M=3.07$, $SD=1.10$). This confirms that the degree of schools used external auditors' comments was medium. However, the management organ mean value ($M= 3.34$, $SD= 1.09$) was rated higher than Departments groups ($M= 2.84$, $SD= 1.05$). Yet, there is perception difference between the two groups of respondents in rating the degree of the schools used external auditor comments in the study schools ($t(59, 67) = 2.63$, $P=0.010<0.05$).

Moreover, as indicated in item four of table 4.9, the respondents were asked to rate the degrees to which school audit results are transparent to all concerned bodies. The overall respondents' responses were found $M=2.79$ and $SD=1.13$. This implies that the degrees of school audit

results transparent to all concerned bodies were low. However, the management organ rated higher mean value ($M=3.25$, $SD=1.11$) than Departments groups ($M= 2.33$, $SD= 0.88$). Besides this, there is statistically significant difference between the two groups of respondents in rating degrees of school audit results are transparent to all concerned bodies ($t(59, 67)=5.23$, $P=0.000<0.05$).

According to Corbally (1997) there are five important procedures which are helpful for assuring the legality of utilization processes of financial resources. These are accounting, auditing and reporting. In this regard, as presented on item five of table 4.9, the respondents were asked their opinion on a system schools have extent controlling and monitoring whether the allocated budgets are being utilized for the targeted purposes or not. Accordingly, respondents view was distinguished $M=3.02$ and $SD=1.25$. This implies that the extent to which schools have a system of controlling and monitoring whether the allocated budgets are being utilized for the targeted purposes was medium. In this regard, the study carried-out by Melaku (2000), argued that the expansion of educational systems and provision of quality education in schools are greatly influenced by the amount of financial available to education, and by the extent to which the available financial resource effectively and efficiently managed and utilized.

According to the data of this table, the management organ was rated higher mean value ($M=3.71$, $SD=1.27$) than Departments groups ($M=2.40$, $SD=0.84$). Moreover, there is statistically significant difference between the two groups of respondents in rating schools' extent of controlling and monitoring whether the allocated budgets are being utilized for the targeted purposes ($t(59, 67) = 6.89$, $P=0.000<0.05$).

Furthermore, the researcher has conducted interview with school principals' city administration finance and economic development office deputy head and head of auditing department; the schools' principals explained that schools were controlled and monitored whether the allocated budgets being utilized for the targeted purposes via doing according to financial rule and regulation. On the other hand, the respondent from city administration on their part explained that office was controlled and monitored whether the allocated budgets being utilized for the targeted purposes through auditing and giving feedback.

The data in item number six of the table, on school offering Training for auditor on auditing related topics were identified low ($M=1.78$, $SD=1.00$). This means that the school had no offering training. On the other hand, this idea confirmed that the school was not accustomed

with using internal auditors. While, the management organ (M=1.95, SD=1.09) relatively rated higher mean value than Departments groups (M=1.63, SD=0.88). But, Training offered for school auditor on auditing related topics, the statistical analysis showed that there was no differences between groups of respondents ($t(59, 67) = 1.83, P = 0.069 > 0.05$).

4.5. Major challenges of Financial Management Practices

One of the purposes of this study was to identify major factors that affect financial management practices in the selected Secondary schools of Adama City. These factors can cause the declining quality since quality education is related to school finance. Moreover, problems related to school finance could lead to inadequate school physical facilities, qualified teachers and the like. Thus, to identify major factors twenty items possibly affect financial management practices the schools were selected and presented to respondents to be rated on a five-point Likert-scale (from Very High =5 to Very Low =1). Besides, interview was conducted with officials to gather additional information on the issue.

Accordingly, the data in Table 4.10 illustrated departments and management organs responses about the factors that affect financial Management practices in the study schools.

As can be seen from the table, out of the twenty items, the t-test results showed that, statistically significant differences were observed only for four items (item number 2, 3, 11 and 18). Both groups of respondents were responded the remaining sixteen items synonymously.

Table 4.10: Challenges to Financial Management Practices in the Schools'

N ^o	Items	Departments		Management Organs		Total		t-test	P-Value	Ranks
		Mean	SD	Mean	SD	Mean	SD			
1	Shortage of budget allocating by community participation, school internal income, and others	3.10	1.13	3.02	1.25	3.06	1.18	-0.41	0.681	12
2	Mismatch of situation of the schools and allocated annual budget to the schools	3.36	1.11	2.86	1.24	3.13	1.19	-2.36	0.020	10
3	Absence of participation of concerned bodies on budget preparation	3.22	1.19	3.66	1.20	3.43	1.21	2.05	0.042	4
4	Poor financial budget planning of school	3.00	1.14	3.17	1.29	3.08	1.21	0.78	0.435	11
5	Delay of budget release from finance office to schools	2.97	1.24	2.96	1.33	2.97	1.28	-0.02	0.986	19
6	lack of utilizing budget released to the school according to the plan	3.18	0.98	3.24	1.22	3.21	1.10	0.30	0.768	7
7	Wastage of allocate financial resource at school level	2.94	1.10	3.07	1.35	3.00	1.22	0.58	0.560	16
8	lack of adequate skilled accountants and other finance workers in the school	3.46	1.23	3.78	1.15	3.61	1.20	1.49	0.140	2

N ^o	Items	Departments		Management Organs		Total		t-test	P-Value	Ranks
		Mean	SD	Mean	SD	Mean	SD			
9	Lack of experience among school accountant and other finance workers	3.04	1.11	3.27	1.19	3.15	1.15	1.11	0.270	9
10	lack of training for school accountants, auditors and other finance workers	3.48	1.19	3.86	1.11	3.66	1.16	1.89	0.062	1
11	Problem of recording and documenting financial activities of the school	3.22	1.08	3.71	1.13	3.45	1.13	2.47	0.015	3
12	School does not request their budget within the schedule of finance office	2.90	1.20	2.85	1.23	2.87	1.21	-0.22	0.824	20
13	Not regularly submitted financial utilization report	3.22	1.18	3.36	1.34	3.29	1.25	0.59	0.557	6
14	Not properly implementing guide lines, rules & regulations of finance at the school level	3.19	1.10	2.80	1.35	3.01	1.24	-1.82	0.072	15
15	Problems of participation of PTA, KETB and department heads on decision-making of financial management	3.15	1.16	3.53	1.24	3.33	1.21	1.76	0.080	5
16	Lack of transparency on financial activities to the school community	3.27	1.19	3.08	1.06	3.18	1.13	-0.91	0.363	8
17	Not properly using auditing comment	3.10	1.13	2.85	1.34	2.984	1.23	-1.17	0.244	17
18	Lack of experiences of the school principals on budget preparation and utilization	2.97	1.14	3.12	1.40	3.04	1.27	0.00	0.000	14
19	Absence of acquiring experience from best performing schools and other offices	3.04	1.13	3.05	1.29	3.05	1.21	0.03	0.978	13
20	Lack of supervision and technical support from Adama city administration education and finance office	3.07	1.16	2.86	1.21	2.976	1.18	-1.00	0.322	18

Source: Primarily data collected by the researcher from field Survey (March, 2017)

Besides, the data of the table showed, among all items, the top-five problems identified by all respondents were:

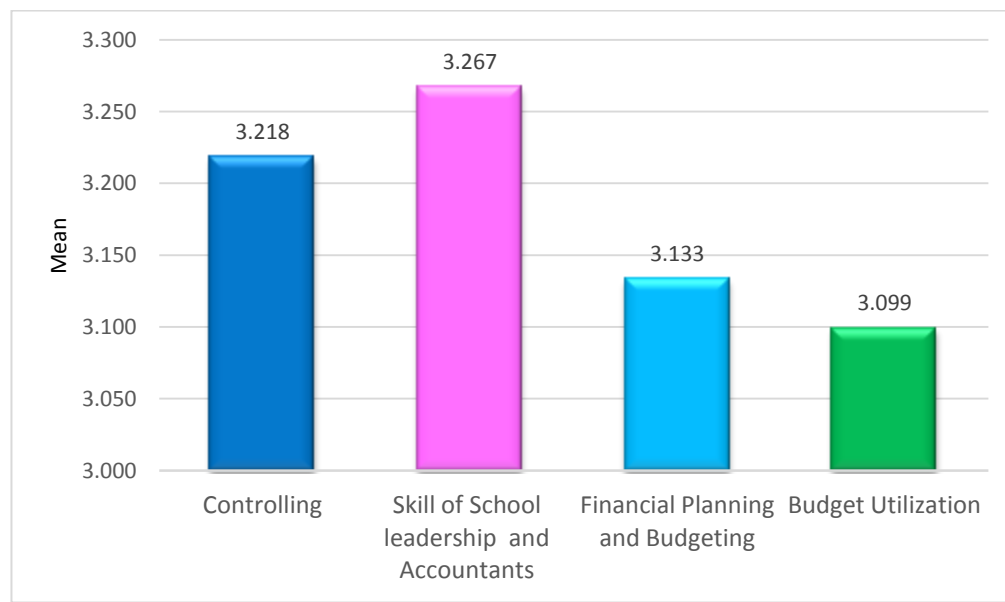
- 1) lack of training for school accountants, auditors and other finance workers (M=3.66, SD=1.16);
- 2) Lack of adequate skilled accountants and other finance workers in the school (M=3.61, SD=1.20);
- 3) Problem of recording and documenting financial activities of the school (M=3.45, SD=1.13);
- 4) Absence of participation of concerned bodies on budget preparation (M=3.43, SD=1.21); and
- 5) Problems of participation of PTA, KETB and department heads on decision-making of financial management (M=3.33, SD=1.21).

Next to these, not regularly submitted financial utilization report (M=3.29, SD=1.25); lack of utilizing budget released to the school according to the plan (M=3.21, SD=1.10); lack of transparency on financial activities to the school community (M=3.18, SD=1.13); Lack of supervision and technical support from Adama city administration education and finance office

(M=3.15, SD=1.18); and Mismatch of situation of the schools and allocated annual budget to the schools (M=3.13, SD=1.19) were also identified as the sixth to tenth factors affecting financial management practices in the schools under study.

On the other hands, among lists of factors on table 4.10 item such as school does not request their budget within the schedule of finance office (M=2.87, SD=1.21), delay of budget release from finance office to schools (M=2.97, SD=), Lack of experience among school accountant and other finance workers (M=2.976, SD=1.18), and not properly using auditing comment (M=2.984, SD=1.23) factors contrasting to the others were least. This indicated that, among other factors listed in table 4.10, the above items level of affecting financial management practices in the selected secondary schools of Adama City were lower.

Figure 4.2: Summary of Major Challenges Financial Management Practices



Source: Primarily data collected by the researcher from field Survey (March, 2017)

In general, the respondents' response for the questionnaire results showed that, the major challenges of financial management practices in government secondary schools of the city were largely associated with skill of school leadership and finance worker, planning, controlling of school finance and budget utilization. This implies that the practice of practice and challenges of school financial resource management in government secondary schools of Adama City Administration need remedy collaboratively with all concerned body on those issues of financial resource management in secondary schools' understudy.

In line with this, an interview was conducted with respondents from finance and economic development office and education office, school principal and cluster supervisor to state main challenges of educational budget utilization and auditing of schools at Adama city administration. They responded that: the school main challenges, rely of school controlling and monitoring finance activities on external auditors, absence of workers on certain jobs title from market, rigidity rules of school grant and RBA on budget utilization and inhibit use of even for critical issues for school out sides items list in rules, absence budget utilization report generate from school on internal income and student parent contribution, absence school auditing via external auditors internal income and student parent contribution budget at least for three years, delay of material purchased by block grant budgets of school and quality problem of material for instance stationary and the like and absence of internal auditors in the school.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In this section, summary of major findings of the study, conclusions and recommendations have been presented.

5.1. Summary of major findings of the study

The purpose of this study was to investigate the practices and challenges of financial management in government secondary schools of Adama City Administration, and to come up with remedial solutions in order to improve the current practices. In order to attain the objectives of the study, attempts were made to answer basic research questions that included: What are the financial sources of government secondary schools in Adama City; How the schools utilize financial resource for the success of the government Secondary schools in Adama City; To what extent financial resources are audited and monitored in government secondary schools of Adama City; and What are the major factors that affect financial management practices in the selected Secondary schools of Adama City?

The data were gathered from primary and secondary sources via questionnaire, interview, and document analysis. The data collected through questionnaire were presented in table and were analyzed using percentage, mean, SD, t-test and P-Value followed by interpretation of data. In addition to this, the data was cross checked using response gathered by interview. Furthermore, there was also personal observation and reviewing of documents. Hence, based on the analysis made in previous chapter, summary of major findings of the study were presented hereunder.

Demographic Characteristics of Respondents

Demographic characteristics of the respondents include gender, age, educational status, and work experience of them. According to the results of data analysis, 27.12% of school management organs and 11.94% of departments (users) groups were females. As the sex matrixes show the participation of women in financial resource management practices was low compared to their male counterparts. Regarding age of the respondents, the results showed that, 37.29 % and 27.12 % of management's group age was found between 26-35 years and the range 36 to 45 years respectively. With regards to the age of department group 38.81% were found between 26-35 years; and 28.36% of them were found above 45 years.

With regards to educational background of the respondents, 79.66% of the management's organs and almost all department groups 98.51% had a bachelor's degree level of education. This confirmed that, majority of the respondents participated in this study had required level of educational back ground to work in secondary schools of the City.

Concerning service years of the respondents, 30.51% management groups and 28.36 % departments groups had worked between 11 and 15 years' service and between 16 and 20 years' service respectively. Next to this, 27.12 % management groups and 22.39 % departments groups were served for 6 to 10 years.

In general, the findings of this study confirmed that majority of the respondents are adult male who had bachelor degree level of education, and worked for more than five years. This implies that, the respondents were matured, educated, and relatively experienced in their respective job position. From this it is possible to assume that, these respondents could be able to provide genuine and honest responses.

Sources of Finance

The data gathered from sample sites secondary school indicated that their budget sources were block grant, school grant, student parent contribution, internal income and result based aids (RBA). However, major source budget of Adama, Dembela, and Goro secondary school were school grant, RBA and student parent contribution respectively in year 2013/14. Whereas, during the year 2014/15; the major budget of Adama, Dembela, and Goro secondary school were school grant, RBA and student parent contribution respectively. Furthermore, during the year 2015/16 budget year, Adama, Dembela, and Goro secondary school were obtained from RBA, student parent contribution and RBA respectively. This shows that the private investor, NGO and community other than student parent have no part in budget source share of those secondary schools.

The result of the study indicated that on year 2013/14 of overall budgets three secondary schools earned/had in percent share of Adama (34.77), Dembela (37.74) and Goro secondary school (27.49). Whereas, on 2014/15 Adama (17.95), Dembela (60.49) and Goro secondary school (21.55) and 2015/16 Adama (49.26), Dembela (11.91) and Goro secondary school (38.82). Hence, the main cause of budget difference among secondary schools at study sites were RBA budget provided as awards for secondary of schools.

The qualitative data gathered in relation to source of finance via interview from respondents also indicated that schools of study site were not pleasure on material purchased by this

institution because of the quality of material, items purchased for school some time outside of their need and delay of purchasing of material.

Utilization of Financial Resource

According respondents view there were difference on extent of participation different bodies on budget participation. These were low degree of participation on budget preparation of KETB (M=2.89); almost department heads (M=3.03) and Teacher (M=2.30). This shows that, KETB, department heads and Teacher had lower participation on budget preparation. This confirms that extents of participation of KETB, department heads and Teachers was lowers and was not supporting as expected on budget preparation. Similarly, the interview carried out with school principal and cluster supervisor showed that most of times the KETB members were not available on meeting held by the school as a result of this schools were not getting sufficient support from those organs.

With regards to the schools used criteria while annual budget preparation, the results showed that, the sample schools had usually used budget utilized in the previous year (M=3.41); and the scope the programs and objectives of the school (M=3.30). This implies that the schools understudy did not have sufficient knowledge on criteria to be used while budget preparation.

School was expected to have proper plan and utilization of budget according plan set via participation of different bodies. The respondent response at study site illustrated that:

- Out of all respondents, most of them disagreed on annual budget allocated to the school sufficiency for key tasks planned during that fiscal year (M=2.99). But, most of interviewees responded that: block grant budget allocated from city administration 20 birr per students for a year was in sufficient.
- Utmost number of the respondents were disagreed on congruence of budget between planed and utilized by the school (M=2.78). However, the interviewees revealed that: schools were underutilization of specially RBA budget in fiscal year.
- Greatest number of the respondents were disagreed regarding schools offering training for KETB, PTA, department heads and others on financial resource management related topics(M=2.78).
- Moreover, most of the respondents were agreed on regularly submission of school financial utilization report to concerned bodies at scheduled (M=3.79). However, interview conducted with deputy head of finance and economic development and head of planning

department showed that there was a gap on report giving internal income and student parent contribution budget utilization of school.

- Yet almost most of respondents agreed on the participation of school stakeholders: such as KETB, PTA, department heads in budget related decision making (M=3.35). While, the interview conducted with school principal and cluster supervisors revealed that the participation of these organs in budget related decision making differ one from other. The school utilizes school grant and RBA budget after consent of PTA. whereas, school gathers student parent contribution budget after decision held by PTA. KETB were not actively participating in school works. On the other hand, Department heads on budget related decision had no participation rather than giving comment on meeting of academic and staff.
- Moreover, majority of the respondents were agreed on schools utilized a clearly stated cash flow (M=3.45). However, document analysis indicated that the school did not have cash flow utilized for budget managing.
- Besides, most of the respondents were agreed on school having well organized finance record keeping systems (M=3.21). However, the document analysis showed that, the schools did not have well organized finance record keeping systems. Moreover, greatest number of respondents were disagreed on school utilizing computerized accounting system (M=2.98).

These showed that, at secondary schools of the study site, annual budget was insufficient, there was a practice of underutilizing budget, not provided training for KETB, PTA, department heads and the like, not submitting budget utilized report of internal income and student parent contribution, specially participation of KETB on budget related decision making and the like were lower, finance of schools were not using cash flow, has not well organized finance record keeping system and school has not utilizing computerized accounting system.

This indicated that schools' most management groups had not have the real condition of the school such as participation of KETB in budget related decision making, transparency of school planning budget and finance utilization and having well organized finance record keeping systems and the school have not make awareness regarding perform every activities of financial resource management according to stated rules and regulations and clear accountability of financial resources management practices.

The qualitative data gathered on utilization of financial resource via interview from respondents also showed that, school grant and RBA budget some time uses on outside of rule, not submission of financial utilization report on internal income and student parent contribution to concerned bodies, not given training for these organs on financial resource management and related topics. Moreover, the document analysis indicated school did not have clearly stated cash flow, computerized accounting system, well organized finance record keeping system, absence of utilizing cash ledgers and absence of certain job title from the market.

Auditing and Monitoring

Most of respondent response on how had the school frequently under taken internal auditing responded that it was not carried out (53.17%) at study schools. Similarly, the qualitative data gathered via interview on extent of financial resources audited and monitored from interviewees indicated that internal auditing did not conduct in schools.

Regarding, external auditing majority of the respondents have responded as it was not carried out (49.21%) annually. However, the interview conducted showed that city administration auditors had not have fixed program for auditing schools. As a result, student parent contribution and internal income of schools were not audited for more than three years in most of school.

The majority of management and department groups also agreed that, the school utilization of external auditor comments was moderate and its overall mean was 3.07. The degrees of school audit results are transparent to all concerned bodies were low ($M=2.76$). Moreover, regarding systems of controlling and monitoring schools uses whether the allocated budgets are being utilized for the targeted purposes were low. This implied that schools do not get sufficient knowledge to fill gape found and have poor system transparency and, controlling and monitoring in the school.

Major challenges of Financial Management Practices

According to majority's respondent responses on quantitative data collected via questionnaire major factors affecting financial resource management practice in the schools' understudy were: Lack of training for school accountants, auditors and other finance workers, Lack of adequate skilled accountants and other finance workers in the school, Problem of recording and documenting financial activities of the school, Absence of participation of concerned

bodies on budget preparation and Problems of participation of PTA, KETB and department heads on decision-making of financial management.

The qualitative data gathered on major factors that affect financial management practices via interview from respondents also absence of workers on certain jobs title from market, rigidity rules of school grant and RBA on budget utilization and inhibit use of even for critical issues for school out sides items list in rules, absence of budget utilization report generate from school on internal income and student parent contribution, absence of school auditing via external auditors internal income and student parent contribution budget at least for three years and delay of material purchased by block grant budgets of school for instance stationary material.

5.2. Conclusions

Based on findings of the study, the following conclusions have been made concerning the Practices and Challenges of Financial Management in Government Secondary Schools of Adama City Administration.

As argued by scholar of the field, finance is the backbone of any educational institution. A school requires finance for their survival and its success or failure depends greatly on the availability of funds. To produce greater quality and equality within the education system requires the provision of adequate finance from different sources.

According to the findings of this study, financial source for governmental schools were largely dependent on RBA, student parent contribution, school grant but private investor, NGO and community other than parent of student had not parts in financing schools. This implies weak in generating educational income for concerned bodies. The result of the study further showed that, the degree of participation of KETB on budget preparation was low and also the participation KETB and department heads in budget related decision making of the school was lower. This implies create problem on attainment of set plan of school also such gap results in not motivating these bodies to actively do and affect the practices of educational finance management at schools. Moreover, it indicated that, there was lack of knowledge so that, school management to fill via awareness creation management and department groups.

The finding indicated that schools used criteria such as budget utilized in the previous years, predetermined ceiling set by Adama city finance office and scope the programs and objectives

of the school while budget preparation. However, the criterion basically used was number of student. This indicated that, schools do not create awareness for both management and department on criteria used while budget preparation.

The budget allocated for key tasks planned during fiscal year was not sufficient and material purchased via block grant was delay and sometimes out of school interest and also had quality problems. This implies the school key tasks were covered with parent contribution and internal income. Also, Secondary schools were not satisfied on material finance and economic development office purchased via block grant budget. The school does not offer training on topics related to financial resource management and the like to update KETB members, PTA members, department heads and others. This confirms that KETB members, PTA members, department heads, and the accountants lead the schools financial resource without having an appropriated training. So, this leads the schools to weak management of educational finance resources and difficult to achieve the pre-planned schools' goals. Moreover, the school was not submitting financial utilization report of budget such as internal income and student parent contribution to concerned bodies. This incurs improper utilization of budget and mismanagement schools financial resource. Besides, the school finance does not have clearly stated cash flow to manage budget, well organized finance record keeping systems, not using cash ledgers and not utilizing computerized accounting system. This shows that schools had weak controlling of budget utilization system and finance recording system. As result of this mismanagement of financial resource and accounting system occurred at schools. This implies the time taken to complete auditing at those secondary schools was long due weak recording system financial resource.

The study further confirmed that, there was mismatch between annual budget planed and utilized at the study schools. This implied that the school was underutilizing of the annual budget. But, this may be due to schools' leaders and accountant had skill gaps on budget plan and utilization. Furthermore, the result of this study confirmed that, the school does not have system of controlling and monitoring financial source via internal auditing and also city administration auditors do not audit school student parent contribution and internal income budgets for more than three years. This may result in inappropriate utilization of finance and mismanagement of schools' financial resource. In addition, the study indicated that the system school had on transparency of audit result to concerned bodies was poor.

The study also showed that schools had challenges on having permanent human resource gaps on certain job title as results of this schools were utilizing their internal income for service payment of electric, water and telephone, and salary of contract worker such as cleaner, security of school, store man, record officer, top up of worker took additional responsibility on vacant job title.

5.3. Recommendations

Based on the findings and conclusions of the study, the researcher has forwarded the following recommendations to the concerned bodies:

1. To promote quality of education financing education is crucial. The school at study sites stick more on support generated via government and student parent contribution hence the schools are expected to work to fill these gaps by searching financial source from private investor, NGO, and community other than parents of student by developing project proposal and different conferences.
2. The involvement of concerned body in budget preparation and budget related decision making was vital. Therefore, the school had to build participatory system in the school through using committee obtained from different section. Also, the schools had anticipated to give orientation for KETB members on their responsibility. In addition to this, the schools are expected to create awareness and transparency to fill in the gaps of perception difference between management and department group.
3. The right skill on work place on finance management for employees and voluntary working bodies such as KETB and PTA significant for success of the institution. The school and city administration finance and education office are expected to give collaboratively give training for KETB and PTA, department heads, accountants and other finance workers on topics of finance management also for finance worker on cash flow preparation and utilization, organizing well finance record keeping systems and utilizing cash ledgers and the like. In addition to this, the City Administration's Finance and Economic Development is expected to offer support on schools having computerized accounting system.
4. Monitoring and evaluation helps to improve school performance and proper utilization of school finance. Regional Education Bureau and City administration had to develop system of controlling and monitoring financial resources of the schools by developing reporting

systems and internal auditing system. Moreover, City administration had to audit student parent contribution and internal income of school and had to offer technical support via supervising school.

5. The success of institutions determined through having capable of human resources found on occupation. So, city administration is expected to find means to alleviate this human resource gap of the schools. Furthermore, city administration has to decentralize the black grant budget to solve goods quality and out school interest purchase problem, and timely purchase complain of school

Finally, though the findings of this study attempted to describe the practices and identify major challenges of financial management in government secondary schools of Adama City Administration, there may be other specific factors not assessed through this study. So, to identify such factors and to take proper actions on time; it is advisable if further research is conducted by the city on issues related to the management of financial resources at the schools of the city.

REFERENCES

- Abebaw, W. (2006). *Study of Practice and Problems of Current Financial Management System in Secondary Cycle Secondary Schools of Addis Ababa*. Addis Ababa University
- Adesina, S. (1981). *Some aspects of school management*. Ibadan: Board Publishers Ltd.
- AlebachewNigusie, (2005). *An Assessment of the Practice and Problems of Public education ` Budget allocation and Implementation: The case of North shoa zone in Amhara Region*. Addis Ababa University
- Allen, R., andTommasi, D. (2001). *Managing Public Expenditure: A reference book for transition countries*. Paris: OECD Publication Service.
- AyalewShibeshi, (2000). *Educational Policy and Management of Change*. Addis Ababa: AAU
- Barasa, J.M.N (2009). *Educational Organization and Management*. Nairobi, Jomo: Kenyatta Foundation.
- Bernard HR. (2002.). *Research methods in anthropology: Qualitative and quantitative approaches* (3rd Ed). Alta Mira Press; Walnut Creek, CA.
- Best W., and Kahn (2005). *Research Method in Education* (6th Ed.). New Delhi: Pent ice Hall.
- Boddy, D. (2011). *Management an Introduction* (5th Ed.). England: Pearson Education Limited.
- Bogdan, R. C., and Biklen, S. K. (2007). *Qualitative research for education: An introduction to theories and methods*. Boston: Pearson
- Chadwick, L. (2002). *Essential Finance and Accounting for Managers*. Great Britain: Pearson Education.
- Chalam, K.S. (2003). *Introduction to Educational Planning and Management*. New Delhi. Anmol Publication Pvt.Ltd.
- Clarke, A. (2007). *The Handbook of School Management*. Cape Town: Kate McCallum.
- Cole, G.A., and Kelly, P. (2011). *Management: Theory and Practice* (7th Ed.). UK: Cengage Learning EMEA.
- Condoli, L, et.al., (1984). *School Business Administration a planning approach* (3thEd.). Boston: Ellyn and Bacon, Inc.
- Corbally. (1997). *School Finance*. U.S.A: Allyn and Bacon Inc
- Cresswel, J. (2003). *Research Design: Quantitative, Qualitative and Mixed Approaches* (2nd Ed.). London: Sage Publication Inc.
- Croft, L., Herin, M., Norton, A., and Whyte, I. (2002). *Management and Organization in Financial Services*. New Delhi: Published by A.I.T.B.S.
- Crowther, D. (2004). *Managing Finance*. Great Britain. Elsevier Butterworth Henemann Published

- Dash, M., and Nena, D. (2008). *School Management*. New Delhi: Nice Printing press.
- Davies, T. and Boczkd, T. (2006). *Principles of Accounting and Finance*. UK: McGraw Hill Companies.
- Davies, B. (2004). A strategic approach to finance and budgeting. In: B Davies, West-Deegan, C. and Unerman, J. *Financial Accounting Theory (2nd Ed)*. UK; Mc Graw-Hill Higher Education
- Dawson, Catherin. (2002). *Practical Research Methods*. New Delhi: UBS publishers and Distributors. Ltd.
- Dobler, W. et.al. (1984). *Purchasing and Material Management (6th ed)*. New Dehli: Tata Megraw-Hill.
- Du Preez, P., Grobler, B., Looek, C., and Shaba, M. (2003). *Effective Education Management Series, Module 5: Managing School Finance*. Sandown: Publishers.
- Forojalla S.B. (1993). *Educational Planning for Development*. London: Macmillan press LTD.
- Fowler, J. (1996). *Introduction to Statistics A Non-Parametric Approach for the social sciences*. New York, John Willy.
- Help Age International (2008). *Budget management and participatory expenditure tracking survey*. Addis Ababa: (Published).
- Hendrickse, R. F. (2008). *Governance and Financial Sustainability of NGOs in South Africa*. Unpublished Doctorate Thesis.
- Hermanson. LT.et.al., (1989). *Auditing Theory and Practice*. Homewood: Hoffman Press. Inc.
- Jack Ferraro. (2012). *University Director for Materials and Logistics Management*. South Africa.
- Jordan, k. Korbis, et.al. (1985). *School Business administration*. Beverly Hills: Sag Published
- Joubert, R., and Bray, E. (2007). *Public School Governance in South Africa*. Pretoria: University Centre for Education Law and Education policy (CELP).
- J. R. Tony Arnold and Stephen N. Chapman (2004). *Introduction to Materials Management (5th Ed.)*. Pearson Prentice Hall
- Knight B., (1993). *Financial Management for Schools: The Thinking Manager's Guide*. Oxford: Heinemann Pub.
- Knsezevich, S.J. (1989). *Administration and public Education*. New York: Harper and raw publishers.

- Koteen, J. (1989). *Strategic Management in Public and Nonprofit Organization*. U.S.A.: Greenwood Publishing Group, Inc.
- Kothari, C. (2004). *Research Methodology (2nd Ed.)*. New Delhi: New Age International Limited Publishers.
- Kruger, G.A. (2005). *Efficient Financial Management: An Educator's Guide to School Management Skills*. Pretoria: VanSchaik.
- Kumer, Ravinder, and Sharma, Virender. (2001). *Fundamentals of Practical Auditing*. New Delhi: Prentice Hall Private Ltd.
- Leithwood, K., and Stainback, J. (1995). *Preparing school leaders for educational improvement*. London: Croom Helm.
- Levacic, Rosalid, (1995). *Local Management of school Analysis and practice*. Philadelphia: Open University press Buckingham
- Lewis, J.L. and S.R.J. Sheppard. (2006). *Culture and communication: can landscape visualization improve forest management consultation with indigenous communities? Landscape and Urban Planning 77:291–313*
- Marishane, R., and Botha, R. (2004). *Empowering School Based Management through Decentralized Financial Control*. Africa Education Review; Pretoria; UNISA Press.
- Mark N.K. Saunders, Adrian Thornhill and Philip Lewis (2009). *Research Methods for Business Students (5th Ed.)* Publisher: Pearson
- Mbamba, A. Mauno. (1992). *Book of Reading in Educational Management*. Harare: Mozongoro paper Converts Ltd.
- Mbua, Ndvia. (2002). *Educational Planning: Issues and Perspectives*. Limber: Press Printed Ltd.
- MelakuYimam, (2000). *Financial Management in School: School Organization and Management (Ed. Ad 302): Distance Education Material for In service Trainees*. AAU.
- Mengistu Bogale (2008). *Principles of Accounting*. Addis Ababa: Ethiopian Accounting Association.
- Mestry, R. (2006). The functions of school governing bodies in managing schoolfinances. *South African Journal of Education*, 26(1) 27–38.
- Mestry, R. (2004). Financial Accountability: The principal or school governing body. *South African Journal of Education*, 24(2):126-132.
- Mestry, R. and Bisschoff, T. (2009). *Financial School Management Explained (3rd Ed.)*. Pretoria: Republic of South Africa: Pearson Education
- Mgbodile, T. O. (2002). *Foundation in educational management and planning*. Enugu: Magnet business Enterprise.

- Millichamp, A. (2002). *Auditing*. Bath: The Bath press.
- MOE, (1994). *Education and Training Policy - Ethiopia*. Addis Ababa: BerehanenaSelam Printing Enterprise.
- MOE, (1994). *Education Sector Strategy*. Ethiopia, Addis Ababa: St. George Printing Press.
- MOE, (2002). *Education Sector Development Program II. Ethiopia*. Addis Ababa: BerehanenaSelam Printing Enterprise.
- MOE, (2005). *Education Sector Development Program III (ESDP III)*. Ethiopia, Addis Ababa: BerehanenaSelam Printing Enterprise.
- MOE, (2010). *Education Sector Development Program (ESDP IV) of Ethiopia*. Addis Ababa: BerhanenaSelam Printing Enterprise.
- MOE, (2011). *Result based Aids- Ethiopia*. Addis Ababa: trial rule unprinting
- MOE, (2015). *Education Sector Development Program-ESDP-V- Ethiopia*. Addis Ababa: BerhanenaSelam Printing Enterprise.
- Morphet, L. (1987). *Financing of the Public Schools*. U.S.A: Prentice Hail. Inc. (11-12) 22,28p.
- Naidu, A. Joubert, R. Mestry, R. Mosoge, J. & Ngcobo, T. (2008). *Education management and leadership*. A South African perspective Cape Town: Oxford University Press.
- Nieman, T. and Bennett, W. (2002). *Business Management: A value chain approach*. Pretoria: VanSchaik Publishers.
- Ogbonnaya, N. (2000). *Foundation of education finance*. Onitsha: CAP Publishers
- Okumbe, J. (2001). *Human Resource Management, Educational Perspective*. Nairobi: Educational Development and Research Bureau.
- OREB, (2001: 6). *School grant guide line*. Finfine: OEB
- OREB, (2007: 20). *School grant guide line*. Finfine: OEB
- OREB, (2009). *Task and career structure of Principals and supervisors*. Finfine: OEB
- Padilla, L. M, Staplefoote, S. & Morganti, S. (2012). *Financial Sustainability for Nonprofit Organizations*. Rand.
- Pandit, I. M. (1995). *Financial management*. New Delhi: Vikas Publishing Ltd
- Prasanna, C. (1999). *Fundamentals of Financial Management (3rd Ed.)*. NewDelhi: Tata Mcgraw hill Publishing Company Ltd.
- Sagor, R. and Barnett, B.G. (1994). *The TQE principal*. New York: Crowin Press Production
- Samoff, J. (1999). Education Sector Analysis in Africa: Limited National Control and Even Less National Ownership. *International Journal of Educational Development*, 19(4) 249-272.

- Saunders, M., Lewis, P. and Thornhill, A. (2003). *Research methods for business students*. Harlow, England: Prentice
- SheberuAlemu, (2015). *Practices of financial management in government secondary and preparatory schools in bishoftu administrative town*. Haramaya: Haramaya University.
- Stesis,W., Emeka, O., and Nwagwu, C .(2001). *Financial planning and management in Public Organizations*. U.S.A.: Marcell Dekker, Inc.
- Suzanne Turner (2001). *Tools for Success: A Manager's Guide*. Publisher Edition illustrated McGraw-Hill.
- Tadiwos Lera (2004). *Financial Resources Utilization Challenges in Some Selected Government Primary Schools of DamotPullasaWoreda in Southern Nations, Nationalities and People's Region*. Addis Ababa University.
- Tsukudu, P., and Taylor, P. (1995). *Management development support for head teachers of Secondary Schools in South Africa*. Pritoria: PTP Publishers
- Ukeje, B., George, C.,and Alice, N. (1992). *Educational Administration (4thed.)*. Enugu: Dimension publishing Co. Ltd.
- UNESCO, (2002). *Financing Educational Investments and Reterns: Analysis of the World Education indicates UNESCO*. Paris: International Institute for Education Planning
- UNESCO, (2006). *Governance in education: transparency and accountability*. Paris: International Institute for Education Planning.
- UNESCO, (2013/4). *Teaching and Learning: Achieving quality for all Global Monitoring Report*. Paris: UNESCO.
- Van Deventer,I. and Kruger,G .(2005). *An educator's guide to school management skills*. Pretoria: Van Schaik

Appendices

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANINING AND MANAGEMENT

A questionnaire to be filled by school principals, vice principals, Kebele Education and Training Board members (KETB), parent teacher association members (PTA), departments, school accountants and other finance

Dear Respondents

The purpose of this questionnaire is to collect appropriate data for the study on practices and challenges of financial management at government secondary schools of Adama City. This study is required for the partial fulfillment of masters of art in educational leadership and management.

The success of this study depends on your genuine response and the result of this study will help to give important recommendation to Adama city administration education office and the like on the practices and challenges financial management of secondary schools.

Please, Thanks for your collaboration. Since, you are willing to support this study via offering your golden time to respond on research questionnaire.

DIRECTIONS

- Any of your information or suggestions kept secret and used for research purpose only.
- Do not write your name on the questionnaire.
- Please indicate your response by putting “√” marks in the boxes provided against the alternative of yours choice or by putting “√” marks in the blank space of the table against the alternative of yours choice.
- Please, give only one answer to each item.
- For questions requiring short answers, please write your response briefly in the space provided.

Thank you in advance!

- 2.2. What criteria have been usually used in the school while preparing school annual budget? Please, rate the items listed in the following table using the scales; 5= Very High; 4=High; 3=Moderate; 2=Low; and 1= Very Low

N ^o	Items	5	4	3	2	1
1	Number of students enrolled					
2	Budget utilized in the previous years					
3	The predetermined ceiling set by the Adama city Finance Officer					
4	Scope the programs and objectives of the school					
5	Other (please specify)					

- 2.3. The following table contains items related to *budget planning and its utilization*. Please, rate the items in the table by putting “√” mark across the statement on space provided using the scales 5= strongly Agree; 4=Agree; 3=Undecided; 2=Disagree; and 1= Strongly Disagree.

N ^o	Items	5	4	3	2	1
1	Annual budget allocated to the school is sufficient for key tasks planned during that fiscal year					
2	The school properly submitted its annual budget request on the deadlines					
3	The school have been utilizing the approved budget according to their respective plan					
4	There was congruence between budget planed and budget utilized by the school					
5	The school regularly submitted financial utilization report to concerned bodies at scheduled time					
6	The schools perform every activity of financial resource management according to stated rules and regulations					
7	There is a transparency on planning budget and finance utilization in the school					
8	In the school stakeholders such as Kebele Education and Training boards (KETB), PTA and department heads are participated in budget related decision making					
9	The school usually offer training for KETB, PTA, and others on financial resource management related topics					
10	In the school, there is a clear accountability of financial resources management practices					
11	The school has clearly stated cash flow					
12	The school has computerized accounting system					
13	The school has well organized finance record keeping systems					

- 2.4. How do you manage budget shortage while you faced in the school? _____

- 2.5. What problems have you observed in secondary schools of the City regarding finance utilization practice? _____

- 2.6. What mechanisms should be taken to alleviate the problems related to finance utilization practices of the school understudy? _____

Part Three. Extent of Financial Resources is Audited and Monitored

- 3.1. How frequently financial audit had undertaken by internal Auditors of the school?
 A. once a month _____ B. Once a quarter _____ C. Once a semester _____
 D. Once in a year _____ E. Not at all _____ F. Others (please specify) _____
- 3.2. If your answer for the above question is “Not at all”; what are the reasons?

- 3.3. How frequently school financial audit had been undertaken by auditors of Finance Office of the City or external auditors?
 A. once a month _____ B. Once a quarter _____ C. Once a semester _____
 D. Once in a year _____ E. Not at all _____ F. Others (please specify) _____
- 3.4 If your answer for the above question is “Not at all”; what are the reasons?

3.5 The following Table contains items related to *Extent of Financial Resources Audited and Monitored*. Please rate the following items by considering the practices in the study schools using the scales; 5= Very High; 4=High; 3=Moderate; 2=Low; and 1= Very Low

N ^o	Items	5	4	3	2	1
1	Extent of school internal auditor experiences on auditing system					
2	Degree of internal auditor comment used by your school					
3	Degree of your school used external auditor comments are					
4	Degree of school audit results are transparent to all concerned bodies					
5	The extent to which schools have a system of controlling and monitoring whether the allocated budgets are being utilized for the targeted purposes					
6	Training offered for school auditor on auditing related topics					

3.6 What are the major problems observed regarding auditing school financial resources?

3.7 What are alternative strategies have been used to improve auditing system of the school?

3.8 What do you suggest to build a well-organized auditing system in the schools under study?

Part Four. Major Challenges Financial Management Practices

4.1. Please rate each statement from very high to very low and tick (√) the number which most closely represents the degree of the problems using the scales; 5=Very High; 4=High, 3=Moderate, 2=Low, and 1=Very Low.

N ^o	Items	5	4	3	2	1
1	Shortage of budget allocating by community participation, school internal income, and others					
2	Mismatch of situation of the schools and allocated annual budget to the schools					
3	Absence of participation of concerned bodies on budget preparation					
4	Poor financial budget planning of school					
5	Delay of budget release from finance office to schools					
6	lack of utilizing budget released to the school according to the plan					
7	Wastage of allocate financial resource at school level					
8	lack of adequate skilled accountants and other finance workers in the school					
9	Lack of experience among school accountant and other finance workers					
10	lack of training for school accountants, auditors and other finance workers					
11	Problem of recording and documenting financial activities of the school					
12	School does not request their budget within the schedule of finance office					
13	Not regularly submitted financial utilization report					
14	Not properly implementing guide lines, rules & regulations of finance at the school level					
15	Problems of participation of PTA, KETB and department heads on decision-making of financial management					
16	Lack of transparency on financial activities to the school community					
17	Not properly using auditing comment					
18	Lack of experiences of the school principals on budget preparation and utilization					
19	Absence of acquiring experience from best performing schools and other offices					
20	Lack of supervision and technical support from Adama city administration education and finance office					

4.2. In your opinion what are others major factors affected financial management practices in your schools? _____

4.3. What alternative strategies do you suggest to improve financial resources management in your schools? _____

YUUNIIVERSIITII FINFINNEETTI
SAGANTAA GUUTTANNAA DIGRII LAMMAFFAA
KOOLLEEJJII QO'ANNOO BARNOOTAATTI FI AMALAA

Bargaaffiin armaan gaditti dhiyaate kun kan guuttamuun qindeessaa mana barumsaa, itti aanaa qindeessaa mana barumsaa , boordii mana barumsaa, waldaa maatii barattootaafi barsiisotaa, dura bu'oota muummee, ogeessa kutaa herreegaa mana barumsaa, supparvaayizara mana barumsaa, ogeessa baajataa Biiroo Barnoota Bulchiinsa Magaalaa Adaamaafi ogeeyyii Waajjira Misooma Maallaqaafi Diinagdee Bulchiinsa Magaalaa Adaamaatiin ta'a.

Kabajamaa/tuu gaafatamaa/tuu

Bu'aan bargaaffii kanaa odeeffannoo quubsaafi haqummaa of keessa qabu yoo ta'u kunis akkaataa rakkoo itti fayyadama bajata manneen barnoota mootummaa sadarkaa lammaffaa Bulchiinsa Magaalaa Adaamaa qbatamummaan qorannootiin dhiyaatuudha. Sababni qorannoo kanaas ittiin guuttannaa digrii lammaffaa gosa barnootaa hoggansaafi gaggeessummaa barnootaatin.

Odeeffannoo isin dhugummaafi qabatamummaa **irratti hundooftanii nuuf laattan** Galma gahumsi qorannoo kanaa f bakka guddaa kan qabuudha. Akkasumas rakkoo itti fayyadama baajataa manneen barnootaa mootummaa Bulchiinsa Magaalaa Adaamaa furuu keessatti iddoo olaanaa qaba.

Dhumarratti odeefkennitoota yeroo keessan aarsaa gochuudhaan ragaa dhugummaa irratti hundaa'e naaf laattaniif galanni koo daangaa hin qabu.

Qajeelfamoota:

- Odeeffannoon laattan cufti kaayyoo qorannichaatiif icciitiin isaa eeggamuu qaba.
- Odeeffannoo bargaaffiin siif dhiyaate irratti maqaa hin barraa'u.
- Filannoowwan arman gaditti siif kennaman deebii jettee kan yaadduuf mallattoo “✓” gochuu bakka duwwaa siif kenname keessatti guuti.
- Gaaffilee deebii gabaabaa barbaadan iddoo kenname irratti qulqullinaafi bifa ifaa ta'ee kaa'i.

Deeggarsa taasiftaniif galatoomaa.

Kutaa tokko: Ragaalee deebistootaa

1.1. Maqaa Mana Barumsaa kee/ Waajjira kee _____

1.2. Gahee hojii kee kan ammaa _____

1.3. Saala A.Dhiira B. Dubartii/dubara

1.4. Umurii A. Waggaa 25 fi gadi B. Waggaa 26-35

C. Waggaa 36-45 D. Waggaa 46 fi oli

1.5. Sadarkaa Barnootaa:

A. Diplomaa gadi B. Diploma C. Diigrii (BA/Bsc) D. Digrii 2^{ffaa} (MA/Msc) fi ol

E. Kan biro yoo ta'e adda haa ba'u _____

1.6. Gosa Barnootaa:

A. Hoggansaa fi karoora Barnootaa/ Bulchiinsa Barnootaa ykn Bulchiinsa Mana Barumsaa

B. Hoggansa (Management)

C. Akkaawontiingii (Accounting)

D. Barsiisummaa E. Kan biroo (haa ibsamu) _____

1.7. Gahee hojii amma hojjechaa jirtuun muuxannoo hojii

A. Waggaa 1-5 B. Waggaa 6-10 C. Waggaa 11-15

D. Waggaa 16-20 E. Waggaa 21 fi oli

1.8. Muuxannoo hojii waliigalaa :

A. Waggaa 1-5 B. Waggaa 6-10 C. Waggaa 11-15

D. Waggaa 16-20 E. Waggaa 21 fi oli

Kutaa Lama: Itti fayyadama baajetaa

2.1. Qophii baajeta Mana Barumsaa sadarkaa hirmaannaa qaamolee armaan gadii skeelii kanatti aanu fayyadamuun sadarkeessi. 5=Baay'ee ol'aanaa, 4=Ol'aanaa, 3= Giddugaleessa, 2=Gadi aanaafi 1=Baay'ee gadi aanaa

T.I	Qaamolee dhimmichi illallatu	5	4	3	2	1
1	Dura bu'oota Manneen Barnootaa					
2	Booardii Mana Barumsaa					
3	Koree Gamtaa maatii fi barsiisotaa					
4	Itti gaafatamtoota Muummewwanii					
5	Barsiisota					
6	Hojjettoota herreegaa mana barumsaa					
7	Waajjira Barnoota Magaalaa					
8	Waajjira Maallaqaa fi walta'insa Diinagdee Magaalaa					
9	Kan biro yoo jiraate haa ibsamu					

2.2. Baajeta Mana Barumsaa yeroo qopheessitan maalirratti hundooftu (Maali bu'uureffattu)?Mee qabxiilee gabatee armaan gadii keessatti tarreeffaman skeelii kanatti aanu fayyadamiitti sadarkeessi; . 5=Baay'ee ol'aanaa, 4=Ol'aanaa, 3= Giddugaleessa, 2=Gadi aanaafi 1=Baay'ee gadi aanaa

T.I.	Qabxiilee	5	4	3	2	1
1	Baay'ina Barattoota galmaa'anii					
2	Itti fayyadama baajeta bara darbee					
3	Baajeta waajjirri Maallaqaa fi Walta'insa Diiinagdee Bulchiinsa Magaalaa Adaamaa ramadu					
4	Daangaa sagantaa hojii fi kaayyolee mana barumsaa					
5	Kan biroo (haa ibsamu)					

2.3. Gabateen armaan gadii qabxiilee karoora fi itti fayyadama baajetaa waliin walqabatan qabateera..Qabxiilee gabatee armaan gadii keessatti ibsaman mallatto “√” bakka duwwaa kenname irratti kaa'un sadarkeessi. Iskeelii armaan gadii fayyadami.5= Baay'ee ittin walii gala 4=littin walii gala; 3=Hinmurteessine ; 2=Itti walii hingalu ; and 1= Baay'ee itti walii hingalu.

T.1	Qabxiilee	5	4	3	2	1
1	Baajati Mana Barumsaatiif ramadamu hojii waggaa keessatti karoorfameef gahaadha.					
2	Manni Barumsaa Baajeta waggaaf barbaachisu qopheessee yeroon ni galcha.					
3	Manni Barumsichaa baajeta ramadameef akkaataa karooratti itti fayyadamaa jira					
4	Baajeta karoorfamee fi kan itti fayyadamame gidduu garaagarummaa guddaatu jira,					
5	Manni Barumsichaa gabaasa itti fayyadama baajetaa yeroo eegee qaama dhimmichi ilaallatuuf ni dhiyeessa.					
6	Manni Barumsichaa hojiiwwan hojjetaman hunda akkaataa qajeelfamaa fi seera faayinaansiitti hojjechaa jira.					
7	Karoora fi itti fayyadama baajataa irratti iftoominni ni jira.					
8	Murtoo dhimma Baajata Mana Barumsaa keessatti dhimmatoonni kan akka Boordii Mana Barumsaa, Gamtaan Matii fi Barsiisotaa, Itti gaafatamtoonni muummewwanii, fi kan biroo ni hirmaatu					
9	Manni Barumsichaa adeemsa bulchiinsa baajataa irratti Boordii Mana Barumsaatiif, Gamtaan Matii fi Barsiisotaatiif, Itti gaafatamtoota muummewwaniiti fi kan birootiif leenjii walitti fufiinsa qabu ni kenna.					
10	Mana Barumsaa keessa adeemsa bulchiinsa baajataa irratti itti gaafatamummaan ifa ta'e ni jira					
11	Manni barumsichaa adeemsa baasii maallaqaa ifa ta'e ni qaba					
12	Manni Barumsichaa adeemsa herreegaa kompitaraan deeggarama ni qaba.					
13	Manni Barumsichaa galmee herreegaa qindaa'aa ta'e ni qaba					

2.4. Hanqinni baajataa yoo muudate attamittiin furta? _____

2.5. Hanqinni itti fayyadama baajataa manneen barbootaa sadarkaa 2^{ffaa} magaalaa Adaamaa keessatti hubatte maali fa'i? _____

2.6. Rakkoowwan itti fayyadama baajataa manneen barnootaa qorannoon kuni illaallatu keessatti mul'atan attamittiin furta? _____

Kutaa sadi. Qabeenyi Baajataa mana barumsaa hangam oodiitii akka ta'uu fi hammam akka hordofamu.

3.1 Maallaqni mana barumsaa oditaroota keessootiin yeroo meeqa meeqaan oodiitii ta'a?

A. Ji'atti al tokko ___ B. Kurmaanatti al tokko _____ C. Simisteeratti al tokko _____

D. Waggaatti al tokko ___ E. Tasuma odiiti hin ta'u ___ F. Kan biro (haa ibsamu _____

3.2 Deebin gaafii oliitiif tasumaa odiitii hin taasifam'u kan jedhu yoo ta'e sababni isaa maali? _____

3.3 Maallaqni mana barumsaa oditaroota alaatin yookin oditaroota waajjira maallaqaa fi walta'insa diinagdee bulchiinsa magaalatiin yeroo meeqa meeqaan odiitii ta'a?

A. Ji'atti al tokko __ B. Kurmaanatti al tokko_____ C. Simisteeratti al tokko_____

D. Waggaatti al tokko __ E. Tasuma odiiti hin ta'u___ F. Kan biro (haa ibsamu _____

3.4 Deebin gaafii oliitiif 'tasumaa odiitii hin taasifam'u kan jedhu yoo ta'e sababni isaa maali? _____

3.5 Gabateen armaan gadii qabxiilee hangam baajeti mana barumsaa ooditii akka ta'uu fi haala hordofii isaa agarsiisan qabateera. Kanafuu, mana barumsichaa keessatti hojii odiitiifi to'annoo baajetaa hojjatamaa jitu ilaalcha keessa galchuun iskeelii armaan gadiitti fayyadamiitii sadarkeessii; 5= Baay'ee ol'aanaa; 4=Ol'aanaa ; 3=Giddu galeessa; 2=Gadi aanaa ; and 1= Baay'ee gadi aanaa

T.1	Qabxiilee	5	4	3	2	1
1	Adeemsa ooditii irratti muuxannoo oditaroonni keessoo qaban ilaalchisee					
2	Manni barumsichaa duub- deebii oditaroonni keessoo kennan fudhuun hojiiira oolchuu irratti					
3	Manni barumsaa kee duub-deebii oditaroonni alaa kennan fudhachuun hojiiira oolchuu irratti					
4	Bu'aan odiitii mana barumsichaa qaama dhimmichi ilaallatru hundaaf ifa ta'uu irratti					
5	Hordoffii fi to'annaa baajetaa ramadamee fi itti fayyadama baajataa irratti manni barumsichaa adeemsa sirrii qabaachuu irratti					
6	Leenjii oditaroota keessootiif kennamu irratti					

3.6 Rakkoolen gurguddoon akka mana barumsaa keetti to'annoo baajetaa(ooditii) waliin walqabatani jiran maali fa'i? _____

3.7 Rakkoolee adeemsa odditii mana barumsichaa kanneen hambisuudhaaf tarsiimon akka filannootti fayyadan maal fa'i? _____

3.8 Sirna ooditii manneen barnootaa qorannoon kuni keessatti geggeeffamee fooyyessuudhaafi sirna sirrii diriirsuuf yaada maalii qabda.? _____

Kutaa Afraffaa. Rakkoolee gurguddoo Adeemsa bulchiinsa faayinaansii miidhan

4.1 Mee qabxiilee armaan gadii baa'ee ol'aanaatii hanga baay'ee gadi aanatti mallattoo (√) kaa'un sadarkeessi. Iskeelii armaan gadiitti Fayyadami 5=Baay'ee ol'aanaa; 4=Ol'aanaa, 3=Giddu galeessa 2=Gadi aanaa , and 1=Baa'ee gadi aanaa

T. 1	Qabxiilee	5	4	3	2	1
1	Hanqina baajeta hirmaannaa hawaasaa, galii keessoo mana barumsaa fi kan biro					
2	Haalli mana barumsaa fi baajati waggaatti mana barumsaaf ramadamu walsimuu dhiisuu					
3	Qophii baajataa irratti hirmaannan qaamolee dhimmichi ilaallatuu dhibuu					
4	Baajata karoorsuu irratti manni barumsaa gadi aanaa ta'uu					
5	Waajjirri Maallaqaafi Walta'insa Diinagdee baajeta yeroon gadi dhiisuu irratti harkifachuu					
6	Manni barumsichaa baajeta ramadameef akkaataa karooraatti itti fayyadamuu dadhabuu					
7	Sadarkaa mana barumsaatti baajati ramadame qisaasa'uu					
8	Mana barumsaa keessaa hanqinni hojjetaa heerreegaa fi hojjetoota faayinaansii ogummaa qaban dhibuu					
9	Hojjattoonni herreegaa fi faayinaansii biro muuxannoo hojii herreegaa dhabuu					
10	Leenjii gahaan hoggantoota manneen barnootaaf, hijjetoota herreegaa fi oditaroota keessoof kennamuu dhabuu					
11	Ragaalee faayinnaasii fi sanadoota barbaachisan galmeessanii qabuu irratti hanqinni jiraachuu					
12	Manni barumsaa baajeta barbaachisu yeroon gaafachuu dhabuu					
13	Gabaasi raawwii baajataa yeroon qaama dhimmi ilaallatuuf galuu dhabuu					
14	Qajeelfamoonni baasii mallaqaa fi waliigala bulchiinsa faayinaansii sadarkaa mana barumsaatti hojiirra ooluu dhabuu					
15	Murtoo bulchiinsa baajataa irratti hirmaannan koree Gamtaa maatiif barsiisotaa, Booardii mana barumsaa fi Itti gaafatamtoota muummee hanqinaqabaachuu					
16	Sochii baajataa irratti iftoominni dhibuu					
17	Duub deebin oditarootaahaalan hojiirra hin oolu					
18	Hoogganaan mana barumsaa qophii baajataa fi itti fayyadama isaa irratti muuxannoo hingabu					
19	Manneen barnootaa muuxannoo gaarii qaban irraa muuxannoo fudhachuu dhabuu					
20	Deggarsii ogummaa fi superviiziyiin Waajjira Barnootaa Bulchiinsa Magaalaa Adaamaa fi Waajjira Mallaqaa fi Walta'insa Diinagdee Bulchiinsa Magaalaa Adaamaa irraa kennamu dhibuu					

4.2 Akka yaada keetti hanqinaalen bulchiinsa faayinaansii mana barumsa kee miidhan maal fa'i jetta? _____

4.3 Bulchiinsa qabeenya faayinaansii mana barumsa kee fooyessuudhaaf akka filannooti tarsiimoo maalii keessa? _____

Addis Ababa University
School of graduate studies
Collage of Education and Behavioral Studies
Department of Educational Planning and Management
Leading Interview Questions

Part One: Personal Information of the interviewee

1. School Name/ Organization -----
2. Sex -----
3. Age -----
4. Level of educations -----
5. Field of specialization -----
6. Your present job title -----
7. Your service year in current position -----
8. Total service year -----

Part Two: Unstructured Interview Questions for Principals and cluster supervisor

1. What are the major sources of finance for your school? (for both)
2. How could you explain the participation on budget preparation and transparency of budget planning and budget utilization for concerned bodies? (for both)
3. On what basis (criteria) your school is depend during preparation of annual budget plan? Do schools submit its annual budget request on the deadlines? How far budget planed and budget utilized congruence in the study schools? (Principals)
4. Do the school stakeholders such as KETB, PTA and department heads school communities and others are participated in budget related decision making? If your answer is yes, describe the discussion briefly (for both)
5. Is budget approved sufficient for key tasks planned during that fiscal year? If not, how the schools fill up the gaps? (for both)
6. Does your office give training on budget preparation and utilization and the like PTA, KETB, Department heads, accountant and others? If your answer for this is “yes”, how many times in a year? If you did so, how can you explain the improvement comes in budget preparation, utilization of your schools and on other topics? (principals)

7. How explained purchase procedures of Schools materials require for teaching learning? (principals)
8. Do your school financial resource audited by both internal and external auditors? How fare the school alleviated the problem identified by auditors? How can you explain the improvement comes in financial resource audited both internal and external bodies at your schools? (principals)
9. How your school controlling and monitoring whether the allocated budgets are being utilized for the target purposes? (principals)
10. In your opinion, what are the main challenges of educational budget utilization and auditing of schools at Adama city administration? What are the possible solutions provided to reduce those problems? (for both)

Part three: Unstructured Interview Questions to be administered with department head of planning, budgeting and project monitoring and evaluation, of Adama City Education Office, and department head of planning and deputy head of Adama City finance and economic development Office and department head of Auditors and deputy head of Adama City finance and economic development Office

1. What are the major sources of finance for the secondary school? (for all)
2. What are the parameters Adama city administrations uses to allocate annual budget for secondary school? Is it the amount of budget approved for school to implement school annual plan is adequate? (except auditor)
3. Do schools submit its annual budget request on the deadlines? (for all)
4. Do school financial resource audited by both internal and external auditors? How fare the school alleviated the problem identified by auditors? (Auditor)
5. Do schools perform every activity according to stated rules and regulations? Do the schools utilizing the approved budget according to their respective plan? (auditors)
6. How explained purchase procedures of Schools materials require for teaching learning? (city finance and economic development)
7. Is there any system of controlling and monitoring present in relation to the allocated budget being utilized for the targeted purpose in schools? If your answer yes, list them.(Auditor)
8. In your opinion, what are the main challenges of educational budget utilization and auditing of schools at Adama city administration? What are the possible solutions provided to reduce those problems? (for all)

Appendix C: Document Observation Checklist

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANING AND MANAGEMENT
Document Observation Checklist

A check list to be used to analyze official documents of the study

This check list is developed to gather information from official document and make observation of the actual situations related to financial management in secondary schools under investigation.

No	Focus area	Available	Unavailable
1	enough rule and regulation guide-line in the schools on financial issue		
2	Enough human resource according to the structure		
3	Necessary office equipment's in finance section		
4	School financial plan		
5	Cash flow to utilize finance		
6	Availability computerized accounting system		
7	Financial report		
8	Audit reports		
9	Availability of cash book (cash legers)		
10	Meeting minutes of the school on financial issues		
11	Utilization of the petty cash		
12	Purchasing procedures		
13	Having Model 19, 20 and 22		
14	Having account		
15	Receipt		
16	Utilization the payment voucher		

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANING AND MANAGEMENT

A format to be filled by secondary schools under study

Please, fill the blank space provided in the table with number of students your school for five successive budget years from official documents

N ^o	Study sites	Years (E.C)															
		2006						2007						2008			
		M		F		Total		M		F		Total		M	F	Total	
		9 th	10 th	9 th	10 th	9 th	10 th	9 th	10 th	9 th	10 th	9 th	10 th	9 th	10 th	9 th	10 th
1	Adama secondary																
2	Dembela secondary																
3	Goro secondary																

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANINING AND MANAGEMENT

Lists of others Government secondary schools (Grade 9th and 10th)

- | | | |
|------------------------------------|---------------------|----------|
| 1. AdamaBoset secondary school | year of established | 2007E.C |
| 2. Adama number 3 secondary school | year of established | 2007E.C |
| 3. Bole secondary school | year of established | 2008 E.C |
| 4. Burka Boku secondary school | year of established | 2007E.C |

Study sites	Years (E.C)								
	2006			2007			2008		
	M	F	Total	M	F	Total	M	F	Total
Total number of students in Adama City Administration Government Secondary school (Grade 9 th and 10 th)									

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANING AND MANAGEMENT

Black grant budget of three successive budget years from 2013/14 to 2015/16 (2006 to 2008 EC) for Secondary schools (9th and 10th)at Adama city administration

No	Types of budget	Years (E.C)		
		2006	2007	2008
1	Salary			
2	Non-salary recurrent budget			
3	Capital			

ADDIS ABABA UNIVERSITY
SCHOOL OF GRAGUATE STUDIES
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANINING AND MANAGEMENT

A format to be filled by secondary schools under study

Please, fill the blank space provided in the table with proper data on source of incomes of your school five successive budget years from official documents

N ^o	Sources of Budget	Years (E.C)		
		2006	2007	2008
1	Block Grant			
2	School Grant			
3	Community contribution			
4	Internal income			
5	Result based Aids (RBA)			
6	Donor Agencies			
7	Others (If any, specify)			