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ADDIS ABABA UNIVERSITY

COLLEGE OF DEVELOPMENT STUDIES

**ASSESSMENT ON BUDGET IMPLEMENTATION AND CONTROLLING
SYSTEM IN ADDIS ABABA CITY ADMINISTRATION: EVIDENCE FROM
THE CASES OF SUB CITIES REVENUE BRANCH OFFICES OF ADDIS
ABABA REVENUE BUREAU**

BY

BINIYAM GETU

OCTOBER 2020

ADDIS ABABA, ETHIOPIA



ADDIS ABABA UNIVERSITY

COLLEGE OF DEVELOPMENT STUDIES

CENTER FOR REGIONAL AND LOCAL DEVELOPMENT STUDIES

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ABABA REVENUE BUREAU

BY

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AN MA THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR MASTER'S DEGREE IN REGIONAL AND LOCAL
DEVELOPMENT STUDIES

OCTOBER 2020

ADDIS ABABA, ETHIOPIA

DECLARATION

I hereby declare that this research entitled: “Assessment of budget implementation and controlling system The Case of sub cities revenue bureau branch office of Addis Ababa revenue bureau” and submitted in partial fulfillment of the requirements for the Degree of Master's of Art in Regional and Local development, is outcome of my own effort & study and that all sources of materials used for the study have been duly acknowledged. The study complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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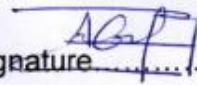
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Addis Ababa, Ethiopia

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Acronyms

AACARB	:	Addis Ababa City Administration Revenue Bureau
BoFED	:	Bureau of Finance and Economic Development
FDRE	:	Federal Democratic Republic of Ethiopia
IBEX	:	Integrated Budget and Expenditure
IFMIS	:	International Financial Management Information System
MGMT	:	Management
IFRS	:	International Financial Reporting Standards
MoFED	:	Ministry of Finance and Economic Development
ZBB	:	Zero Based Budgeting

ABSTRACT

This study has been conducted with the aim of assessment on the controlling and implementation of budget management. In order to achieve this objective and support by substantive evidence the case of selected AACARB Evidence from sub-cities revenue branch office were observed. Methodologically, the study adopted a descriptive research design and stratified sampling technique. A questionnaire was distributed to 69 internal auditors, planning and budget department and procurement and finance section employees of the selected revenue branch office, of which 57 were collected with a response rate of 82.6%. The descriptive research design with 5 likert like scale was adapted to observe and measure variables specified. The qualitative data collected by interviews were analyzed by grouping thematic patterns. The quantitative data that were collected by questionnaire were analyzed using STATA-12 software. The study has found out that collaboration of departments, use of budget, procurement planning and transparency, weak internal control system, lack of skilled and experienced man power and top-down leadership were the most challenges for budget implementation and controlling system. The study recommends that policy measure has to be put in place that can solve the challenges that found by this study.

Key Words: *internal audit system, budget implementation, budget controlling, Addis Ababa city administration revenue bureau*

CHAPTER ONE

Introduction

1.1 Background

The concept of budgeting, as it is now understood, originated in the central government of Great Britain. It later developed gradually, as a result of parliament's struggle to obtain control over the finance of the crown. In 1217, it was declared in Magna Charta that "No cottage or aid shall be imposed in the kingdom unless by the common council of realm." After the revolution of 1688, parliament approved the right to authorize expenditure by the crown as well as taxation apart from items in the sovereign's civil list, which was gradually reduced until it covered only the personal expenses of royal family (Bendlebury, 2005). Parliament then-after began to fix government total expenditure and to prescribe or appropriate the amount to be spent for parliamentary purposes (California Department of Finance, 1998).

Budget is understood in the framework of revenue and expenditure outlays over a specified period; usually one year. It is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government of a given jurisdiction. Momoh, (2017) observed that in many developed nations of the world, planned government expenditure as contained in their annual budget are rigorous and strict implementation of such budget has played tremendous roles in reducing disparities among citizens, creation of infrastructure for economic growth in the area of communication, transportation, increased production of goods and services and employment creation. In the context of developing countries, budget allocation considers basically the poverty reduction imperatives of development actors, especially the public.

There is a general consensus in developing countries that economic development is an urgent priority; however, the task to bring about this development has remained an elusive and difficult one, specifically in relation to raising development finance, in which revenue is critical.

This is so partly due to inadequate financial resources and low level of investment in these countries. The financial resources are in scarce supply to meet ever-increasing social needs and population growth. The availability of financial resource is constrained by difficulty of generating the required level of saving out of low level of per capita income and economic growth. Therefore, in view of limited resources and increasing demands, there is a need to improve resource allocation through proper economic policy and expenditure planning.

Budget is a quantitative expression of plan of action and aid to coordination and implementation. It is a financial plan that indicates a proposed expenditure for the year and the means of financing them. Hence, budget is a financial plan of any activities. It serves as evaluating performance, coordinating activities, implementing plan and communicating, motivating and authorizing action in governmental and nonprofit organizations. Budget is also a tool that aids managers in both their planning and control function. The manager also uses them to evaluate what happened in the past. (Horngren, 2006)

Implementing budget is a way of converting the overall aims and plans of the organization into detailed flexible way of action on yearly basis. (International Journal of Sciences: Basic and Applied Research (IJSBAR) (2014).

Budgetary control is the establishment of budgets relating to the responsibility of executives and/or managers to requirement of a policy, and continuous comparison of actual and the budgeted result by individual actions, and to provide a basis for its revision.

1.2 Budgeting Practices of the Government of Ethiopia

The Federal government of Ethiopia annual budget cycle starts on October 11 by issuing a collator budget proposal. This has been the practice since the imperial period to the present day. Supposedly, the various ministries and agencies adhered to dead hones in completing the budgetary process. These federal organizations submitted recurrent and capital budget proposal to the Ministry of Finance. Based on the initial review consolidation and advice by the Ministry of Finance, the council of ministries

prepares all budget requests. The ultimate power for approval issued annual budget calls in July or August with preliminary information and guidance. The new guidelines require ministries and agencies to complete their proposals by January, when budget hearing will begin.

Ethiopia's remarkable socio-economic transformation over the last decade has been marked by a reorientation of expenditure from recurrent to capital; a significant devolution of resources from Federal Government to Regions; and a clear prioritization of infrastructure spending, while protecting spending on education at four percent of GDP. The Government of Ethiopia has also leveraged external resources to boost spending in pro-poor sectors, particularly health and social protection, education, and water and sanitation. As a result, Ethiopia is home to the largest social safety net program in Africa, and has also achieved remarkable health outcomes using cost effective approaches (Ethiopia public expenditure review, 2016).

Addis Ababa city administration, which is accountable to the council of ministers, is administered by its own revenue and never subsidized by the federal government unlike other regional governments. Its revenue is coming from direct and indirect tax, which are collected from the city. The Addis Ababa Finance and Economic Development Bureau, which is the responsible body to undertake the collection and allocation as well as the controlling of the revenue and the budget of the city, submits annual consolidated budget request to the cabinet for ratification. Prior to this, all the sectors prepare their annual budget by referring to the budget ceiling which was disseminated by the Bureau of Finance. The ratified budget is then dispatched to the concerned sectors to undertake their capital and recurrent budget according to the rules and regulations.

Addis Ababa City Administration follows the same budgeting practice as the Federal Government of Ethiopia. Each Bureau, agency or authority prepares its annual budget based on the budget guideline issued by the Bureau of Finance and Economic Development and submits the latter by official submission date.

Addis Ababa City Administration Revenue Bureau is one of the institutions under the city administration, which should prepare and submits annual budget to the Bureau of

Finance and Economic Development on annual basis. After submission, the Revenue Bureau participates on the budget hearing with the Bureau of Finance and defends its budget. After the official approval of the budget by the Council of the City Administration, the Finance effects disbursement as per the disbursement schedule. The revenue bureau attempts to execute its administrative activities or service provision as per the approved budget and reports back to the Council of the City Administration biannually. In spite of this the budget utilization, administration and control systems of the bureau has many constraints and gaps, which hamper adequate and timely execution of the approved budget. As a result, the revenue bureau has been categorized among the poor budget performers by the Addis Ababa City Administration Auditor General.

This study therefore explores the underlying causes of the poor budget performance of the revenue bureau over and above the previously highlighted reasons. The study attempts to forward viable recommendations that can be adopted by the decision makers of the bureau in order to boost the budget performance of the organization.

1.3. Statement of the Problem

Budget is quantitative expression of financial and resource (demand) needs for set period of time and planned or proposed future plan for action and management. Budget is also one of the strategic tools of the government to deliver on its promises and implement its policy priorities. Through budgetary allocations, the government aims to realize its economic, social, institutional, political and infrastructure priorities and ambitions. In other words, a budget is a systematic plan for the utilization of manpower and material resources (Venkatasami, 2015).

Budget preparation, allocation, execution and management are among the daunting and complex tasks for many public institutions in developing countries mainly due to the expanded roles and responsibilities of the government, ever increasing needs of citizens and limited supply of financial resources. Developing country governments and institutions should improve not only their revenue streams but also budgeting and resource allocation among competing priorities through proper economic policy and expenditure planning (Getachew Neggera, 2005) as well as strengthen their human,

institutional and system capacities. In the absence of proper budget planning, execution and management, institutions fail to deliver on their mandates and the scarce financial resources could be exposed to misappropriation, embezzlement and lead to social upheaval among others. Proper planning and budgeting are therefore key policy tools, which public institutions deploy to allocate their scarce resources to areas that could best contribute in realizing the strategic objectives and mandates of the institution. Existence and operationalization of internal control and management systems through establishing strong internal working modalities, procedures and assignment of adequate manpower are also crucial for proper budget execution and management.

The Addis Ababa City Administration Revenue Bureau prepares its annual budget for administrative activities. The budget team under the planning department is responsible to lead and coordinate the annual budget preparation, execution and management. The various departments and units in the revenue bureau provide preliminary information on their capital needs to the budget team, which then consolidates the budget and submit to the top management of the bureau for further review, approval and submission to the Bureau of Finance and Economic Development of the city. As indicated earlier, the budget performance of the Revenue Bureau has been categorized among the poor budget performers by the Addis Ababa City Administration Auditor General. The City Auditor General has identified lack of collaboration between the relevant departments, lack of use of budget for intended purposes, weak internal control systems and lack of experience among the main reasons for the poor budget performances of the revenue bureau. It is important to note that participation of the departments and units in the consultation, finalization and approval of the budget before submission to the BOFD is minimal. Furthermore, the budget team lacks the required number and quality of staff to undertake comprehensive budget analysis and projection. These challenges coupled with weak execution of internal control system, financial and procurement policies and lack of strong follow and leadership from the top management significantly hamper budget execution and management, which in turn leads to poor budget performance of the organization and under delivery of its core mandates and services.

There are also external factors, which negatively affect the budget performance of the Addis Ababa City Administration Revenue Bureau. For instance, gap between amount of financial resource requested by the bureau and approved budget by the City Council might force the management to compromise and reprioritize the approved activities for the budget year. Furthermore, quality and timeliness of the performance of the procurement agency exerts pressure on the budget execution and management capacity of the revenue bureau. The study were therefore attempt to undertake in depth analysis of the factors that affect budgetary implementation and control system of the city administration revenue bureau. The study attempted to fill the knowledge gap by assessing the implementation and controlling system to enhance the performance of budget utilization and control in AACARB.

1.3.1 Research Questions

- How is the budget preparation process at selected AACARB sub city revenue office?
- What are the underlying challenges and drivers in the implementation and controlling of budget?
- In what ways does the budget implementation and controlling challenges improve in selected AACARB sub city revenue office?

1.4. Objectives of the Study

1.4.1 General Objectives

The general objective of this study was to assess the budget implementation and controlling system in Addis Ababa city Administration Revenue Bureau.

1.4.2 Specific Objectives

The specific objectives of this study are to:

- Assess budget preparation process at selected AACARB sub city revenue offices
- Analyze the challenges and drivers of budget implementation and control system at selected AACARB sub city revenue offices.

1.5. Significance of the Study

In developing countries, like Ethiopia, the allocation of scarce resources for the provision of Socio-economic development should be based on systematic synchronization of policies, Planning and resource and efficient utilization of resources for effective economic development. But, in practice there are several gaps to link up the needed requirement and the allocated budget.

This study will help the revenue bureau to improve its budget implementation and controlling. Specifically, the study helps the management of the bureau to address the underlying causes of the low budget performance and enhance the efficiency and effectiveness of the organization. Moreover, the findings of the study will initiate other researchers to perform a better and in-depth study in the area. The study has posed challenges on the stated topic and hence benefits policy makers who after identifying the challenges will come forward to prevent it by making policies, which guide the organizations.

1.6. Delimitation of the Study

The study was carried out in Addis Ababa city administration with the case study in Addis Ababa city administration revenue bureau. The study did not take into consideration all the bureaus medium and small tax payer's branch office that are found in the city rather it was only tries to investigate the budget control and implementation found in the head office and selected branch office/Addis Ababa city administration revenue bureau. The study was investigated using the employees of the bureau as a target population. Since the study did not consider other Federal Revenue sectors found in the city external validity may not be strong. This study was carried out in Addis Ababa city administration with the case study on Addis Ababa city administration revenue bureau.

1.7. Limitation of the Study

This research did not attempted to investigate all the problems related to budget implementation and controlling system. In conducting this study the researcher were face several problems like budget constraint, lack of available and organized secondary data, limited access it was not easy to get all relevant information from respective offices, lack of research studies and availability of sufficient current literature on the topic which will have negative impact on this paper. The study did not cover all the bureaus activities because the bureau has several branch offices. In addition to this in the case of data collection there were be some respondents are not interesting to give true information that is needed for the study. The reason might be due to the confident of the information and also lack of transportation cost and time. Wide spread of covid-19 epidemic disease in the world as well as in our country.

1.8 Organization of the thesis

The research paper has four chapters. Chapter one presents the background of study, statement of problem, research objectives, research question, and significance of study, limitation of the study, Delimitation of the study, and organization of the study, the second chapter overviews the relevant prior literatures. Chapter three contains the research methodology, which includes the research approach used, methods adopted, population & samples, questionnaire design, and data analysis techniques used. Chapter Four presents result and data analysis that collected from the relevant methods from previous chapter to carry out the findings and results. Lastly, Chapter Five were concluded and sum up all the major findings in this research.

CHAPTER TWO

2. Review of Related Literature

This chapter tries to see the analysis of the existing knowledge and other researchers' works from library, different websites, research papers and other documents in order to know the concept of budget, budget approval, budget implementation and budget control and some empirical literatures are discussed.

2.1 Definition & Concepts of budget

Over the years, the budget has become the subject of considerable criticism and debate. A problem related to the budget is represented by the challenges of conducting program evaluations in real-world contexts where the agencies face budget and time constraints and where critical data is missing (Bamberger & Moore, 2011).

A budget in finance concerns how the government, individuals, and organizations raise its revenue and how this raised revenues are spend, or disbursed and the effect it has on the living standards of the people, and the organizations. This implies that, the government, individuals, and organization explores avenues to raise revenue and spend them in order to better the social and economic lives of individuals and the organizations. Generally, the presents of expected revenue and proposed expenditure in a fiscal year in a document is what called the budget.

Budgeting is the process of creating a plan to spend your money. This spending plan is called a budget. Creating this spending plan allows you to determine in advance whether you will have enough money to do the things you need to do.

The budget also a planning tool and it forces people to compare the benefits of various projects with the cost of such project and may there for put such people in a better position to make wise decisions. Modern budget procedures contain projections of expenditure and revenues. (Wilson 2010).

Government has several policies to implement in the overall task of performing its functions to meet the objectives of social & economic growth. For implementing these policies, it has to spend huge amount of funds on defense, administration, and

development, welfare projects & various other relief operations. It is therefore necessary to find out all possible sources of getting funds so that sufficient revenue can be generated to meet the expected expenditure.

2.2 The objective of budgeting

Given that limited availability of resources as compared with competing demand, the process of budget making assumes a critical role in decision making process of government in order to optimize the use of existing resources. The paper of monetary of finance in Amharic vision of Ministry of Finance and Economic Development (MoFED) states that the objective of the budget in three aspects. These are allocation of resource, distribution of resources and stabilization of economy.

The first objective consists of allocating resources between the various function consumption and investment that between the public and private sector. The distributional sector (objective) necessitates the consideration of public expenditure and the income groups that are anticipated to be served. It is the policy maker or government that decides who will be benefited how much from the available resources among the society. This may achieve by expenditure policies such as, subsidies, pension or social welfare schemes as much as taxation on income and capital.

Budgeting may be the most important responsibility of government legislator or manager. Citizens expect, government leaders to prioritize community program and services goals, authorize the expenditure of resources of meet those goals, comply with law over spending appropriations improve the quality of services in the matter and demonstrate for public funds in the long term.

A good budget should, at a minimum, have majority, 'Buy in' by all affected parties. Logistically, a budgets need to be enacted before the fiscal year begins and be integrated with the financial accounting system so that actual results can be compared to budgeted plans at regular intervals. Integrating the budget in to the accounting system allows management to oversee individual unit performance and react quickly to variances between actual results and budgets plans. The legalistic view is that a budget is a plan of financial operation embodying an estimate of proposed expenditures for a

given period of time and the proposed means of financing them. Budgets may be regarded as devices to aid management in operating an organization more effectively. Governments build budget to demonstrate compliance with laws and to communicate performance effectiveness. (Wilson 2010).

2.3 Historical Development of Ethiopian Budget

Ethiopian starts the practice of government budget early at the regimes of Hailesilase. However, at the beginning, it was not structured in such a way as to permit efficient financial administration, but through time period continuous modification of the budget system was made before it attained its present status.

The budgetary system varied in different regimes based on the administrative structure each government followed. In centralized system, resource allocation and financial administration is the major responsibility of central government. The budget would be formulated and resources allocated by the central government. The entire spending process was also under a closer supervision of executive bodies at central government.

In a decentralized governmental structure on the other hand, the responsibility of financial administration is developed in to autonomous and semi-autonomous governmental unit like ministry offices, regional and local governments.

Ethiopians budgeting systems reach to this current situation, after a number of modifications. This modification was approved by the constitution of the country. The Federal Democratic Republic of Ethiopia (FDRE) constitution defines the budget system and its structure briefly under article 65 and proclamation No.1/1995, 57/1996 and 17/1997.

2.4 Types of Budget

Budget as a process and a system has different features and applications. Even though many of them have common feature, they also manifest significant differences. Since budget express plan and an organization may have a large variety of plans: there are many type of budget.

2.4.1 Line item budgeting

Is a traditional approach to budget and the one that is most likely present in some portion of every government's budget to days is line item or object of expenditures budgeting. A simplistic approach to budgeting line item is called incremental budgeting in essence an incremental budget is derived from current year's budget by adding amounts expected to be required by line items (Wilson 2010).

2.4.2 Performance budgeting

The evaluation of the concept of a budget from "an estimate of proposed expenditures and the proposed & means of financing them "to an operating plan" it was a mutual accompaniment to the development of the concept professional management in public administration(Wilson 2010).

2.4.3 Program budgeting

is a term same times used synonyms with performance budget the term is none generally used to referred to a budget performance /format that discloses the full costs of programs or function without regarding to the numbers of organizational units that might be involved in performing the various aspects of a program or function. Program budget address the fundamental issues of whether in program should exist at all and how to allocate scarce resources among competing programs the integration of planning programming budgeting and accounting has considerable appeals has to persons concerned with public administration because an integrated system should, logically, provide legislators and administration with much better information for the

management of governmental resources than has been provided legislators separate systems.

2.4.4 Entrepreneurial budgeting

another evaluation that resources it's even further from the preview of the accounting departments is entrepreneurial budgeting an approach that position budgeting so that it's the responsibility of the highest level person in the government most often the chief of activities officers in this approaches strategic plans, in centimes and accountability are merged in to the budget and communicated to the citizens as a package.

2.4.5 The Zero based Budgeting

The Zero-based budgeting (ZBB) approach is one that forces managers to assess the value of and to justify the connection of each activity under their supervision. Zero-based budgeting is a combination of thought and action processes, a series of budget units is developed.

2.4.6 Fixed budget

A fixed budget is prepared for a particular activity to present the cost details. This type of budget is not of much help to the management as no adjustment is made to the cost for the difference in the level of activity. (Arora,2003).

2.4.7 Static Budgets

The static or inflexible because they are based on fixed levels because they are based on fixed levels of future activity. Recall that the master budget is based solely on the level of planned activity. Because of its rigid dependency on a single estimate of volume /for example, one volume of sales activity), the master budget is frequently called estates budget. In other words, the master budget remains static or stays the same when the volume of activity changes. The static budget approach is suitable for planning purposes, by it is inadequate for evaluating how well costs are controlled. If the actual activity during a period differs from what was planned, it would be misleading to simply compare actual costs to the static budgets. If activity is higher than expected, the

variable costs should be higher than expected. With static budgets, the reformed actual results compared against anticipated results at what might be two different levels of volume. (yohannes 2005)

2.4.8 Flexible budget

A Flexible budget is not based on only one level of activity. Instead, a flexible budget covers arrange of activity with in which the firm may operate, flexible overhead budgets is defined as a detailed plan for controlling overhead costs that is valid in the firm's relevant range of activity. Thus flexible budget is prepared to different levels of activity within a firm's relevant range and is designed to change as volume of activity changed.

Flexible budgets take in to account changes in costs that should occur as a consequence of changes in activity. Flexible budgets provide estimates of what cost should be for any level of activity within a specified range. When flexible budget is used in performance evaluation actual costs are compared to what the costs, should have been for the actual level of activity during the period rather than to the budgeted costs from the original budgets. (Yohannes2005).

2.4.9 Cash Budget

The cash budget presents the expected in flows and out flow of cash for a day week a month or a longer period.

Date from the various operating expenses budget; affect the cash, the direct materials purchases budget and the operating expenses budget affect the cash budget. In addition, the capital expeditor budget divided policies and plans for equally or long term debt financing also affect the cash budget. In the cash budget, receipts are classified by source and payments by purpose the estimated cash balance of the end of the period is them compared with the minimum balance required by operations. Any expected excess or deficiency can thus be determined. (Fees,warren, 1984).

2.5 Budget Preparation

Budgets are central to the process of planning and control which are major activities of management in all organizations (Okpanachi and Muhammed, 2013). Budget shows a quantitative expression of a proposed plan of action by management for a specified period and an aid to coordinating what needs to be done to implement the plan (Horngren, Stratton, Sutton, and Teall, 2004). Budgeting in non-governmental organizations is used as a planning tool. Organizations use a budget as a guiding tool of its activities. According to Goldstein (2005) conjure that following budgetary system in an institutions aid in setting priorities by allocating scarce resources to those activities that are most important to the organization. Initialization of preparation of budget starts with selection of a budget committee which will have the ultimate responsibility of preparing the budget and other related works. The next step will be to prepare a budget manual or budget guidelines in case a budget manual is not in use. Before starting draft of the budget, another significant factor is to be considered seriously, that is determining the limiting factor or key factor.

Maitland (2001) mentions that the process of preparing and agreeing on a budget is a means of translating the overall objectives of the organization into detailed, feasible plan of action. Public budget preparation is one of the tedious tasks that any country should look upon; the preparation process for the annual budget involves a great deal of energy, time, and expense. Hence, it is important that a country must be able to follow accurately all the methods of preparing an annual budget. In budgeting, the focus is not only to prepare the budget, but more importantly to have a follow-up operation for budgeting and to act according to known data. Falk (1994) states that budgets are financial expressions of a country's plan for a period of time. It tells where and how the organization will spend money and where the money will come from to pay these expenses. He adds that budgets set limits. Besides setting limits, Andrews and Hill (2003) say that budgets also provides the assurance that the most important needs of a country are met first and less important needs are deferred until there are sufficient funds in which to pay for them. Even though budget preparation is not the sole thing

that needs consideration in budgeting, the basis of it is still needed in order to have at least close estimation.

The process of budgeting generally involves an iterative cycle which moves between target of desirable performance and estimates of feasible performance until there is, hopefully convergence to a plan which is both feasible and acceptable (Emmanuel, Otley and Merchant,1990). Lau (2013) posit that organization should have budget committee to provide general guideline for preparing budgets for effective budgetary process.

Preparing a budget proposal that suggests a set of recommended policies and stays within whatever financial limits are considered politically realistic has been a prominent issue in public budgeting, Bunch and Straussman (1993). One approach is to set specific dollar ceilings on budget requests. This approach has the distinct advantage of making agencies prepare requests that include only financially feasible options Lee (1992). This method is often called fixed-ceiling budgeting. Budget ceilings instruct agencies to request next year's budgets based on certain assumptions, such as their set of priorities regarding rankings. Another approach is for the governor to provide policy guidance in terms of overall priorities and/or guidance by major program.

Rhelter (2011) who contend that organization should introduce suitable administration procedures to ensure effective preparation of budgets according to each project demands to influence formation of appropriate budget and budgetary control process. In practice, the procedures should be tailor-made to the requirements of the organization, but as a general rule a firm should ensure that procedures are established for approving the budgets and that the appropriate staff support is available for assisting managers in preparing and monitoring their budgets and performance to achieve targets.

According to Schiavo-Campo and Tommasi (1999) and Allen and Tommasi (2001), the Main starting points for the preparation of the annual budget should be a clear definition of fiscal targets and a strategic framework consisting of a comprehensive set of objectives and priorities.

As Schiavo-Campo (2007) stated a successful budget preparation process combines top down direction and bottom-up planning. The overall budget envelope and sector/ministry spending ceilings are usually set by the Ministry of Finance and the Cabinet/executive in accordance with policy objectives. These are then communicated to the line ministries, which are responsible for preparing their respective sector budgets. Through an iterative process of review, debate and bargaining, a consolidated budget is hammered out. A budget proposal is then presented to the legislature, where it is debated and negotiated with the executive and eventually passed into law.

Budget preparation is also an excellent vehicle with which to work with all supervised personnel by requesting their managers and their staffs. At the end of a period the budget helps managers evaluate performance, locate problematic areas, bottlenecks and provide solutions to these problems (David, 1988). Venol (2012) assert that successful budgetary process pre-supposes clear allocation of authority, duties and responsibilities in an organisation through the establishment of a department to oversee and monitor the entire budgetary process. The department should communicate the budget policy and expectations to respective units for consideration in their activity formulation as the foundation of budgeting.

2.5.1 Budget process

Development policies and plans usually coexisted with budgeting process. After government policies and plan has been formulated, the resource is allocated through budget process. The budget process is not just about collection of revenue and spending money to public bodies. But it is also an ongoing complex procedure involving important policy statement, planning, and socio-economic priorities, monitoring and reporting processes. It reflects government's view of socio-economic development of the country, the declaration of the fiscal, financial and economic development objectives of the country. The budget and its process is also important document in ensuring transparency, accountability and good governance.

Charles (2014) opines that budget process is costly to many organizations although its relevance towards cost management exceeds the costs incurred.

The budget process shapes decision through the budget cycle. The budget cycle has four main stages: preparation of budget request, legislative approval, executive budget implementation, and summary of reporting on actual budget transaction (Bland and Rubin, 1997). Bland and Rubin have further substantiated the end product of each phase of budget cycle.

2.6 Budget Utilization

Once a budget has been approved by the legislature, the government embarks on the challenging task of spending funds. Utilizing public funds effectively to meet stated policy objectives while ensuring value for money is often just as challenging than planning how to spend it. Several reviews of Public Financial Management performance in developing countries show that countries score significantly better on budget preparation than on budget utilizing. According to Schiavo-Campo and Tommasi (1999) budget utilization is the phase where resources are used to implement policies incorporated in the budget. As they argued, it is possible to utilize badly a well-prepared budget; it is not possible to utilize well a badly prepared budget.

As per Allen and Tommasi (2001), successful budget utilization depends on numerous factors, such as the ability to deal with changes in the macroeconomic environment, and the implementation capacities of the agencies concerned. Besides to this, the budget system should assure effective expenditure control. In addition to a realistic budget to begin with, a good budget utilization system should have complete budgetary/appropriation accounting system. It is necessary to track transactions at each stage of the expenditure cycle (commitment, verification, payment) and movements between appropriations or budget items Schiavo-Campo and Tommasi (1999).

2.7 Budgetary Control

The institute of cost management accountant defined budgetary control as the establishment of budget relating to the responsibilities of executive to the requirement of a policy and the continuous campaign of accrual budgeted results either to by individual's actions the objectives of the policy is to provide a basis for provision.

The two basic functions, of budgeting deals with comparison of actual results with the budgeted data, evaluation for difference and the taking of corrective action to adjust for difference when necessary. The comparison of budget and actual data could occur only after actual accounting data have been accumulated.

Omolehinwa (2004) sees budgeting control system which uses budget as a planning in controlling all aspect of services. Preplanning is a cardinal facture of budgeting control and that each budget has the action of the people their performance and the cost they incur. Budgeting control from the perspective of management or exception stated that budgeting control is a tool which enables management to consider only items that do not go according to plan and to concentrate on exceptions. However, Godwin (2001) sees budgeting control as a system which uses budgets as a means of planning and controlling all aspect of services. Preplanning is a cordial facture of budgeting control. The plan is represented in the master budget. Each segment of the master budget is covered by a functional budget. However, he presented what as considered as landmark in budgeting analysis as it relates to Nigeria. He stressed on the relationship between accounting and budgeting he was of the view that accounting system and budget are built around the organization structure and both are information system concerned with the same operation and financial situation. The budgeting process helps to organize and formulate the planning required for these operations express objectives and then, becomes a means to measure the extent to which the plans have been achieved. Budgetary control is planned to assist management in the following ways:

- In the allocation of responsibility and authority.
- To aid in making estimate and plans for the future.

- To assist in the analysis of variations between estimated and actual results.
- To develop basic of measurement or standards with which to activate the efficiency of operations. He is of the view that management use of budget for control involves comparison of actual and budget figures for each division by the budget committee followed by regular conference with supervisors and departmental heads in order to analyze variance and to inaugurate steps to correct unsatisfactory operation or to revise the budget.

Budgetary control can be operated without standard costing all the budgeting control is facilitated where standard cost is in operation. However, it would be difficult to operate a system if standard costing of budgets are not in use. Budgetary cannot relate to expenditure to persons who incurs it so that actual expenses can be compared with budgeted expenses.

According to Surajkumar (2011) a budget is based on estimates, it may or may not be true. It is not substitute of management because, the efficiency and utility of the budgetary system depends on the skill and experience of the management. It cannot be executed automatically because continuous efforts are necessary for the execution of the budget. This makes organizational managers to focus more on management issues than on budgetary control.

The use of budgetary control provides a co-ordination factor in business. Its importance as a tool of management can be deduced from the foregoing discussion. It could be seen that it is as significant in planning as it is in control with budget oppression. Here actual performance is compared with budget outcome and favorable or unfavorable variance determined. The cause of this variance is sought out and checked thus enabling management to plan its future operations. Ama (2003) explains budget control for a tool for planning while budgetary control services as the yard stick for the measuring actual performance with that budgeted through the analysis of variance. For budgetary process to be effective the participation of top management is not only required but the true participation, co-operation and understanding of the middle and lower management is also comparative.

2.8 Benefits of budget and budget controls

Budgetary control is a tool implored by management to keep track of actual performance to ensure budgeted standards are met (Kpedor, 2012). It entails a repetitive circle of planning and control which is usually followed by appropriate information about actual result to the management for comparing them against the budgeted and initiating a control action if necessary (Defranco,1997).

According to Scarlett, (2008), budgetary controls refer to the principles, procedures and practices of achieving given objectives through budgets. The budgetary control system helps in fixing the goals for the organization as a whole and concerted efforts made for its achievements. It enables economies in the enterprise. Preetabh,(2010), highlighted the benefits of budgetary control as profit maximization; a budgetary control aims at maximization of profits or an organization through, proper planning and co-ordination of different functions, proper control over various capital and revenue expenditures and putting resources into best use. Coordination; achieved through working of different departments and sectors. Waren,(2011) noted that within an organization ,different departments have a bearing on one another, this therefore makes coordination of various executive and subordinates necessary in achieving of budgetary targets. Other budgetary benefits as indicated by preetabh(2010) include ; Specific time aims; the plans, policies and goals are decided by the top management. All efforts are put together to reach the common goal of the organization. Every department is given a target to be achieved. The efforts are directed towards achieving come specific aims. If there is no definite aim then the efforts will be wasted in pursuing different aims. As a tool for measuring performance, budgetary controls provide comparisons between the budget targets and actual targets and deviation determined; performance of each department is reported to the top management which enables introduction of management by exception.

Margah (2005) assert that budgetary controls are important tools for a county's economy. This is because it allows planning for expenditure thus facilitating systematic spending. Finances are put into optimum use, extending the benefits to industry and national economy.

This reduces wastage of national resources. A budgetary control could help in determination of organizational weaknesses. According to Merika, (2008), the deviations in budgeted and actual performance will enable the determination of weak spots. This enables an organization to concentrate on those aspects where performance is less than stipulated. The management moreover takes a corrective action measures whenever there is a discrepancy in performance. By fixing targets for the employees, they are made conscious of their responsibility. Everybody knows what he is expected to do and he continues with his work uninterrupted.

According to Okapnachi and Muhammed (2013), absence of effective budgetary control breeds disregard for laid down procedures, loss of focus and shoddy coordination of activities and these are capable of crippling an organization.

2.8.1 Objectives of budgetary control

2.8.1.1 Planning

A budget is a plan of action which provides a detailed plan over a definite period of time. By planning in advance a business can anticipate many problems much before they arise and solutions can be sought through a careful study. In other wards it compels the management to think a head to anticipate and prepare for the future possibilities. Thus most business emergencies can be avoided by planning. In brief, budgeting forces management to think a head to anticipate and prepare for the anticipated conditions. (Pasha, 2007).

2.8.1.2 Coordination

Coordination is the process whereby different divisions of a concern work in harmony to achieve the objectives of a business. a comprehensive budgetary control requires that these plans be formally laid down in the budget and copies to be circulated among the different departments for proper information and functioning. Therefore, should be

coordination with the budget of production. Similarly, production budget should be prepared in coordination with the purchase budget and so on. (Pasha, 2007)

2.8.1.3 Control

Control is necessary to ensure that plans and objectives as laid down in the budgets are being achieved. Control, as applied to budgeting is a systematized effort to keep management informed of whether planned performance is being achieved or not. For this purpose, a comparison is made between plans and actual performance. The difference between the two is reported to management for taking corrective action (Pasha, 2007)

2.8.1.4 Communication

A budget is a communication device. The approved budget copies are distributed to all management personnel which provides not only adequate understanding and knowledge of the programmes and policies to be followed but also gives knowledge's about the restrictions to be adhered to. It is not the budget itself that facilitates communication, but the vital information is communicated in the act of preparing budgets and participation of all responsible individuals in this act. (Pasha, 2007)

2.8.1.5 Motivation

A budget is useful device for motivating managers to perform in line with the company objectives. If individuals have actively participated in the preparation of budgets, it acts as a strong motivating force to achieve the targets. (Pasha, 2007).

2.9 Empirical literature review

The empirical study concerns on prior academic research on the assessment of budget implementation and controls practice. In this case there are certain empirical studies undertake by different researchers related to the budget implementation and controls discussed in the following:

Tsigie, (2019) study on factor affects the budget preparation and utilization in ministry of finance. The results of the study shows that the causes for inefficient utilization of budget are mainly due to lack of coordinated effort in purchasing, lack of consistency and delay in purchase processes, inexperienced budget experts in terms of skill and knowledge in each respective budget bureaus and lack of information by management of all to evaluate the budget utilization status which lead towards underutilization of budget.

Elias,(2018) study on budget implementation and controlling system Addis Ababa city administration of ministry of finance and Economic development Bureau (BoFED). The results of the studies shows that all budgetary institutions integration of plan and budget their activities based on their plan but Planning and Budget Department does not arrange regular workshops and short-term training to improve the skill of budget personnel engaged in budget holders and for the adequate understanding of budget preparation , the department takes the Lion's share of responsibility for budget integration problems so that is difficult for linking the budget with the performance goals and objectives of budgetary institutions in the city administration of BoFED. The budget expenditure in both budget types indicated & decreasing & increasing trend all over the study periods. The reasons for such kind of for variation budget according to physical plan there is lack of preparing annual plan based on strategies document and also lack of reliable and reasonable estimated cost to properly prepare the budget. In addition to this there a tendency of submitting budget without plan However, such kind of activities is improved from time to time in recurrent budget but in capital budget is not because of the variance is increase in relatively to recurrent budget so there is idle budget in the cause of Comprehensive, coordinated and adequate budgetary reporting system is not a prerequisite for good budget implementation and controlling. In addition to other there

is high budget transfer requesting & there is no implement properly a control system that's why some budgetary institutions fail to submit reports timely and lack of complete recording. Therefore BoFED fails to take corrective action when actual results deviate from plan, Moreover the system of reporting is fragmented in that BoFED submitted to administrative council only the financial performance and physical performance of projects is submitted by the budgetary institutions themselves. This resulted in failure to correct the problem timely and budget to be left unused.

In the Bureau there is a control system the survey also ensured that but there are deficiencies in the internal control system implementation practically in the independence and professional skill of internal auditors is doubtful? Besides, internal auditors do not perform performance auditing which adversely affect the efficiency and effectiveness of public spending, therefore is the fund lack of properly utilizing for intended purpose.

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

The challenges as found out included insufficient funds, institutional weakness, the method used to allocate budget was unsatisfactory and budget included unattainable targets. The study further found out that the institutions used the budget to serves the multiple roles of planning, controlling, coordination and communication. The study established that participation in budget preparation is another important issue because it reflects degree of consensus and ownership from the persons involved. The study concluded that University of Nairobi faces various challenges in budget implementation especially reduced revenue leading to shortage of available resource for its operation.

Esayas, (2014) study on assessment of budget implementation and control by using qualitative type of research approach at case of Kolfe keranyo Sub-city finance and economic development bureau. The main objectives of the study was to be asses the comprehensive factor that affect budgetary implementation and control system to find potential solution to the problem at sub-city. The results of the studies shows that Even

if the sub-city implements its budget effectively, variance were occurred, when compared actual results with budgeted estimation the reason for the occurrence of variance was the sub-city is not perform it activities. Performance report can be effective, especially if it is presented continuously. However, the sub-city constantly presented the performance report. poor database for planning and budgeting, lack of incentives and lack of experienced personnel in the various departments are some of the problems the sub-city encounters in budget preparation and control, operational difficulty, low morale and delays are other problems the sub-city encounters in the budget implementation. There is active participation of all the departments in the budget preparation and implementation as every department submits their inputs into the annual budget proposals.

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

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

Elizabeth (2010) determined challenges of Budget implementation in public institutions by taking University of Nairobi as a case study to analyze whether budget implementation in public institution in Kenya served the multiple roles of planning, controlling, communication and decision making using descriptive research study design. The study established the challenges encountered in budget implementation.

In line with this Abdu (2009) conducted a study on the assessment of budget process in kobo woreda. The main aim of the research was to enhance understanding on the government budget preparation, budget approval, budget implementation and budget control. The study concludes that there is a problem in preparation of medium term

expenditure planning and Priority setting was not according to the national and regional objectives. The legislature did not make any serious deliberation and has no influence in the priority setting of the budget. With regard to the budget implementation, even though the public sectors preparing the action plan for purchasing of goods and services it is not practical operational. Finally, the researcher identifies that there was no well qualified and professional auditor. Most of the time sectors were not audited on time. The audit standards like professional skills, and independence were not properly functioning.

According to Getachew (2006) conducted a study on the analysis of medium term expenditure planning and budget allocation in Ethiopia stated that, even though there have been several attempts to address the weaknesses of the Ethiopian budgetary system and try to resolve conflict between annual budget perspectives with medium term planning horizons, successful modern budgeting system remains a continuous problem of the country. In addition, Getchew explained that, the main problems of the Ethiopian budget process systems were:

1. Lack of proper medium term perspective;
2. Lack of properly integration of capital and recurrent budget;
3. The head of public bodies did not give much attention for preparation of budget;
4. Budget doesn't give incentives for efficiency;
5. During budget utilization performance measures is not applied;
6. The relationship between budget and macro-economic policy framework is insufficient;
7. Preparation of budget based on unreliable data and estimation;
8. The budget system was ineffective to ensure financial accountability; and
9. Involvement of stakeholder and Political commitment in the budget process are limited.

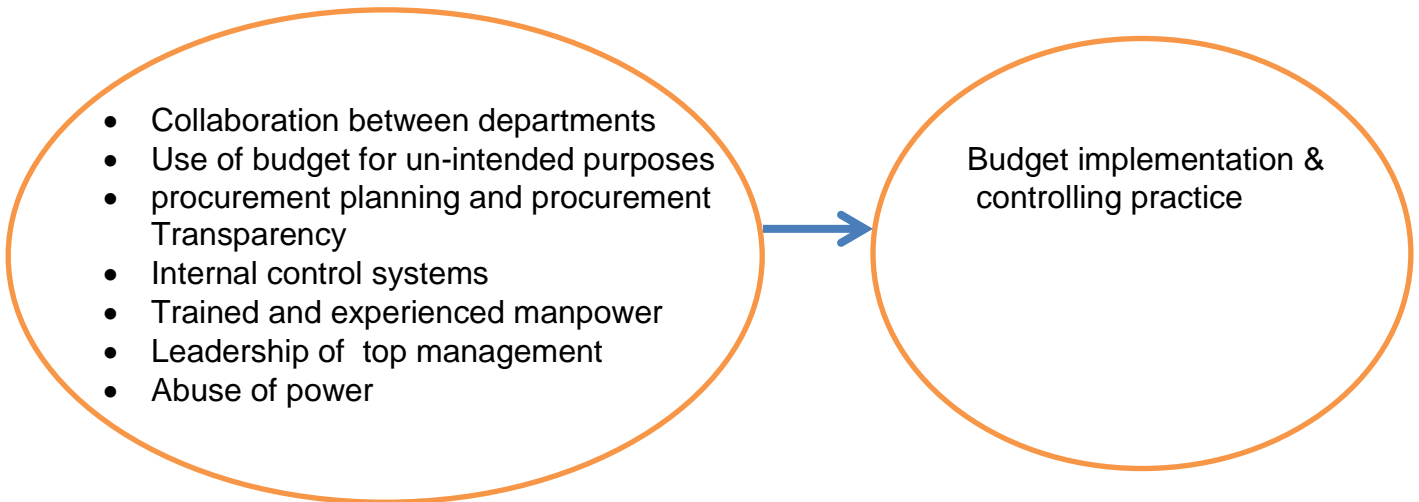
2.10 Research Gaps

Different scholars were discussed in the theoretical as well as empirical literatures in order to identify government budget implementation & controls in the public sectors. In many developing countries, including in Ethiopia different researches were conducted in the medium term expenditure planning, budget allocation, budget implementation and auditing and also to some level of extent stated. There are different problems of budgeting in Ethiopia at national and regional level. On the other hand, those studies have a drawback in showing how government budgets are implemented in public sectors; to examine the linkage between public sector's plan and budget and to identify the major challenges faces in the budget implementation of the public sectors. This is because; the political views of public budgeting are more difficult, particularly in federal democratic republic countries like Ethiopia where there is a legitimate power and resource distribution among different levels of government. As a result, it is important to study the distribution of financial resources, where development and poverty reduction programs are urgent priorities to address sustainable development goals at this time. Therefore, the purpose of this research is to assess budget preparation process at selected AACARB sub city offices; to analyze the challenges and drivers of budget implementation and control system at selected AACARB sub city offices; So far there were no budget implementation and control survey has been conducted at the institution,

2.11 Conceptual framework

The conceptual framework for the study is based on the assessment of budget implementation and controlling system within the context of budgeting.

Figure 2.1 conceptual framework



Source : Self-extracted

Figure 2.1: Show that independent variables collaboration between departments, use of budget, procurement planning and transparency, internal control system, trained and experienced manpower, leadership of top management and abuse of power may affect the dependent variables (budget implementation and controlling practice) in Addis Ababa City Administration revenue Bureau.

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

3.1 Introduction

In this chapter, the researcher identifies the procedures and techniques that have been used in the collection, processing, and analysis of data. Specifically, the following subsections included: Research Approach, Research Design, Research Instrument, Sample Design, Sampling Technique, Sample Size, Techniques of Data Collection, Pilot testing, data analysis techniques and finally Ethical consideration.

3.2 Research Approach

Research approaches are mechanisms of attaining research objectives. The approaches are Adopted to achieve the best possible of the research objectives. Research approaches are also adopted based on the feasibility of the selected approaches. The common research approaches are quantitative, qualitative and mixed research approaches.

Quantitative approach uses surveys of cross-sectional or longitudinal using self-administered semi structured questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population (Babbie, 1990).

A qualitative research approach uses strategies of inquiry including narratives, ethnographies, case studies, observations, interviews, and the results are communicated subjectively through descriptions using words rather than numbers (Creswell, 2003, p.186-187). Moreover Qualitative researchers tend to use open-ended questions so that Participants can express their views. Under this method contact with the field of research may be based on interviews, observations, or analysis of documents and other artifacts. In addition, literature studies are performed to the extent required to develop sensitivity in observation and interpretation (Atkinson and Hammersley, 1994).

The data collection also involves gathering both numeric information (e.g., on instruments) as well as text information (e.g., on interviews) so that the final database

represents both quantitative and qualitative information. The advantage of a quantitative research approach may be limitations for a qualitative approach and vice versa.

Mixed research approach, is supposed to tap the limitations of quantitative and qualitative approaches, bases on pragmatic knowledge claims (Sale et al, 2002). The goal for researchers using the mixed methods approach is to draw from the strengths and minimize the weaknesses of the quantitative and qualitative research approaches by combining them (Carrie, 2007).

Finally, a mixed methods approach is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g., consequence-oriented, problem-centered, and pluralistic). It employs strategies of inquiry that involve collecting data either simultaneously or sequentially to best understand research problem (Cresswell, 2009).

3.3 Research Design

According to Kothari (2006), a research design is the arrangement of conditions in collecting and analyzing of data in a manner that aims to combine reliance to the research purpose with economy in procedure. There is a consensus among research scholars to remain as economical as possible in determining the sample size. This research has adopted a case study approach to collect qualitative and quantitative data from primary and secondary sources through key informants' interview, review of secondary data in order to describe the existing budget implementation and control system of Addis Ababa city administration revenue bureau.

The study used two sampling stages and collected data from 69 employees (20 from head office, including head of departments, and 49 from selected Sub-cities branch office budget and planning; procurement and finance and internal audit core process).

3.4 Research Instrument

In order to get sufficient data, the research were employed both primary and secondary data collection procedures. To achieve this goal, the primary data were collected using open ended questionnaire and in-depth interview. An in-depth interview were conducted with a planning performance and budget follow up and evaluation department, internal

audit department and finance and procurement departments of the bureau. Secondary data were collected from the bureau records, reports, research articles and journals which have been conducted with related to the topic under the study.

3.5 Sample Design

The target populations of the study were employees of the bureau. Addis Ababa city administration revenue bureau has totally fifteen branches and one head office. Due to resource constraint, it is difficult to cover all these branches, and to keep the study manageable, however, the study were focused on the five branches and one head office located in Addis Ababa which are, large tax payers branch office, Addis Ababa number-1 medium tax payers branch office, Addis Ababa number-2 medium tax payers branch office, lideta sub city small tax payers branch office, kirkos sub city small tax payers branch office and Head office. The populations of the study comprised 69 employees working in five tax payer's branch and head office of the bureau.

3.6 Sampling technique

The primary goal of sampling is to get a representative sample or a small collection of units from a much larger collection or population, such that the researcher can study the smaller group and produce accurate generalizations about the larger group.

The selection of the respondents were carried using probability sampling technique and specifically stratified sampling technique why because heterogeneous population that there are three divisions with different activities so based on this sampling method the division were based on job type. Using the number of divisions as a strata and then sample were randomly select from each strata using to avoid bias in selecting a sample.

3.7 Sample size

Even if there are no fixed rules to determine the size of sample needed but general guide lines there, i.e. when the population is more or less heterogeneous and only typical, normal or average is will desire to know the larger size need and also as stated by Singh (2006, p.94) “descriptive research typically uses larger samples; it is sometimes advice to go for 10-20 per cent of the accessible population for the sample.” Accordingly, the research was employing the maximum which is 20% of the population size. The sample size (n) consist a total of 69 employees from the total number (N) of 231 employees of the selected branches and head office it is believed that the sample were be a good representative of the population and were increase the external validity of the research.

To obtain the minimum population sample for this study, the researcher adopted stratified sampling as a technique as follows:

Total Population N=231

<ul style="list-style-type: none"> • Population in the strata of department of procurement and finance department 	$N_1, n_1 = \frac{N_1}{N} \times \text{sample required}, n_1 = \frac{132}{231} \times 69$	39
<ul style="list-style-type: none"> • Population in the strata of department of Internal audit department 	$N_1, n_1 = \frac{N_1}{N} \times \text{sample required}, n_1 = \frac{47}{231} \times 69$	14
<ul style="list-style-type: none"> • Population in the strata of department of Planning and budget department 	$N_1, n_1 = \frac{N_1}{N} \times \text{sample required}, n_1 = \frac{52}{231} \times 69$	16
Total		69

Where n is the sample size, N is the total population size

A stratified random sampling allows us to take into account the different subgroups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics. According to Robert and Richard (2008) no

survey can ever be deemed to be free from error that could provide complete accuracy. Bearing this in mind, at a confidence level of 95%, the margin of error would be 0.05%.

Table 3.1: Based on the above data the strata were as follows:

Division/Department	Population (N) No.	Proportion no.	Sample (n)
Planning, budget preparation, follow up and evaluation Department	52	22.5%	16
Internal audit department	47	20.346	14
Finance and procurement department	132	57.14%	39
Total	231	100%	69

Source: own survey, 2020

3.8 Techniques of data collection

3.8.1. Sources of data

The type of data collection method is a great value to interpret them properly. The researcher were used both primary and secondary data sources.

3.8.1.1 Primary data source

Primary data were obtained from oral interview and questionnaire from in charge, and higher official and observations, the information required for the study on the assessment of budget implementation and controlling system. This data was obtain from the sample population by using open ended questionnaire and structured interview.

3.8.1.2 Secondary data source

Secondary data were collected from relevant text books, journals, newspapers, review available financial law, regulations, and directives, accounting manuals, bureaus yearly report and other published materials about the research topic were be used as a source of information to the study.

3.9 Pilot Testing

When conducting a pilot test, it is desirable to watch or listen to individuals complete the questionnaire to check for signs indicating problems such as respondents being confused, misreading or misunderstanding instructions, being unable to answer questions, or straining to maintain focus due to questionnaire length and completion time (Salant & Dillman, 1994).

The objectives of pilot tests, expert advice, and final checks are to obtain feedback about questionnaire wording and design, and test validity and reliability of questions and scales measuring complex or multidimensional concepts. Questionnaires should be revised based on input and results from these preliminary but important steps before selecting a larger sample from a population and proceeding with the main data collection effort.

Therefore structured questionnaire that is personally administered to the respondents pilot tested before the actual data collection. This involves a few respondents from AACARB to ascertain its effectiveness. The researcher interested in testing the reliability of the research instruments, the questionnaire hence validity of data collected. The researcher conducted a pilot with 10 % of respondents before distributing the questionnaire. The researcher used 7 respondents for the pilot process. The purpose was to ensure that those items in the questionnaire are clearly stated and have the same meaning to all respondents. Respondents for pre-testing will not form part of the sample. Reliability test and validity test is done using Cronbach's Alpha Model on Stata-12 and Pearson correlation respectively. After pilot study the first draft questioner changed a little in terms of eliminating, adding or rewording some of the items included in that draft.

3.10 Data Analysis Methods

After the data collected and plausible checks were conducted, and inconsistent data were cleared appropriately. Then coded to the system, so to make the data usefully and relevant to analysis. By doing this it helps to filtered out the incomplete and irrelevant information and accuracy of the data were maintain. The edited data were gone through analysis process to come up with concrete conclusions. Data processing and analysis were done by using STATA-12 software to display findings and it helps make it easier by processing all variable and cases.

In order to achieve the findings and results for the thesis, the researcher used descriptive analysis to summarize the data. These methods were numerical or graphical. Graphical methods are known for recognizing patterns in the data, while the numerical methods of analysis are acknowledged for giving precise measures. The analyses were consisting of tables to outline the responses received which were examined and discussed. The reasons for using this procedure are to make it easier for the reader to compare and understand the findings by presenting the data using frequency, mean, standard deviation, maximum, minimum, mean test, validity and reliability test to examine the degree of relationship of independent variable and dependent variable.

3.11 Ethical considerations

As Mugenda (2003) affirms, ethical consideration is important in ensuring a professional and a non-intrusive in accomplishing a research objective. For this study, the researcher has asked for permission to use data from relevant administrative authorities in the institution. Moreover, the researcher also acknowledged all additional sources of information from other scholars.

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

This chapter includes findings and discussions of the study as set out in the research methodology. The data was gathered exclusively from questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale. The data has been presented in form of quantitative, qualitative followed by discussions of the data results. The chapter concludes with critical analysis of the findings.

The results are analyzed by classifying into four sub-sections. The first section deals with demographic analysis, the second section presents about data validity and reliability test while the third section deals about descriptive analysis and the fourth section reveals about interview result.

4.1 DEMOGRAPHIC CHARACTERISTIC OF SAMPLE RESPONDANTS

4.1.1 Respondents' Departments

This section of the study aimed at establishing the number of respondents departments. The study distributed 69(100%) questionnaires to the study respondent. The questionnaires were handed to respondents in person. Out of the 69 respondents, 57 of the respondents filled completely the questionnaire and returned. Therefore, the analysis was done using 57(82.6%) of the completely filled questionnaires. The department of the respondents with the number of participants from each department is summarized in table 4.1.

Table 4.1 **Respondents' Departments**

Department	Frequency	Percent
Finance and procurement	28	49.12
Planning and budget	15	26.32
Internal audit	14	24.56
Total	57	100

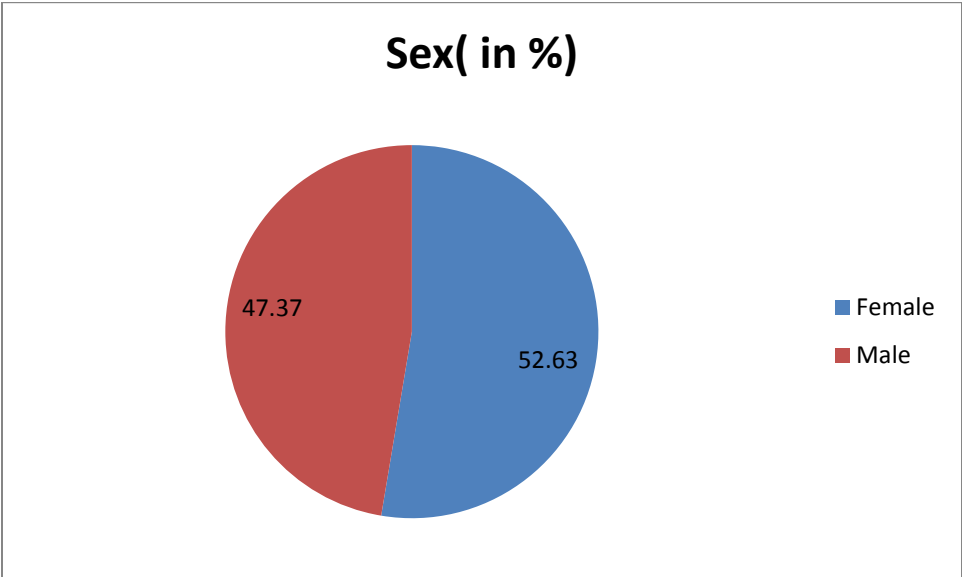
Source: own survey, 2020

The summary in the table 4.1 reveals that 12(17.4%) of respondents did not completely filled the questionnaire or did not respond at all. In terms of departmental distribution the majority 49.12% were from Finance and procurement, followed by planning and budget 26.32% and internal audit, which account 24.56% of the respondents. This implies attempt has been made to ensure adequate representation of the key departments in budgeting at AACARB to guarantee the reliability and validity of the data. This response was enough to enable effective presentation and analysis of the collected data and provide conclusion.

4.1.2 Respondents' Gender

Figure 4.1.2 presents demographic and socio-economic characteristics of the sample respondents. Out of the total respondents from the revenue bureau, 52.63% were female and the remaining 47.37% were male in the revenue bureau. The number of female participants is higher by 5.26 percentages points, which implies increasing participation of women in the budget process. In general, there was almost equal representation of both female and male in the study, which guarantee reliability and validity of the data collected from the staff. The following pie chart also shows that female has the highest ratio.

Fig: 4.1.2 Respondents' Gender

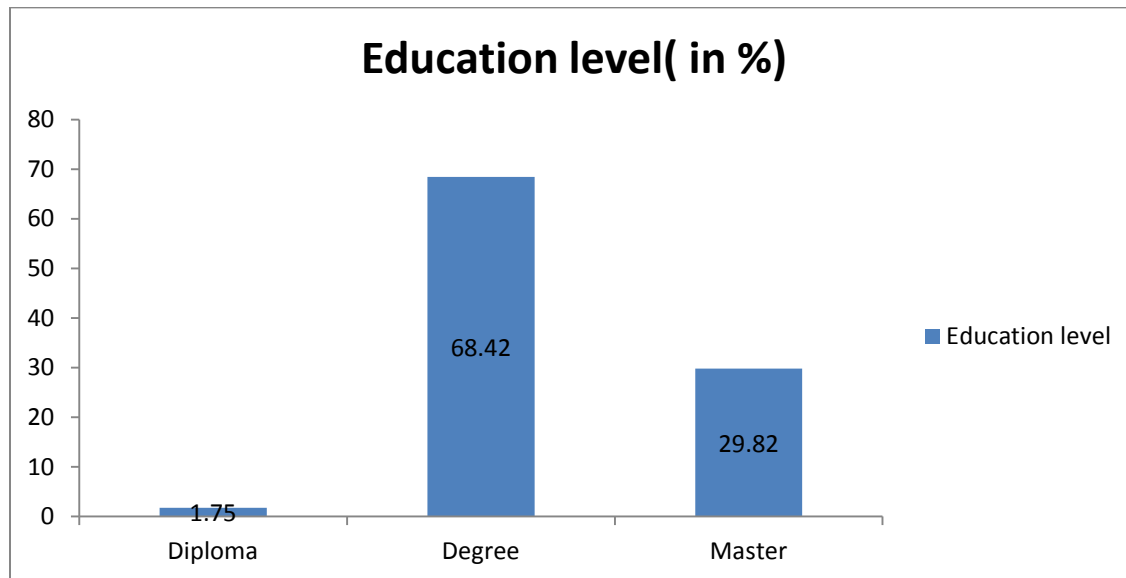


Source: own survey result, 2020

4.1.3 Education level

As shown in the figure below, 39(68.42%) of the sample respondents are first degree holders, while 17(29.82%) of them are master degree holder and 1(1.75%) holds diploma.

Fig: 4.1.3 Education level of Respondents



Source: own survey, 2020

4.1.4 Age of Respondents

Five out of 69 respondents are within 25-30 years age category while another 5 respondents are over 46 years of age. Table 4.1.4.1 summarizes the age category of the respondents.

Table 4.1.4 Age of respondents

Age	Frequency	Percent
25-30	5	8.77
31-35	34	59.65
36-40	11	19.3
41-45	2	3.51
>46	5	8.77
Total	57	100

Source: Own survey, 2020

From the above table it is evident that majority of respondents are within the age group of 31 to 35 years (59.65%). This situation shows that the majority of the respondents are young and energetic to supply their mental and physical efforts to the organization.

This is supported by the study done by Migino (1998) who observed that active aging reflects the desire and ability of many to remain engaged in economically and socially productive activities while the risks of chronic illness and disability increase or goes with age, means that it have direct relationship.

4.2 Data Validity and Reliability Test

4.2.1 Validity

Validity refers to the degree to which a measures what it purports to measure. Several varieties have been described, including face validity, construct validity, content validity and criterion validity (which could be concurrent and predictive validity). These validity tests are categorized into two broad components namely; internal and external validities. Internal validity refers to how accurately the measures obtained from the research was actually quantifying what it was designed to measure whereas external validity refers to how accurately the measures obtained from the study sample described the reference population from which the study sample was drawn.

Reliable measuring instrument does contribute to validity, but a reliable instrument need not be a valid instrument. If the quality of reliability is satisfied by an instrument, then while using it we can be confident that the transient and situational factors are not interfering. When well validated measures are used, there is no need, of course, to establish their validity again for each study. The reliability of the items can, however, will be tested. (C.R Kothari, 2004).

The researcher used Pearson correlation to test validity during pilot study.

A pilot study is a mini-version of full-scales study or a trial run done in preparation of the complete study (Tejilingen& Hundley, 2001). The goal was thus to test the study on small scale first to sort out all the possible problems that might lead to failure of the research procedure. It minimizes the risk of failure.

As a result, pilot study was conducted to assess reliability and validity of the questionnaire by distributed the questionnaire on a random sample consists of (7) respondents from the study population (10% of main study sample 69). The questioner then modified for main study concerning the content or wording of items in a questioner and one attribute of the questioner replaced by other that found ambiguous during pilot

test. Reliability test also analyzed by Chronbach’s Alpha to measure the internal consistency and to see if the Likeret scale questioner surveys are reliable and Pearson correlation coefficient for Validity.

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include internal validity and structure validity (George and Mallery, 2003).

The correlation coefficient can range in value from -1 to +1. The larger the absolute value of the coefficient, the stronger the relationship between the variables. In these results, the Pearson correlation is between 0.82 and 0.86 which indicates that there is a positive and strong relationship between the variables.

Table: 4.2.1 Validity Test

No	variables	Pearson Correlation Coefficient	P-Value (Sig.)
1	Internal audit control process	0.83	0.00*
2	Budget preparation process	0.82	0.00*
3	Budget implementation	0.86	0.00*

*Correlation is significant at the 0.05 level, sources: own survey, 2020

Table 4.2.1 shows correlation between dimensions of independent variables (Internal audit control process, Budget preparation process and Budget implementation) and dependent variable, Budget implementation and controlling system. As can be seen in table 4.2.1 Budget implementation and controlling system had statistically positive significant relationship with all independent variables.

The correlation matrix in Table 4.2.1 shows that Budget implementation and controlling system (dependent variable) was positively correlated with internal audit control process, Budget preparation process and Budget implementation.

4.2.2 Reliability

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a measure. (Uma Sekaran, 2003).

In order to assess the reliability and consistency of the instrument the Chronbach’s Alpha (α) analysis was conducted. Chronbach’s alpha is a reliability coefficient the most commonly used measure of internal consistency reliability that indicates how well the items in a set are positively correlated to one another. In almost every case, Chronbachs alpha is an adequate test of internal consistency reliability.

Consistency indicates how well the items measuring a concept hang together as a set. Chronbach’s alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Chronbach’s alpha is computed in terms of the average inter correlations among the items measuring the concept. The closer Chronbach’s alpha is to 1, the higher the internal consistency reliability. Most scholars agree with a Chronbach’s alpha greater equal to 0.70 is acceptable. The Chronbach’s alpha value for all the variables of pilot test were between 0.72 - 0.90 as shown in Table 4.2.2. Therefore, all the variables in this study are at the acceptable level.

Table 4.2.2 Reliability test

No	Variables	Chronbach’s alpha
1	Internal audit control process	0.72
2	Budget preparation process	0.90
3	Budget implementation	0.90

Source: Own survey, 2020

4.3 Budget preparation process

In this sub-section, the aim was to establish the respondents view on budget preparation process at the bureau. Table 4.3 summarizes feedbacks of respondents to budget preparation process related questions. Accordingly, majority of the respondents (54%) disagreed that all staff do not participate in budget preparation and discussion within their departments shown by the mean of 2.56, On the other hand 47% of respondents disagreed that there is no proper communication during the process of budget preparation between departments shown with the mean of 2.44, about 40% of the respondents neutral regarding the bureau issues budget guidelines prior to preparing budgets by the mean shown that 1.56, on the other hand 44% of the respondents disagreed that bureau has not adequate number of professional who prepares budget with the mean shown that 2.32, about 35% of respondents were neutral concerning tendency of submitting budget request without plan by the mean of 1.95, forty two percent of respondent disagreed that there is no regular trainings on budget preparation, utilization and reporting are provided for the relevant staff with the mean of 2.32, about 51% of respondents disagreed that regarding to the availability of budget preparation, controlling and implementation related policies, procedures and guidelines by the mean shown that 2.28, 40% of the respondents disagreed that budget department has proper and regular mechanism to follow up budget implementation by the mean shown that 2.14, 44% of the respondents disagreed that budget department periodically issue budget versus utilization of each departments and inform the top management shown by the mean of 2.33, 51% of respondents disagreed that budget is utilized according to the plan with the mean of 2.32, about 49% of the respondents agreed that there is discrepancy between planned budget and actual budget utilization with a mean of 1.35, on the other hand 39% of respondents agreed there is proper mechanism to shift budget from one budget line to another with a mean shown that 1.12, about 42% of the respondents agreed that the top management approves budget before submission to the BOFED with the mean shown that 1.07, 32% of the respondents neutral regarding to the approved budget is shared with all departments in time with the mean of 1.67, furthermore 51% of the respondents agreed that concerning

to there is always reference to budget before any request to undertake an activity with mean of 1.21, about 37% of respondents disagreed regarding to the approved budget is released on time with the mean shown that 2.28.

From the above analysis regarding budget preparation process the institution did not involve all the staff in budget preparation, there were not proper communication between departments during budget preparation, there is an insufficient and inexperienced budget expert/officer in the bureau; there were not regular capacity development training on budget preparation, utilization and reporting for the relevant staffs; there were not budget preparation, control and preparation policies, procedure and guidelines availability; the budget department have not had proper and regular mechanism to follow up budget implementation; the budget department were not periodically issue budget versus utilization of each departments and inform the top management; there were also discrepancy between planned and actual budget utilization.

Responsibility accounting assumes that manager' influence costs and that the best way of controlling these costs is to hold these managers responsible for the costs they influence (Garrison, Noreen & Seal, 2003). This means that bottom line or sectional managers are required to develop their own budgets and are then held responsible for meeting their targets. Bottom-up budget is most useful when lower-level managers actively are involved or engaged in the budgeting process. Participation adds reliability to the budgeting process and creates greater commitment and accountability toward the budget, as budgets are set by management but the people to realize the budget standards are the staff.

Today, participation in the budget making process is considered as one of the general approach that can increase the effectiveness of the company's budget, which would also increase managerial performance, and which in turn can improve the performance of the company (Lina, 2001).

Table 4.3.1: Budget preparation process

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	Mean	Std. Dev.	Min	Max
	Frequ ency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent					
Staff participation in budget preparation	3	0.05	9	0.16	6	0.11	31	0.54	8	0.14	57	2.56	1.085909	0	4
Communication during budget preparation between department	3	0.05	8	0.14	13	0.23	27	0.47	6	0.11	57	2.44	1.035401	0	4
Authorities budget guidelines	6	0.11	21	0.37	23	0.40	6	0.11	1	0.02	57	1.56	0.886759	0	4
Number of professional budget officer	1	0.02	13	0.23	14	0.25	25	0.44	4	0.07	57	2.32	0.966546	0	4
Tendency of submitting budget request without plan	5	0.09	13	0.23	20	0.35	18	0.32	1	0.02	57	1.95	0.989608	0	4
Providing of regular training for relevant staffs	5	0.09	10	0.18	11	0.19	24	0.42	7	0.12	57	2.32	1.167383	0	4
Availability of policies, procedure and guidelines	4	0.07	9	0.16	13	0.23	29	0.51	2	0.04	57	2.28	1.013382	0	4
Proper and regular mechanism to follow up budget implementation	6	0.11	15	0.26	7	0.12	23	0.40	6	0.11	57	2.14	1.231123	0	4
Informing of budget utilization of departments and top managements	4	0.07	12	0.21	9	0.16	25	0.44	7	0.12	57	2.33	1.154701	0	4
Utilization of budget according to the plan	5	0.09	9	0.16	10	0.18	29	0.51	4	0.07	57	2.32	1.104502	0	4
Difference between planed and actual budgets	7	0.12	28	0.49	17	0.30	5	0.09	0	0.00	57	1.35	0.812651	0	3
Shifting of budget from one line to another	16	0.28	22	0.39	15	0.26	4	0.07	0	0.00	57	1.12	0.907709	0	3
Budget approval of top managements	17	0.30	24	0.42	11	0.19	5	0.09	0	0.00	57	1.07	0.923109	0	3
Sharing of budget with all department in time	9	0.16	16	0.28	18	0.32	13	0.23	1	0.02	57	1.67	1.05785	0	4
Reference to budget before any request	12	0.21	29	0.51	8	0.14	8	0.14	0	0.00	57	1.21	0.939925	0	3
Releasing of approved budget on time	6	0.11	9	0.16	13	0.23	21	0.37	8	0.14	57	2.28	1.206447	0	4

The mean test showed that there is significance difference between the female mean value of budget preparation system responding result and male mean value of budget preparation system responding result.

Table: 4.3.2 Mean test for budget preparation system sex as a group variable

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
female	30	1.829167	.0888915	.4868788	1.647363	2.01097
male	27	2.046296	.0714398	.3712119	1.89945	2.193143
combined	57	1.932018	.059042	.4457576	1.813742	2.050293
diff		-.2171296	.1156703		-.4489382	.0146789

diff = mean(female) - mean(male) t = -1.8771
 Ho: diff = 0 degrees of freedom = 55

Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
 Pr(T < t) = 0.0329 Pr(|T| > |t|) = 0.0658 Pr(T > t) = 0.9671

4.4 Budget Implementation System

The study went further to inquire on the respondents views on budget implementation. Findings from the study revealed that majority of the respondents (47%) agreed that there is strong alignment between the planed budget and approved budget with the mean of shown that 1.46, about 51% of the respondents agreed that the approved budget used for the intended purpose by the mean of shown that 1.26, on the other hand 46% of the respondents agreed that there is regular awareness raising and capacity building on budget implementation shown by the mean of 1.61, furthermore 51% of the respondents agreed that the period of budget performance report is prepared by the budget holder departments shown by the mean of 1.21, about 54% of the respondents agreed that budgets were reviewed and approved before put to use shown with the mean of 1.25, 46% of the respondents strongly agreed that improper implementation of budget has an impact on revenue collection performance shown by the mean of 0.82.

From the above analysis regarding budget implementation system majority of respondents were agreed that budget were implemented properly; only respondents were strongly agreed that improper implementation of budget has an impact on revenue collection performance of the institution.

Under performance in revenue collection as one of the challenges that hampered effective budget implementation in the bureau. Brookson (2000) argues that an efficient revenue collection system is the hub of every public administration system and the cornerstone of sound fiscal management. It enables governments to finance budget deficits from domestic sources. Kirira (2011) noted that optimal revenue collection is still structurally and operationally compromised by loopholes such as lack of transparency in revenue collection and remittance processes, and, corruption within revenue centers designated to revenue officers. Kipsang(2015) in his study argued that accurate billing and invoicing for services is a critical element of the county revenue management business model. This research projects also in line with them

Table 4.4.1 Budget Implementation

	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	Mean	Std. Dev.	Min	Max
	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent					
Alignment between planned and approved budget	8	0.14	27	0.47	12	0.21	8	0.14	2	0.04	57	1.46	1.02	0	4
Utilization of budget for expected purposes	12	0.21	29	0.51	8	0.14	8	0.14	0	0.00	57	1.21	0.94	0	3
Regular awareness raising and capacity building	6	0.11	26	0.46	10	0.18	14	0.25	1	0.02	57	1.61	1.03	0	4
Period of budget performance report	10	0.18	29	0.51	14	0.25	4	0.07	0	0.00	57	1.21	0.82	0	3
Reviewing and approving off budget before to use	9	0.16	31	0.54	12	0.21	4	0.07	1	0.02	57	1.25	0.87	0	4
Impacts of improper implementation of budget on revenue collection	26	0.46	22	0.39	4	0.07	3	0.05	2	0.04	57	0.82	1.02	0	4

The mean test showed that there is significance difference between the female mean value of budget implementation system responding result and male mean value of budget implementation system responding result.

Table: 4.4.2 Mean test for budget implementation sex as a group variable

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
female	30	1.07	.1100836	.6029525	.8448538	1.295146
male	27	1.462963	.1196086	.6215045	1.217104	1.708822
combined	57	1.25614	.084479	.6378025	1.086909	1.425372
diff		-.392963	.1622928		-.7182049	-.067721

diff = mean(female) - mean(male) t = -2.4213
 Ho: diff = 0 degrees of freedom = 55

Ha: diff < 0	Ha: diff != 0	Ha: diff > 0
Pr(T < t) = 0.0094	Pr(T > t) = 0.0188	Pr(T > t) = 0.9906

4.5 Internal Audit Control System

This sub-section aims to establish the respondents view on internal audit control system at the bureau. Table 4.5 summarizes the feedbacks of the respondents to the internal audit control system related question. Accordingly, majority of the respondents (63.2%) agreed that the bureau has adequate internal audit controlling system by the mean of 1.4; on the other hand 40.4% of the respondents indicated that branches don't have adequate internal audit section, which is expressed by a mean of 1.9. About 42.1% of the respondents disagreed that internal auditors of branches didn't discharge their duties and responsibility autonomously shown by the mean of 2.1. On the other hand 56.5% of the respondents agreed that the bureau has a mechanism to implement the audit comment with the mean of 1.1. Interims of the regularity of budget utilization efficiency and effectiveness evaluation 42.1% of the respondents agreed that internal audit of the bureau has the capacity to regularly evaluate the efficiency and effectiveness of budget utilization with the mean of 1.5. About 52.6% of the respondents indicated that there were observed challenges in the audit functions in the bureau shown by the mean of 2.1. Fifty one percent's of the respondents indicated that the management didn't take a corrective action based on the findings and reports of the internal audit with the mean of 2.1. Over 47% of the respondents were agreed that the internal audit department is not adequately staffed with relevant educational background and experience by the mean of 2.2. On the issue of regular capacity building trainings for the internal audit department staffs, 52.6% of the respondents indicated that they have not received proper and periodic audit related trainings. They further indicated they have not participated on periodic experience exchange events shown by the mean of 2.5. About 56.1% of the respondents disagreed to the issue of adequate budget and logistics allocation to the internal audit departments with mean of 2.4. Furthermore, 47.4% of the respondents agreed that the internal audit function does not receive appropriate support from the top management of the institution by the mean of 2.4. About 36.8% of the respondents took a neutral position on the issue of proper coordination with the external auditors shown with the mean of 1.8. Over 47% of the respondents agreed that there is proper internal audit plan and internal audit schedule with the mean of 1.4, 63.2% of the respondents agreed that there is clear and proper

mechanism to report the findings of the internal audit shown by the mean of 1.3, about 45.6% of the respondents did not believe that the internal audit has proper reporting mechanism and channel to report fraud and corrupt action shown by the mean of 2.2. Only 33.3% of the respondents were agreed that the institution has adequate internal control over its major risk shown by a mean of 1.5.

From the above analysis it evident that the internal audit practice in the bureau is low. On the other hand most of the respondents acknowledged the existence of internal audit control system and a mechanism to implement the comment. However, most of the respondents do not agree the fact that internal auditors independently conduct their duties and responsibilities. Based on the feedback to the questionnaire and informal discussion with respondents there is adequate (if not totally absence) regular performance audit conduct in the organization by both internal and external auditors.

The role of internal audit is to provide assurance that the institution's risk management, governance and internal control processes are operating effectively. Internal auditors must be independent from the operations they evaluate and report to the highest level in the institutions top management. Internal auditors work with management to review systems and operations. These audits identify how well risks are being managed by the institution and whether the right processes are in place, and whether procedures are followed. Internal Auditors evaluate the controls an institution has in place. They also identify areas where improvements might be made and where procedures might be done more efficiently. It helps identify errors before the external audit. So by the time an external audit happens, hopefully, the management would have rectified those errors. This also helps reduce the chances of fraud, as the management can't go over everything so auditors, who are professionals, can easily identify any wrong doings. A strongly constructed internal audit function can play a vital role in the governance and accountability process of public sector institutions through their assessments on the effectiveness of key organizational controls, governance and risk management processes (Asare, 2009). (Njeru, 2013)

Table 4.5.1: Internal Audit Controlling system

Questions	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total	Mean	Std. Dev.	Min	Max
	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent	Freq uency	Per cent					
Having adequate inter. Audit controlling system	6	10.5%	36	63.2%	5	8.8%	9	15.8%	1	0.02	57	1.4	0.9	0	4
Having adequate inter. audit section at branch	6	10.5%	19	33.3%	8	14.0%	23	40.4%	1	0.02	57	1.9	1.1	0	4
Autonomy of branches inter. Auditor	1	1.8%	14	24.6%	18	31.6%	24	42.1%	0	0	57	2.1	0.9	0	3
Mechanism to implement audit comment	11	19.3%	32	56.1%	9	15.8%	5	8.8%	0	0	57	1.1	0.8	0	3
Conducting performance audit	7	12.3%	24	42.1%	20	35.1%	5	8.8%	1	0.02	57	1.5	0.9	0	4
Challenges in the audit function	6	10.5%	12	21.1%	9	15.8%	30	52.6%	0	0	57	2.1	1.1	0	3
Management corrective action on the finding of audit	8	14.0%	9	15.8%	9	15.8%	29	50.9%	2	0.04	57	2.1	1.2	0	4
Relevant educational background and experience	6	10.5%	10	17.5%	12	21.1%	27	47.4%	2	0.04	57	2.2	1.1	0	4
Internal auditor training	1	1.8%	7	12.3%	16	28.1%	30	52.6%	3	0.05	57	2.5	0.8	0	4
Adequate budget and logistic for internal auditors	4	7.0%	8	14.0%	10	17.5%	32	56.1%	3	0.05	57	2.4	1.0	0	4
Support from top mgmt in the function of internal audit	2	3.5%	8	14.0%	15	26.3%	27	47.4%	5	0.09	57	2.4	1.0	0	4
Coordination of internal audit with external auditor	2	3.5%	20	35.1%	21	36.8%	13	22.8%	1	0.02	57	1.8	0.9	0	4
Internal audit plan schedule	6	10.5%	27	47.4%	18	31.6%	6	10.5%	0	0	57	1.4	0.8	0	3
Mechanism to report the findings of internal audit	4	7.0%	36	63.2%	12	21.1%	5	8.8%	0	0	57	1.3	0.7	0	3
Reporting mechanism and channel to report fraud and corruption	3	5.3%	14	24.6%	11	19.3%	26	45.6%	3	0.05	57	2.2	1.0	0	4
Internal control over major risk	10	17.5%	19	33.3%	17	29.8%	10	17.5%	1	0.02	57	1.5	1.0	0	4

The mean test showed that there is no significance difference between the female mean value of budget controlling system responding result and male mean value of budget controlling system responding result.

Table: 4.5.2 Mean test for sex in budget controlling system as a group variable

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
female	30	1.866667	.1043131	.5713465	1.653322	2.080011
male	27	2	.09245	.4803845	1.809966	2.190034
combined	57	1.929825	.0701754	.5298129	1.789246	2.070403
diff		-.1333333	.1406734		-.4152491	.1485824

diff = mean(female) - mean(male) t = -0.9478
 Ho: diff = 0 degrees of freedom = 55

Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
 Pr(T < t) = 0.1737 Pr(|T| > |t|) = 0.3474 Pr(T > t) = 0.8263

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4.6 Interview Result

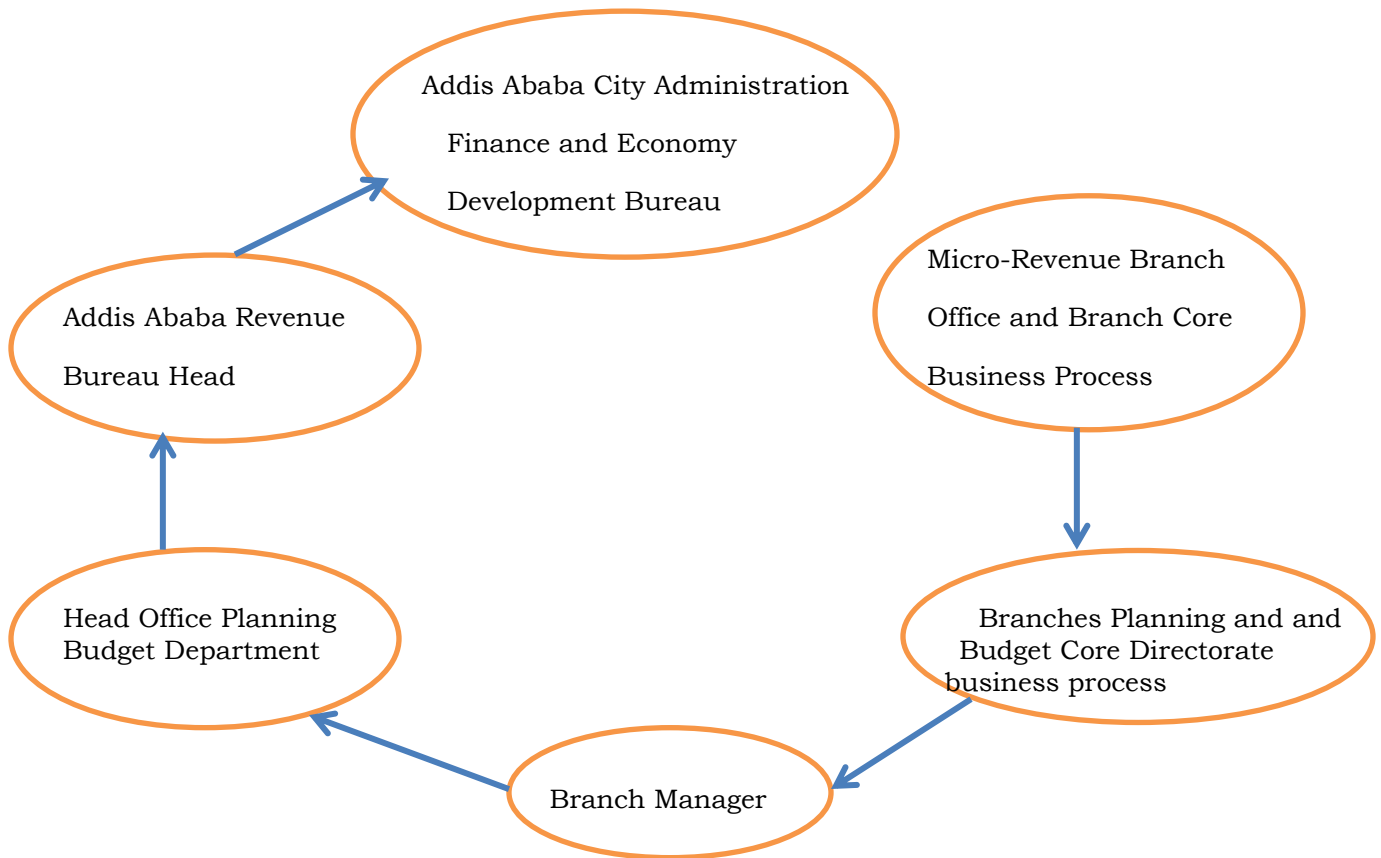
This is a face to face communication conducted between the researcher and the respondent intended to obtain information relevant to this research study. The major purpose of this interview was to corroborate certain facts that the investigator already thinks that have been established (Yin, 2009). Therefore, semi-structured interviews were conducted to enhance and supplement the results of questionnaires. This enabled me to get in-depth information from the respondents and it increased flexibility in data collection. Interview method was used to obtain in depth information concerning the budget preparation process, implementation and controlling of AACARB, in the qualitative strategy, to cross validate the data interview was conducted with head of Planning and budget unit, Internal audit section head and procurement and finance head at AACARB Head office and presents as follow.

1. Where does budget preparation process start in your institution?

Maitland (2001) mentions that the process of preparing and agreeing on a budget is a means of translating the overall objectives of the organization into detailed, feasible plan of action. Public budget preparation is one of the tedious tasks that any country should look upon; the preparation process for the annual budget involves a great deal of energy, time, and expense. Hence, it is important that a country must be able to follow accurately all the methods of preparing an annual budget. Addis Ababa city administration revenue bureau follows the following budget preparation process.

Fig 3.6.1 AACARB Budget Preparation Process

AACARB Budget Preparation Process



Source: Self-extracted

2. Does planning and budget department and finance department has a collaboration during budget implementation? No, Proper communication is also a condition for effective budgetary control system, because communication creates understanding among employees. The flow of information should be quick so that the budget is implemented hence two-way communication is important. What is required to be achieved and how it is to be achieved should reach the lowest level. Similarly, Holland (2005) added, upward communication in respect of implementation difficulties should reach the top level to sort out without loss of time. The performance reports from various levels help the top management in monitoring and evaluating the general performance of the organization. So, there is no collaboration between departments during budget implementation in the institution

3. The management team reviews regularly the implementation of budgetary control measures in the institution? No, all management levels must be aware of the budget's importance to the company and must know that the budget has top management's support. Budget follow-up and data feedback are part of the control aspect of budgetary control. Since the budgets are dealing with projections and estimates for future operating results and financial positions, managers must continuously check their budgets and correct them if necessary. Often management uses performance reports as a follow-up tool to compare actual results with budgeted results. Therefore the top management of the institution were not give more attention for budget implementation of the institution rather they west their entire time on revenue collection.
4. What are the major challenges in budget preparation, implementation and utilization of the Bureau?

According Asefa (2007) the critical challenge and controversial issue related to public budgeting is reflected in the budget preparation, approval, implementation and controlling stage of the budget cycle.

a. Budget preparation challenges in the institution

The following challenges were observed by the institution on the budget preparation process. For instance the following challenges also addressing:-

- ❖ The plan and budget was prepared without the fully participation, discussion, and approval of concerned units and persons. As a result, presenting exaggerated budget, overlooking programs, excess number of budget transfer and adjustments happened
- ❖ The prepared budget did not include the relevant issues and the institution's strategic plan fully
- ❖ Presentation of budget demand without work plan for some extents
- ❖ Lack of Reasonable and acceptable predictable inflation
- ❖ Lack of revising budget with plan constantly
- ❖ Lack of skilled man power during budget preparation
- ❖ Lack of skill development training for the staffs

- ❖ Absence of top management follow up
- ❖ Some budget user's branches or divisions prepare their annual budget by over estimating.

b. Budget implementation challenges in the institution

Budget implementation is public expenditure policy and therefore the manner in which public expenditure is managed would impinge on the implementation of the budget (Premchand, 1995). Implementation or execution of the budget is an activity that took place throughout the financial year and was the cutting edge of the budget as it involved all branches of the government unlike the more technical and selective participation of officials in budget formulation. The way in which revenue and expenditure are grouped for decision making is the most important aspect of budgeting. As a result the following challenges in budget implementation were observed during the interview

- ❖ Not using budget for the intended purpose
- ❖ Not conducting budget according to the norm
- ❖ Lack of follow up and registering of expenditure
- ❖ Dalliance of procurement and providing low quality of good
- ❖ Lack of collaboration between planning and budget and finance departments
- ❖ Always not using budget for productive purpose
- ❖ Dalliance of bids

c. Budget controlling challenges in the institution

Budgetary control is the process by which budgets are prepared for the future period and are compared with the actual performance for finding out variances, if any. The comparison of budgeted figures with actual figures will help the management to find out variances and take corrective actions without any delay and a control technique whereby actual results are compared with budgets. Proper communication is also a condition for effective budgetary control system, because communication creates understanding among employees. The flow of information should be quick so that the budget is implemented hence two-way communication is important. What is required to be achieved and how it is to be achieved should reach the lowest level. Similarly,

Holland (2005) added, upward communication in respect of implementation difficulties should reach the top level to sort out without loss of time. The performance reports from various levels help the top management in monitoring and evaluating the general performance of the organization.

Therefore AACGRB faces the following budget controlling challenges as I observed from the interview

- ❖ The internal auditors of the institution had not discharge their duties and responsibility independently,
- ❖ Absence of audit schedule
- ❖ Being not having IBEX pass word by all planning and budget department workers
- ❖ Insufficient number of staffs

CHAPTER FIVE

SUMMERY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summery

This chapter provides the findings and recommendations based on the stated in the objectives and research questions. The study focused on assessment of the budget implementation and controlling system in Addis Ababa city administration evidence from a case of sub cities revenue branch offices Addis Ababa revenue bureau (AACARB). For this reason, it reviewed relevant literatures and documents and collected data from the targeted population. To achieve the objectives of the study, the researcher employed mixed research approach and used both primary and secondary data sources. This is because to ensure the sufficiency of data and for triangulation purpose so that reliability and validity of the findings of the research becomes enhanced. Therefore, based on the finding of study conclusions and recommendation are forwarded as follows.

5.2 Conclusion

The study concluded that the budget preparation process of the institution did not involve all the staff in budget preparation. Furthermore, the following major issues were observed with regard to budget preparation: There were lack of proper communication between departments during budget preparation, There is insufficient and inexperienced budget experts/officers in the bureau, Lack of regular capacity development training on budget preparation, utilization and reporting for the relevant staff, Lack of budget preparation, control and preparation policies, procedure and guidelines, The budget department does not have proper and regular mechanism to follow up budget implementation, The budget department do not regularly issue budget versus utilization of each department and inform the top management, There were also discrepancy between planned and actual budget utilization.

Regarding budget implementation system, budget were implemented properly; only respondents were strongly agreed that improper implementation of budget has an impact on revenue collection performance of the selected AACARB sub city branch office.

Similarly the internal audit controlling of branches of the Addis Ababa city revenue bureau not conducting their internal control duties and responsibility autonomously and independently due to the following reasons: Lack of corrective measures the management reported findings of the internal auditors, Lack of adequate and qualified staffing of the internal audit department and units, Lack of adequate experience, educational background and proper training of the existing internal audit staffs, Lack on-job trainings and experience exchange events, Lack of adequate budget and logistics allocation; sponsor

5.3 Recommendation

Based on the findings the following recommendations are given

- The study recommends that for AACARB to overcome the challenges of budget implementation it should fully embrace the use of IFMIS and a lot of training on the system need to be done to enhance the skills for system users. This will boost efficiency and accountability in budget implementation.
- Training should be given the bureaus staff related to budgeting and budgetary control.
- The opinions suggested by the external Auditor should be considered thoroughly
- Independent internal auditor also needed in addition to that they must have conduct performance audit too.
- In order to use budget efficiently and effectively in the bureau the budget and planning department officer or employee should have integrated budget and expenditure pass word it is easy to know exactly which budget is being implemented properly.
- Budget preparation and control of the bureau are done at the top level. However, involvement of all persons, including at the lower level is necessary in framing the budget and its implementation for the success of budgetary control. Hilton, et al. (2000) noted that in practice, budgets are executed at the lower level. With experience, they can offer practical suggestions that can lead to success. Therefore, the success of budgetary control system depends more on active participation of all employees of the organization.

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Appendix -1 Questioner for study

Addis Ababa University
College of Development study
Department of Regional and Local Development study

Dear respondent,

I am BiniyamGetu, a Master of Art student in the Department of Regional and Local Development Studies, Addis Ababa University. I am currently conducting a study on the Budget Assessment and Controlling System a case study of Addis Ababa City Administration Revenue Bureau. The questionnaire intends to collect information for academic purpose only and be regarded confidential.

I appreciate your kindness to participate in this study, and I kindly ask you to fill out all the questions responsibly. Please be assured that all responses will remain confidential and will be used only for the study purpose. I expect the study takes about 10 minutes to complete.

Please **TICK** a correct item or fill where appropriate from the list of questions provided below.

Thank you!!

PART 1: Background Information

1. In which department do you work in this institution?

A. Finance and procurement department

B. Planning and budget department

C. Other department (specify)

2. Gender:

Male

Female

3. Respondent's Age

A. 20 to 25 years

B. 26 to 35 years

C. 36 to 45 years

D. above 45 years

4. Education level

A. 10+2

B. Certificate

	Question		Strongly agree → strongly disagree
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C. Diploma education

D. Degree level

E. Masters level

F. PhD

		SAG	AG	N	DA	SDA G
1	The authority has adequate internal audit controls system to ensure that budgets are utilized for the intended purpose					
2	All branches have adequate internal control audit section/unit					
3	Internal auditors of branches autonomously conduct their duties and responsibilities					
4	Your organization has mechanism to implement the audit comments					
5	Internal auditors conduct performance auditing to evaluate efficiency and effectiveness of budget utilization					
6	challenges are observed so far in the audit functions (results) in AACGRB					
7	The management takes corrective actions based on the findings and reports of the internal audit					
8	The internal audit department or unit is adequately staffed with relevant educational background and experience					
9	The internal audit staff receives proper and period on-trainings and participate on periodic experience exchange events					
10	Adequate budget and logistics are allocated for the internal audit department or unit					
11	The internal audit function gets appropriate support from the top management of the institution					
12	The activities of the internal audit are properly coordinated with the external auditors					
13	There is proper internal audit plan and internal audit schedule					
14	There is clear and proper mechanism to report the findings of the internal audit					
15	The internal audit has proper reporting mechanism and channel to report fraud and corrupt actions					
16	The institution has adequate internal control over its major risks					

Part: 2 **Internal Auditing process in AACGRB** (please tick under the choice you like to for each question item Where SAG= strongly Agree; AG= Agree; N = Neutral; DA= Disagree; SDAG=strongly Disagree)

Part: 3: **Budget preparation process** in the institution (please tick under the choice you like to for each question item Where SAG= strongly Agree; AG= Agree; N = Neutral; DA= Disagree; SDAG=strongly Disagree)

	Question	Strongly agree →strongly disagree				
		SAG	AG	N	DA	SDAG
1	All staff participates in budget preparation and discussion within their department					
2	There is proper communication during the process of budget preparation between departments?					
3	The authority issues budget guidelines prior to preparing budgets?					
4	The authority has adequate number of professionals (budget officers) who prepare budget?					
5	There is a tendency of submitting budget request without plan?					
6	Regular trainings on budget preparation, utilization and reporting are provided for the relevant staff					
7	Budget preparation, control and implementation related policies, procedures and guidelines are available					
8	The budget department has proper and regular mechanism to follow up budget implementation					
9	The budget department periodically issue budget versus utilization of each departments and inform the top management					
10	Budget is utilized according to the plan					
11	There is discrepancy between planned budget and actual budget utilization					
12	There is a proper mechanism to shift budget from one budget line to another					
13	The top management approves budget before submission to the BOFED					
14	The approved budget is shared with all departments in time					
15	There is always reference to budget before any request to undertake an activity					
16	The approved budget is released on time					

Part: 4 **Budget Implementation** (please tick under the choice you like to for each question item) SAG= strongly Agree; AG= Agree; N = Neutral; DA= Disagree; SDAG=strongly Disagree)

	Question	Strongly agree →strongly disagree				
		SAG	AG	N	DA	SDAG
1	There is strong alignment between the planned budget and the approved budget					
2	The approved budget is used for the intended purpose					
3	There is regular awareness raising and capacity building on budget implementation					
4	Period budget performance report is prepared by the budget holder departments					
5	Budgets are reviewed and Approved before put to use.					
6	Improper implementation of budget has an impact on revenue collection performance					

INTERVIEW QUESTION

1. Where does budget process start in your institution?
2. Does budget and finance department has a collaboration during budget implementation?
3. The management team reviews regularly the implementation of budgetary control measures in the institution?
4. What are the major challenges in budget preparation, implementation and utilization of the bureau?

Appendix 2: Results for respondents demographic characteristics

. tab gender

gender	Freq.	Percent	Cum.
female	30	52.63	52.63
male	27	47.37	100.00
Total	57	100.00	

department	Freq.	Percent	Cum.
Finance and procurtmen	28	49.12	49.12
planning and bddget	15	26.32	75.44
internal audit	14	24.56	100.00
Total	57	100.00	

age	Freq.	Percent	Cum.
25-30	5	8.77	8.77
26-30	34	59.65	68.42
31-35	11	19.30	87.72
36-40	2	3.51	91.23
>46	5	8.77	100.00
Total	57	100.00	

education level	Freq.	Percent	Cum.
diploma	1	1.75	1.75
degree	39	68.42	70.18
master	17	29.82	100.00
Total	57	100.00	

Two-sample t test with equal variances

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf. Interval]	
female	30	1.433333	.1837248	1.006302	1.057574	1.809093
male	27	1.259259	.1653158	.8590063	.9194477	1.599071
combined	57	1.350877	.1238765	.9352469	1.102723	1.599032
diff		.1740741	.2492393		-.3254126	.6735607

diff = mean(female) - mean(male) t = 0.6984
 Ho: diff = 0 degrees of freedom = 55

Ha: diff < 0 Ha: diff != 0 Ha: diff > 0
 Pr(T < t) = 0.7561 Pr(|T| > |t|) = 0.4879 Pr(T > t) = 0.2439

Appendix-3 Results for budget controlling

. tab havingadequateinteraauditcontroll

Having adequate inter. Audit controlling system	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	36	63.16	73.68
neutral	5	8.77	82.46
disagree	9	15.79	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

. tab havingadequateinteraauditsectiona

Having adequate inter. audit section at branch	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	19	33.33	43.86
neutral	8	14.04	57.89
disagree	23	40.35	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

. tab autonomyofbranchesinterauditor

Autonomy of branches inter. Auditor	Freq.	Percent	Cum.
strongly agree	1	1.75	1.75
agree	14	24.56	26.32
neutral	18	31.58	57.89
disagree	24	42.11	100.00
Total	57	100.00	

. tab mechanismtoimplementauditcomment

Mechanism to implement audit comment	Freq.	Percent	Cum.
strongly agree	11	19.30	19.30
agree	32	56.14	75.44
neutral	9	15.79	91.23
disagree	5	8.77	100.00
Total	57	100.00	

. tab conductingperformanceaudit

Conducting performance audit	Freq.	Percent	Cum.
strongly agree	7	12.28	12.28
agree	24	42.11	54.39
neutral	20	35.09	89.47
disagree	5	8.77	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Challenges in the audit function	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	12	21.05	31.58
neutral	9	15.79	47.37
disagree	30	52.63	100.00
Total	57	100.00	

Mgmts corrective action on the finding of audit	Freq.	Percent	Cum.
strongly agree	8	14.04	14.04
agree	9	15.79	29.82
neutral	9	15.79	45.61
disagree	29	50.88	96.49
strongly disagree	2	3.51	100.00
Total	57	100.00	

Relevant educational background and experience	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	10	17.54	28.07
neutral	12	21.05	49.12
disagree	27	47.37	96.49
strongly disagree	2	3.51	100.00
Total	57	100.00	

Internal auditor training	Freq.	Percent	Cum.
strongly agree	1	1.75	1.75
agree	7	12.28	14.04
neutral	16	28.07	42.11
disagree	30	52.63	94.74
strongly disagree	3	5.26	100.00
Total	57	100.00	

Adequate budget and logistic for internal auditors	Freq.	Percent	Cum.
strongly agree	4	7.02	7.02
agree	8	14.04	21.05
neutral	10	17.54	38.60
disagree	32	56.14	94.74
strongly disagree	3	5.26	100.00
Total	57	100.00	

Support from top mgmt in the function of internal audit	Freq.	Percent	Cum.
strongly agree	2	3.51	3.51
agree	8	14.04	17.54
neutral	15	26.32	43.86
disagree	27	47.37	91.23
strongly disagree	5	8.77	100.00
Total	57	100.00	

Coordination of internal audit with external auditor	Freq.	Percent	Cum.
strongly agree	2	3.51	3.51
agree	20	35.09	38.60
neutral	21	36.84	75.44
disagree	13	22.81	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Internal audit plan schedule	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	27	47.37	57.89
neutral	18	31.58	89.47
disagree	6	10.53	100.00
Total	57	100.00	

Mechanism to report the findings of internal audit	Freq.	Percent	Cum.
strongly agree	4	7.02	7.02
agree	36	63.16	70.18
neutral	12	21.05	91.23
disagre	5	8.77	100.00
Total	57	100.00	

Reporting mechanism and channel to report fraud and corruption	Freq.	Percent	Cum.
strongly agree	3	5.26	5.26
agree	14	24.56	29.82
neutral	11	19.30	49.12
disagre	26	45.61	94.74
strongly disagree	3	5.26	100.00
Total	57	100.00	

Internal control over major risk	Freq.	Percent	Cum.
strongly agree	10	17.54	17.54
agree	19	33.33	50.88
neutral	17	29.82	80.70
disagre	10	17.54	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Variable	Obs	Mean	Std. Dev.	Min	Max
havingadeq~l	57	1.350877	.9352469	0	4
havingadeq~a	57	1.894737	1.112979	0	4
autonomyof~r	57	2.140351	.854371	0	3
mechanismt~t	57	1.140351	.833208	0	3
conducting~t	57	1.45614	.8878179	0	4
challenges~n	57	2.105263	1.080413	0	3
mgmtscore~n	57	2.140351	1.171668	0	4
relevanted~d	57	2.157895	1.098529	0	4
internalau~g	57	2.473684	.8473754	0	4
adequatebu~e	57	2.385965	1.030852	0	4
supportfro~o	57	2.438596	.9639492	0	4
coordinati~e	57	1.842105	.8821539	0	4
internalau~e	57	1.421053	.8226127	0	3
mechanismt~n	57	1.315789	.7357672	0	3
reportingm~e	57	2.210526	1.047733	0	4
internalco~k	57	1.526316	1.036913	0	4

Appendix-4 Results of budget preparation process

Staff participation in budget preparation	Freq.	Percent	Cum.
strongly agree	3	5.26	5.26
agree	9	15.79	21.05
neutral	6	10.53	31.58
disagree	31	54.39	85.96
strongly disagree	8	14.04	100.00
Total	57	100.00	

Communication during budget preparation between depts	Freq.	Percent	Cum.
strongly agree	3	5.26	5.26
agree	8	14.04	19.30
neutral	13	22.81	42.11
disagree	27	47.37	89.47
strongly disagree	6	10.53	100.00
Total	57	100.00	

Authorities budget guidelines	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	21	36.84	47.37
neutral	23	40.35	87.72
disagree	6	10.53	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Number of professional budget officer	Freq.	Percent	Cum.
strongly agree	1	1.75	1.75
agree	13	22.81	24.56
neutral	14	24.56	49.12
disagree	25	43.86	92.98
strongly disagree	4	7.02	100.00
Total	57	100.00	

Tendency of submitting budget request without plan	Freq.	Percent	Cum.
strongly agree	5	8.77	8.77
agree	13	22.81	31.58
neutral	20	35.09	66.67
disagree	18	31.58	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Providing of regular training for relevant staffs	Freq.	Percent	Cum.
strongly agree	5	8.77	8.77
agree	10	17.54	26.32
neutral	11	19.30	45.61
disagree	24	42.11	87.72
strongly disagree	7	12.28	100.00
Total	57	100.00	

Availability of policies, procedure and guidelines	Freq.	Percent	Cum.
strongly agree	4	7.02	7.02
agree	9	15.79	22.81
neutral	13	22.81	45.61
disagree	29	50.88	96.49
strongly disagree	2	3.51	100.00
Total	57	100.00	

Proper and regular mechanism to follow up budget implementation	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	15	26.32	36.84
neutral	7	12.28	49.12
disagree	23	40.35	89.47
strongly disagree	6	10.53	100.00
Total	57	100.00	

Informing of budget utilization of depts and top mgmts	Freq.	Percent	Cum.
strongly agree	4	7.02	7.02
agree	12	21.05	28.07
neutral	9	15.79	43.86
disagree	25	43.86	87.72
strongly disagree	7	12.28	100.00
Total	57	100.00	

Utilization of budget according to the plan	Freq.	Percent	Cum.
strongly agree	5	8.77	8.77
agree	9	15.79	24.56
neutral	10	17.54	42.11
disagree	29	50.88	92.98
strongly disagree	4	7.02	100.00
Total	57	100.00	

Difference between planed and actual budgets	Freq.	Percent	Cum.
strongly agree	7	12.28	12.28
agree	28	49.12	61.40
neutral	17	29.82	91.23
disagree	5	8.77	100.00
Total	57	100.00	

Shifting of budget from one line to another	Freq.	Percent	Cum.
strongly agree	16	28.07	28.07
agree	22	38.60	66.67
neutral	15	26.32	92.98
disagree	4	7.02	100.00
Total	57	100.00	

Budget approval of top mgmts	Freq.	Percent	Cum.
strongly agree	17	29.82	29.82
agree	24	42.11	71.93
neutral	11	19.30	91.23
disagre	5	8.77	100.00
Total	57	100.00	

Sharing of budget with all depts in time	Freq.	Percent	Cum.
strongly agree	9	15.79	15.79
agree	16	28.07	43.86
neutral	18	31.58	75.44
disagre	13	22.81	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Reference to budget before any request	Freq.	Percent	Cum.
strongly agree	12	21.05	21.05
agree	29	50.88	71.93
neutral	8	14.04	85.96
disagre	8	14.04	100.00
Total	57	100.00	

Releasing of approved budget on time	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	9	15.79	26.32
neutral	13	22.81	49.12
disagre	21	36.84	85.96
strongly disagree	8	14.04	100.00
Total	57	100.00	

Variable	Obs	Mean	Std. Dev.	Min	Max
staffparti~r	57	2.561404	1.085909	0	4
communicat~a	57	2.438596	1.035401	0	4
authoritie~s	57	1.561404	.8867586	0	4
numberofpr~e	57	2.315789	.9665457	0	4
tendencyof~s	57	1.947368	.9896077	0	4
providingo~l	57	2.315789	1.167383	0	4
availabili~a	57	2.280702	1.013382	0	4
properandr~o	57	2.140351	1.231123	0	4
informingo~e	57	2.333333	1.154701	0	4
utilizatio~h	57	2.315789	1.104502	0	4
difference~l	57	1.350877	.8126506	0	3
shiftingof~o	57	1.122807	.9077086	0	3
budgetappr~s	57	1.070175	.9231091	0	3
sharingofb~m	57	1.666667	1.05785	0	4
referencet~s	57	1.210526	.9399248	0	3
releasingo~e	57	2.280702	1.206447	0	4

Appendix- 5 Budget implementation

Alignment between planned and approved budget	Freq.	Percent	Cum.
strongly agree	8	14.04	14.04
agree	27	47.37	61.40
neutral	12	21.05	82.46
disagree	8	14.04	96.49
strongly disagree	2	3.51	100.00
Total	57	100.00	

Utilization of budget for expected purposes	Freq.	Percent	Cum.
strongly agree	12	21.05	21.05
agree	29	50.88	71.93
neutral	8	14.04	85.96
disagree	8	14.04	100.00
Total	57	100.00	

Regular awareness raising and capacity building	Freq.	Percent	Cum.
strongly agree	6	10.53	10.53
agree	26	45.61	56.14
neutral	10	17.54	73.68
disagre	14	24.56	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Period of budget performance report	Freq.	Percent	Cum.
strongly agree	10	17.54	17.54
agree	29	50.88	68.42
neutral	14	24.56	92.98
disagre	4	7.02	100.00
Total	57	100.00	

Reviewing and approving off budget before to use	Freq.	Percent	Cum.
strongly agree	9	15.79	15.79
agree	31	54.39	70.18
neutral	12	21.05	91.23
disagre	4	7.02	98.25
strongly disagree	1	1.75	100.00
Total	57	100.00	

Impacts of improper implementation of budget on revenue collection	Freq.	Percent	Cum.
strongly agree	26	45.61	45.61
agree	22	38.60	84.21
neutral	4	7.02	91.23
disagre	3	5.26	96.49
strongly disagree	2	3.51	100.00
Total	57	100.00	

Variable	Obs	Mean	Std. Dev.	Min	Max
alignmentb~e	57	1.45614	1.018931	0	4
utilizatio~u	57	1.210526	.9399248	0	3
regularawa~i	57	1.614035	1.030852	0	4
periodofbu~t	57	1.210526	.8180299	0	3
reviewinga~e	57	1.245614	.8717942	0	4
impactsofi~o	57	.8245614	1.019853	0	4