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Budget Allocation and Utilization in Public Secondary Schools of Gambella Regional State

By
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ADDIS ABABA UNIVERSITY
COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES
DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT

Addis Ababa, Ethiopia
June 2018

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**Thesis Submitted to the Department of Educational Planning and Management in
Partial Fulfillment of the Requirements for the Degree of Master of Arts in
Educational Leadership and Management**

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Abstract

The purpose of this study was to assess the implementation of budget allocation and utilization in public secondary schools of Gambella Regional State. In this study both quantitative and qualitative approaches were adopted and the research method used was descriptive survey. The sampling techniques used in this study were simple random sampling techniques and purposive sampling technique. . The samples size drawn from four schools was 80 Academic staff from 108 populations. From other sectors such as administration staff, 20 sample participants and 4 KEBT and 4 PSTA members within all four schools that were chosen purposefully, altogether 108 participants. The data gathering instrument were questionnaire; Interview, FGD. In addition, the researcher used descriptive statistics using frequencies, percentages, means and standard deviation by applied statistical Package for social sciences (SPSS) software package version 20.0. The major finding of study revealed that the school grant is the only available source of income of finance for secondary school. There is no block grant allocated for the past twelve years; The budget allocated in each school is not adequate to fully implement the annual budget plan; no effective transparency and accountability of financial management and control; Recommendation by researcher's in case of schools located in rural area are not able to generate income from themselves they are just waiting only school grants because there is no other facilities to strength their internal income in order to make teaching and learning going smoothly in schools. For this case, it's better to makes internal income by linking schools with production and income generating activities like building business centers around schools; It's better to put policy in place which can motivate schools in order to make work condition attractive for ever one in order to fulfilling the benefit of schools teachers, allocating adequate finance, available teaching materials to schools etc. In case of specific criteria being allocated budget, it's better to consider distance of school like transportation material, available provision of stationary materials in that area and human power.

Acronyms

FDRE	Federal Democratic Republic Ethiopia
ESDP:	Education Sector Development Program
ETP:	Education and Training policy
KETB:	Kebele Education and Training Board
MoE:	Ministry of Education
MOFED:	Ministry of Finance and Economic Development
BOFED	Bureau of Finance and Economic Development
REB	Regional Education Bureau
PSTA:	Parent Student Teacher Association
SIP:	School Improvement Plan
SPSS:	Statistical Package for Social Sciences
UNESCO:	United Nation Economic Social and Cultural Organization
WEO:	Woreda Education Office
WFEDO:	Woreda Finance and Economic development office

CHAPTER ONE: Background of Study

This chapter deals with introductory issues of the study such as the study's background, statement of the problem, objectives and significance of the study. Besides, it deals with the delimitation of the study.

1.1 Background of Study

Education is a process that helps to develop the social and economic status of a given society (King, 2003). In addition, it is a fundamental instrument in the poverty alleviation process of any country. Therefore, Education as an essential means for developing human resource and proper Utilization of Natural Resource has becoming critical for Social and Economic development and Poverty reduction.

As stated by the MOE (ETP, 1994), education helps human beings to change as well as develop and conserve environment for the purpose of all rounded development by diffusing Science and modern technology in to the Society and also it has great significance to understand and respect democratic and human rights. It is a prerequisite for personal development of an individual and economic development of the Society as well for the country.

The government budget allocation in Ethiopia is based on the proclamation which defines the power and provisions to Federal, Regional, Zones and Wareda level.

Accordingly, Regions get their supplemental budget from federal government by a formula approved by the House of Federation and implemented by (MoFED) Ministry of Finance and Economic Development (MoE.2006). And also regions provide Block Grants to suit their respective objective conditions. Then each Wareda allocate the annual budget for their public sectors at Wareda level. It is obvious that allocation of budget and taking the largest share of the government, community, and Privet Sectors and Donors resource alone could not produce the efficiency and quality of education and meet goals and objectives of education. The provision of quality of education and achievement of educational goals is also determined by how for the education systems are in a position to allocate and manage the available financial resources.

Financing educational system in Ethiopia with special emphasis on primary education and secondary education has been improved by increasing the government allocation funds to acquire necessary physical and human resources for carrying out activities. The expenditure incurred in educational activity direct to the payment of salary to teaching and non-teaching personnel, costs of building, maintaining, equipping and running costs of schools MOE (ETP, 1994). For this, a country is supposed to make a provision of quality education a reality to satisfy the educational needs of students and society at large. The quality of a schools education provision is generally attainable in educational institutions where larger amount of finance is generated.

According to Melaku (2010) states, finance is one of the most important resources which, through a process and mechanism of budget allocation, are converted into real instructional resources such as teaching and non-teaching personnel, buildings and facilities, learning resources and other goods and services. Inadequate facilities, insufficient man power training, overcrowded classrooms, etc., are some indicators of low quality education which are mainly caused by inadequate allocation of finance to schools (ESDP- III, 2006). Therefore, the extent to which a country has committed itself to education can be seen from how much the national financial resources are allocated to this sector. It should be noted that it is not only the allocation of budget that matters but also the proportion of allocated budget that actually reaches the grass root level and its proper utilization at this level.

As described above, the quality of a school's education provision is directly related to the amount of budget of finance available to school. Therefore, the financial resources generated from different sources should properly be allocated and used for the planned purposes. At the time decision is made by higher authorities it is the responsibility of the institutional managers and planners to see that the fund allocated is utilized according to plan.

1.2. Statement of the Problem

The Education system of any country is big industry, involving large number of Personnel, Building programs and the use of materials resources. Because of these, in most countries, a large proportion of the Gross National Product (GNP) is spent on education. And also with this regards to financing public education in Ethiopia, the Education and Training Policy suggested sufficient budget allocation and proper utilization of the educational budget for the intended

purpose. It stated that “The financing of education must be just, Efficient and Appropriate to promote quality education of education” (MoE, 1994).

As a result, Ethiopian Government devotes a large amount of money for education since it plays a significant role in promoting economic development and improvement in the life standard of a society. However; allocating large amount of budget alone couldn't bring change in the quality of education; thus, effective utilization of budget is very essential issue for the provision of the quality of education and the achievement of educational objectives.

In the Gambella regional state, there are three zones with 12 Woreda and two woreda administration (Itang special and Gambella town), a total of 14 Woreda administrations and 54 public secondary schools. In case of the budget allocation to different school in the regional state is under question. While block grants are the budget of schools in general to be allocated according to policy of our country and regional as well. But in Gambella regional state only school grants used as a budget for schools instead of considering block grants are the part of budget to be employed to school, while the priority of the FDRE (ETP, 1994) in education, financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost sharing at higher levels of education and training.

Even though, the resources are always scarce to address economic and social needs of the society, the available resources particularly financial resources should be utilized effectively and efficiently. As the researcher's view, the allocation of block grant to schools like others sectors is the most important because the school grant has its own purpose to fulfil the gap of schools finance. In addition the reason behind schools can have enough finance it creates capacity of utilization of resource at school community for enhancing new technology related to teaching and learning process as part of their resource.

It was very pertinent to assess the budget allocation and utilization in public secondary schools within the context of decentralized education system in effect today. In current situation, many of schools principals in Gambella Regional State are complaining about the absence of allocating budget (block grants) and school grants delay in disbursement of allocated budget to schools are still under question. And the topic were studied by different researchers about practice of financial management, because its depending on length of study and the researcher's study is

differ from deeply investigate the states of budget allocation and utilization in public secondary schools of Gambella Regional State. However, by allocating budget has significant for improving school program as part of (SIP) as follow. Make school administration aware in the way of utilization of resource effectively and efficiently in achieving organization objective; make teaching and learning process smoothly at school community level. The study finding could be used as commencement for those who are interested to conduct a study on such similar topics. The study attempts to find out answers to the following basic questions:-

1. What are the sources of finance available for public secondary schools of Gambella Regional State?
2. To what extent do the criteria adopted to allocate budget consider specific need of secondary schools of Gambella Regional State?
3. How effectively do secondary schools utilize finance in Gambella Regional State?

1.3. Objective of the Study

1.3.1. General Objective

The general objective of the study was to assess the implementation of budget allocation and utilization in public secondary schools of Gambella Regional State.

1.3.2 Specific Objectives

More specifically, the objectives of the study are:.

- Identify the sources of budget for public secondary schools in Gambella regional state.
- Identify the specific criteria being employed for allocating budget for public secondary schools in Gambella regional state.
- To examine the gap of utilizes the budget in public secondary schools in Gambella regional state
- Examine problems being associated in budget allocation and utilization in public secondary schools in Gambella regional state.

1.4. Significant of Study

The purpose of the study was to assess the implementation budget allocation and utilization in public secondary schools in Gambella Regional State as whole. However, researcher view on topic of study was important because if financial (block grants) allocated at school, it improve school program. In addition, it creates capacity of utilization of resource at school community for enhancing new technology related to teaching and learning process as part of their resource. And make School strength for internal and external autonomies' as well as responsible and accountable for any action to be make wrongly. Therefore, it was very pertinent to assess the state of budget allocation and utilization in public secondary schools within the context of decentralized education system in effect today, and the significant of the study would be benefit the school community and society at large in the region

1.5. Delimitations of the Study

In order to have more comprehensive information, it would have been good if the study included all the secondary schools of the Gambella regional state. However; to increase the manageability of the study in relation to time, financial and other constraints, this study was delimited to four selected public secondary schools, Namely Elay, Kuergeng, Nib-Nib and Bildak. And other administration staff among four Wareda, Namely, Gambella town, Lare, Jikow and Makukey.

1.6. Limitation of the Study

In addition to financial and time limitations, the study was constrained by the following limitations. Semester break at the time of data collection; Reluctant of respondents to give information; absence of officials and some experts from office during data collection, and high staff turnover and frequent restructuring of the woreda government offices also made the data collection very different; Lack of organized secondary data due to the absence of documentation and organized database system in the region in general and the study woreda in particular. Therefore, the study relied on a combination of different primary data collection mechanisms with special emphasis to in-depth interviews and focus group discussions to manage all challenges faced by researcher.

1.7. Operational Definition of key Term

KETB: - representatives of school Kebele education and training board from each schools

PSTA: - representatives of parent student teacher association from each schools.

Public secondary schools: -are government schools of FDRE that offer formal education for grade 9-12 which are managed, maintained and funded by the government.

School finance: - refers to the money given to school by the government, and or obtained by the school from different sources such as donors NGOS, internal income and community contribution.

1.8. Organization of the Study

The study was organized into five chapters. The first chapter of the study included the background of study, statement of the problem, objectives of the study, significance of the study, the delimitation of study and the limitation of the study. The second chapter deals with the review of related literature. In this chapter, different assumption concerning on budget allocation and utilization in public secondary school was discussed. It also exposed the various thought entertained by different scholars in the area of conducts challenges. The third chapter describes the research methodologies. In the fourth chapter the collected information or data is described and analyzed. The conclusion and recommendation part is presented in the fifth chapter. At last, bibliography, appendix and questionnaire are annexed.

CHAPTER TWO: Review of the Related Literature

This chapter contains review of related literature on budget allocation and utilization in public secondary school, the financing in education, source of finance, utilization of school finance financial management in education, concept of budget and budgeting, budget monitoring and control.

2.1 Financial Management in Education

The education sector needs to have financial management system like any other sectors, to serves as an important instrument that make the teaching and learning process going smoothly to achieve the goals and objectives of organization.

Managers accomplish the task of effective financial utilization through appropriate educational planning. Planning obviously, helps to counteract the need of the society in the process of using scarce resources. It is a national approach in the process of resource mobilization and optimum utilization. It allows a chance for accommodation of changes in the education system. Therefore, it is important to plan for effective and efficient utilization to meet the objective of the organization. The principle of financial management, as other management disciplines apply the general principles of planning, organizing, directing, coordinating and controlling money so as to secure the optimum achievement of objectives (Mbamba, 1992)

The sector requires effective and efficient fund raising mechanisms and its own rational process for effective utilization of the fund generated for the betterment of education programs and realization of educational aims. Thus, the financial management in education as part of the general management function has to perform a number of functions, primary financial planning and financial control cited in (Lavacic and Keynes, 1989).

As Adesina (1990) argues, the fundamental principle in school finance is not how much budget allocate to the school system rather than the way the available funds are effectively put in to reality in use. Its need to make a plan to generating funds and expenditure to utilize funds efficiently, thus, planning is an essential part of financial management that enables to efficiently utilize the available education finance for the effective accomplishment of desired goals and objectives of education. In addition, Lavacic (1995) has listed the financial management for the

effective utilization of education finance. These are, the acquisition of resources, the allocation of resources, planning the budget, implementation of budget and evaluation of the budget plan.

As Mbua (2002) has mentioned, financial management system is the way of financial management operates in practice largely which depends on the organization and other related aspects (such as accounting systems used of the national and local education system, as a result the practices of centralized and decentralized educational systems are likely to differ. And the concept of financial management system in public education is not much differing from the general financial management system which has some characteristics of educational finance management in common. This indicated that, financial Management in education has also to secure the resource obtained from different sources and making a sound decision to as it should be allocate and utilize for the effective attainment of education goals. Since financial decisions in education are crucial to education system, making a sound decision and efficient organization for the finance is very essential. In connection to, as quoted by Melaku (2010: 44) points out that “finance assumes to have a greater importance in education with expansion of educational systems and the provision of quality education are greatly influenced by the amount of finance available to education and by the extent to which the available finance is effectively and efficiently managed.”

Management functions on finance require certain skills on management skills are important for financial management of the organization. These are the technical, human, and conceptual. The technical skill refers to the ability to perform specialized financial tasks such as budgeting, accounting, reporting and the like requiring certain methods. The human relation skill is the ability of working with people. The conceptual skill on the other hand is the manager’s ability to recognize complex and dynamic issues to identify factors the financial management in an organization, argue by Bateman and Zeithmal (1990).

The human resource in the financial management in education system is an essential issue to be considered. This is because the effectiveness of financial management depends on the quality and skills of the staff in the organization. Thus, the lack of financial resource is not the only constraint that impedes the achievement of educational goals and objectives. Caillods and Hallack (2004) has quoted, “As much of lack of finance, a lack of capacity to design, plan,

negotiate, manage funds and coordinate different actions and actors at ground level is a reason behind for the low implementation of objectives.”

Clarke (2008) has described that, financial management it is an essential that the school principal makes sure that he / she has the knowledge and understanding of the basic processes involved in managing the school's accounts, the budgeting process and the systems and controls that are necessary to ensure that the school's money are not misappropriated. As cited by Momoniat in Erasmus (2008) has explained that, financial management as a requirement of managers to take responsibility for the actions and achievements in exchange for greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance. Van Wyk (2004) has stated that the objective of financial management in the public sector is to support management in the allocation of scarce resources with the purpose of ensuring economy and efficiency and effectiveness in the delivery of outputs required to achieve desired outcomes that will serve the needs of the community or school.

Mbamba (1992) has described that, financial Management is an action where an organization ensures that available funds are used for the accomplishment of its objectives. It is concerned with the implementation of management decision of various activities and administration of routine activities exchange within organization. And the direction and control of the expenditure of the available funds and accounts for all funds that are received and spent within an organization are part of the management process.

As Dixon (1986) states, financial Management is the procedure of planning the provision, generation and management of financial resources. The Financial management must perform a number of functions as part of the general management function. Hence, the two basic functions of Financial Management functions are Financial Planning and Financial Control.

Financial Planning in management planning it provides the base and orderly approach to future actions. It is the method of deciding what do with money at hand and to do it. In general this attempt leads to compressive programming and budgeting of future operation. And financial Control Function from management control to assign organizational responsibility for the implementation of approved plans. It involves the monitoring of actual transaction events against the plan taking prompt action, where there is deviation from the plan, the control function takes

appropriate measure either to improve performance or revise planned target in terms of cost and output, described by Dixon (1986).

2.1.1. Financial Management Guidelines

In Ethiopia, as to the mandate given to the council of Ministers, financial guidelines regarding the administration of payments and deposits of public money stated clearly in the proclamation No. 17/1997, Article 21-24 describes about the payments guidelines as follow:

Authority of payments shall be made only if they appropriated. And also Payment Vouchers shall be made unless it is adequately vouched and public bodies shall complete payment voucher for all payments in accordance with directives issued by the Ministry of finance. And List of Authorized Persons: the head of every public body shall establish and have maintained a list of employee whom he or she has authorized to sign the documents referred to in these regulations. Such lists shall be circulated to the senior financial officer of the public body, the head of the Internal Audit of the public body, and to the ministry of finance. Therefore, the Mode of payment shall be made by means of cash, cheque, letter of credit, bank transfers or payment orders, in accordance with directives issued by the ministry of finance whose fundamental principle is that no payment is effective unless there is a budget allocated for the disbursement or expense. Within this boundary, the organization can make the payment through cash, cheque, and other methods as it is stated in the proclamation. However, these payments can only be made after the proper voucher raised. Further according to the proclamation, the organization should notify the ministry of finance and its own account and internal audit section about the lists of designated people who are actually permitted to sign on the documents and cheque of the organization. In the case of the receipt and deposits of public money, Article 31 and 32 clearly state the procedure of the collection and the deposits of the public money.

Receipt of Public Money for every sum of the money collected on behalf of the Federal Government of Ethiopia, a serially numbered, official receipt of the ministry of finance shall be issued. And for every remittance received, including cash transfers from ministry of finance or other public bodies, whether they are in the form of cash, cheque or bank transfer, an official receipt shall be issued to the remitter by the receiver. Education contributes enormously to it. When compared with other government sectors' expenditure, education consumes a large share of over

all government expenditure. Thus education contributes to sustainable development and improvement of the largest society through the production of trained, qualified, and capable citizens. It is due the role education plays that countries devote an overwhelming amount of financial resources and it consumes the largest share of overall government expenditure

2.1.2. Utilization of Financing in Schools

Financial income in Schools is obtained from block grant allocated by the government, internal income generated from schools and the contribution from the community and humanitarian organizations donates loans to school like school grants and other loans. It need a proper financial handling and accounting systems to use the money obtained from these income sources for the purposes planned and outlined by schools. But the Woreda should know the resources and the way of utilization of its resources in school. In addition to that, schools should report any additional obtained income as a part from the amount indicated in the budget at the end of the fiscal year as they would report the final actual budget. In addition, the labour and contribution made in kind would be calculated in terms of money and be reported. The accountant, the cashier and the directors should join hands to create an effective and efficient finance handling and utilization mechanisms (MOE, 1994).

Based on fiscal policy of the decentralized of economic policy that the country is following now, Woreda have full mandate to handle their resources. And have a full mandate on own resources means for controlling the process from the preparation of budgetary plans for utilization of the available resources. Thus, the Woreda education office would make sure that the budgetary plans of the office and the schools are prepared in accordance with the budgetary ceiling, and then submit them to the Woreda council. Therefore, the Woreda council in its turn would examine and approve the plan for making the necessary amendment

2.2 The Sources of Educational Finance

The sources of finance for educational provision in Africa including Ethiopia, are the public bodies; the users of education and self-generated income. Both public and private educational institutions may derive funds from all three sources as stated by Forojalla (1993).

Developing countries like Ethiopia are now facing a big demand for more and better education to produce greater quality and equality within the education system it requires the provision of adequate finance from different sources. As argue by Policy makers and implementing agencies to increase the sources of funding. Even though there are discussions on who should pay for commonly known sources that flow to education system like government funds, private and donor agencies, community and internal income sources has mentioned by Alebachew (2005).

2.2.1 Public Funds

As written from Educational Resource Management an international perspective book, has described by Derek Glover and Rosalind Levacic (2007), public funding of education there is considerable variation in the resources made available for education from public funds. This can be attributed to the source, the allocation rules applying to resources.

The finance for publicly funded education may come directly from central government which raises the resources needed for national services through direct and indirect taxation and then allocates the funds to educational organizations in different ways. Alternatively, the funds may come from local taxation – usually related to property values – but also from local direct taxation. The situation, however, is made more complex where local authorities act as agents for school resourcing and where they are supported by funds from central government to which they add locally raised revenues. The balance in the proportion of funding from central and local government varies from country to country and changes over time. Higher education funding is usually paid directly from central government to universities whereas most basic primary education is funded from local authorities that have varying amounts of central government grants to support their activities. If a local area wishes to make provision beyond the basic level it can only do so by raising local revenues and some areas are more able and willing to do this than others. The increasing decentralization of control of school administration has resulted in schools being free to enhance their basic funding through locally raised support

Forojalla(1993) has stated that, public resources for education in most Africa countries including Ethiopia are raised in three ways: taxation, foreign loans and grants. And the role of government in the provision of education is used for equalizing access to education and considering educational benefits that cannot enter into a private firm's calculation. (Peano, 2000)has

indicated that, government role is always high when there is a need for investment in nonprofit making programs and projects, such as school and road construction, teachers training, school feeding program. Therefore, as written from FDRE(ETP, 1994), the financial support for the general education from the government will be up to the completion of general secondary education (grade 1 upto grade 10) and related training with increased cost sharing at high levels of education.

2.2.2 Private Funds

The contributors of private sources are varied in their types and nature of funding. These are non-governmental sources funding get from families, business firms or corporations. And also private sources include contributions from individuals, household and other private entities like religious groups, firms, associations are identified by study paper from UNESCO (2002). Relatively, Melaku has described the main groups of private contributors as follows:

Families contributes to pay fee for tuition, registration, examination and other purposes and expenditures for purchase of school uniform, books, and instructional supplies and Local communities may also cover capital expenditure when the government takes the commitment to cover recurrent expenditure. Business Corporation or firms: Government can enact laws that direct corporation and business firms to participate in financing and provision of educational service. They can also be involved in sponsoring vocational/technical training programs mainly to satisfy their own human resource needs (Melaku, 2000). And another financial support for educational purpose that comes from international donor organizations in the form of loans and grants. This source is not permanent and it is unreliable means of financing. There is an economic burden on developing countries when they try to repay the loans in foreign exchange. It needs political decision to the loan and grants for education sector, because government would be using up its limited borrowing capacity on education at the expense of other public sectors. And the nonprofit producing projects or social services such as education should not be financed through borrowing as argue by Forojalla, (1993).

2.2.3. Community Contribution

The provision of education and training in Ethiopia was confined to the only responsibility of the government since the introduction of modern education in the country. The overall result was that access to and equity of education has been found to be one of the lowest even in Africa. The situation has been changing recently since communities have started to support and manage schools. As indicated in ESDP V (2015), community involvement will go beyond financial, material and labor contribution which will be expected to exercise leadership, participate in school management in such a manner that it reflects their ownership of the school. Students and parents also participate in the financing of education through fees in TVET and tertiary education.

2.2.4 School Internal Income

Schools generate internal income in addition to the government budget they are subsidizing in order to overcome budget deficits. The income may be obtained from different school activities as indicated Regulation No. 36/2011, internal income of school are the ones to be generated from the following sources:- sales of various educational outputs, Renting service, Sport activities, Sales of trees and Grasses etc. This income will be implemented according to the government financial rules and regulations.

2.3 Financing Education in Ethiopia

The role of education in national development is widely recognized. It brings huge economic and noneconomic welfares to both individuals and society as argued by Tsang (1988). In relatively supported by Balsara (1996) has described this idea, education is considered as a basic human need as it equips People with fundamental knowledge, skills, value and attitudes and enhances their capacity to change and their willingness to accept new ideas. Education is also an essential means of meeting the core basic needs like adequate nutrition, clean drinking water and health care. And also education deals with matters related to the heart and soul of individual citizens, and the same is critical to the political and economic welfare of the nation and its security. (King, 2003) has shown that expenditure on education in developing countries is very profitable investment and the rates of return to education are higher than for physical capital investment.

As cited by Psacharopoulos (1985) in Tsang (1988). All the developed and developing countries have a long-lasting faith in the effectiveness of education as powerful instrument of national progress and development. (Mbua, 2002) argue that it is due to the role education plays that a countries devote an overwhelming amount of financial resources and it consumes the largest share of overall government expenditure. When compared with other government sectors' expenditure, education consumes a large share of overall government expenditure (Forojalla, 1993). Thus, education contributes to sustainable development and improvement of the largest society through the production of trained qualified and capable citizens.

Education is essential for the survival and progress of one country, Modern civilization unthinkable without knowledge and technological skills, which can only be achieved through financial supported education. Regarding this, Melaku (2000) stated that: The significance of finance and the direct relationship with educational programs reveal that higher quality of education is general provided in school system where large amount of finance is allocated and most decisions that directly or indirectly affect the operation of educational programs of schools, involved financial resources for their implementation basis.

Ethiopia embarked on a new education and Training policy (ETP) in 1994. The policy was issued by the Transitional Government of Ethiopia following the fall of the military regime in 1991. For adopted new policy written from FDRE (ETP, 1994) as the introduction of improvement of educational access, equity, quality and relevance which have been identified as the major rationales for the policy. From September 1994, the Government of Ethiopia issued a more focused document known as education sector strategy. The document mentioned the many constraints of the education Sector. And the status of financing educational system found as one constraint of education sector strategies as reads bellow as follows:

Financing the education system will be a great constraints in the light of the massive unanswered demand at all levels and the inescapably overhauling of the system require means of improving the inadequate finance and avoiding mismanagement will have to be looked into. Changing the participation level of the private sector in the delivery of education and cost sharing by beneficiaries will be some of the important mechanisms (MoE, 1994: PP.12-13) as clearly stipulated in education and training policy (ETP, 1994: P.31), students are not required to pay for their education in primary and general secondary education. The policy document also stipulates

increased cost-sharing at higher level of education and training implying the declining share of government financing education. The public primary and general secondary schools are supported by government budget. Regarding this, Ministry of education (1994) has quoted that, “to provide primary and secondary education the primary source of finance will be the government budget. However, to provide quality education and to make it accessible to all, the community is supposed to contribute voluntarily and depending on his capacity translated.”(MOE, 1994).

2.4. The Concept of Budgeting

Many authorities in business sectors and in educational institutions have defined budget in many different ways. For instance, Njoku (2003) has defined; budget is a financial statement prepared in advance at the opening of a fiscal year of the estimated revenue and proposed expenditures of the organization for the fiscal year. This suggests that the budget is a financial plan, summing the financial experience of the past, stating a current plan and projecting it over a specific period of time in future. It is a forecast of revenue and expenditure for a stated period which explains in details institutional fiscal policies and its corresponding annual plan. Mgbodile (1986) has described, budget as the fiscal expression of the courses of study within a school. The above idea regarded budget as a mirror of the educational programmed. It means that educational objectives is the center of school budget and as such the basic function of a budget is to serve as a tool for planning so that the educational programmed will not be terminated suddenly or restricted as a result of insufficient funds.

As defined by Abdela (2006), budgeting is the process whereby the plans of an institution are translated into an itemized, authorized and systematized plan of operation. . Budgets are the blue prints the orderly execution of program plans; they serve as a control mechanisms to match anticipated and actual revenues expenditures.

On the other hand, as Forojalla (1993) pointed out the budget constitutes the principal instrument with which the authorities of an education system (national, regional, local or municipal government) express their priorities in terms of a plan objectives and overall policies. Budgeting also offers management the opportunity to examine in detail both the general situation of the

economy and the economic inter-relationship among all the education systems in various activities.

According to Knozevich (1969) has stated, budget is the heart of fiscal management through the budget and the government can approve and determine the expenditures of the school system in each level. Since the budget is the fiscal interpretation of the educational program, reducing the proposed expenditure or refusing to approve the procurement of receipts stipulated in the budget are highly affect the quality and quantity of educational services provided in the country. In one sense, the budget can be regarded as an expression of the educational hopes and aspiration of the people. It is by nature future oriented. Similar to the above explanation of budget and budgeting, it is possible to say that budget is:

A plan for financial operation which includes an estimate of proposed expenditure for a given period of time and a proposed a means of financing expenditures; a systematic plan for the efficient utilization of man power, materials, or other resources; a financial plan which serves as a pattern for and control over future operations of an institutions. Therefore, in public education, budgets are more than matters of arithmetic; adding up the proposed expenditures and the anticipated receipts for a given period. With regard to time, budgets two features; the short term and the long term which serve different purposes (cited in Levacic and Keynes, 1989). As these authors the short term budgets are annual budgets that break down in to quarterly, monthly or even weekly periods. It has merits of its own that management can monitor progress throughout the year and take corrective action as soon as possible rather than to wait until the end of the year.

2.4.1 Principles of Budgeting

The budget procedure needs to be governed by principles like participation, transparency, accountability, equity and inclusiveness as stated by Wubeshet (2002). As quoted by budget allocation and control is a very vast public administration area that involves different levels of government, Citizens, political parties and other governmental and non-governmental interest groups have also their own contribution in the public budget (cited in Assefa, 2007). According to Wubeshet (2002) has summarized that, each budget should be considered in terms of these standards and illustrate each of them as follows.

A. Participation:

This discusses to the level of involvement of all stakeholders/ actors in the budget process directly or through legitimate intermediaries. And the process of budget preparation need approval, implementation and review needs various stakeholders through participation of people's perspectives to bring their attention to the policy. Therefore, Participation in budget process allows member of the community to raise issues that are important for them and hence, influence budget allocations.

B. Transparency:

As Wubishet (2002) has described, transparency is the provision of comprehensive, accurate, timely and frequent information in useful formats on a country's economic condition and its budget policies. It also related to the existence of clearly spelt out rules, procedures, and forums on the basis of which budget decisions are made. On the same author further explained that, budgetary information should be made available and accessible to the general public, open to public study, written clearly and readily understood by the public. and the availability of information on budget polices, expenditures, and outcomes allows the public to hold the government accountable, motivate citizens to participate, and helps to mobilize the community effectively to meet budget target.

C. Accountability:

This refers to responsibility of decision makers and implementers with regard to budgetary process at the formulation, approval, and implementation and performance review stages to those whose interests are affected by their actions or inactions.

D. Equity and inclusiveness:

According to proclamation No 648/2009 quoted by the Ministry of Finance and Economic Development the duty to ensure that systems are established for planning, allocating resources and appropriation of budget which enable proper utilization of public resources. And to ensure opportunities that will maintain to improve the wellbeing of diverse groups in any given social or political settings in terms of budgetary allocations. in relative to this , written from FDRE(2009)

Budget allocations should be fair and apply to all citizens equally without discrimination based on gender, ethnicity, social class, geography, etc.

As Wubeshete (2002) states, Resource mobilized for expenditure comes basically from three sources: taxes, external aid and external loan. Taxes come directly from the people and aid is given to the government on behalf of the people. Loans are raised in the name of the population and the whole population will be responsible for repaying them. Thus, the money the government is spending belongs to everyone. This means the government should be accountable not only for how it spends these resources but also for budget output and outcomes. In general accountability requires healthy financial management system robust financial management legislation.

2.4.2 Types of Budgets

According to Forojalla (1993) has described the budget used in several things Such as:

It is used to plan for cash receipts and expenditures in most education systems in countries, the education services, like all other units of government, operates with in a fixed amount of budgeting budgetary allocation based on plans and needs. This is an allocate budget for any additional amounts required such allocation can only be incurred through a supplementary budget allocation. And the budget is used to plan for debt repayment and the efficient use of cash. Because the general cash fund in most regions is held by the ministry of finance at the national or regional level or the sub-treasury at the local government level; and its proper operation is the sole responsibility of the finance ministry under the guidance of the national or regional political leadership. Therefore, the budget usually covers one academic year and should include receipts and expenditures for both the previous and current financial year and estimates the following fiscal years in which the project receipts and disbursement on a monthly, quarterly or half-yearly base is depending on the rate of cash flow and out flow from the pool or general funds in the treasury.

According to Forjalla (1993), there are basically three major types of budgeting used in planning the flow of funds into and out of the general cash flow available to government, they are explained below:

2.4.2.1 The Line-Item Budget or Function-Object Budget

The basic feature of a line-item budget is the breakdown of the budget items or objects-salaries, supplies, equipment, services and so forth and their distribution or classification according to purpose – administration, instruction, student welfare, adult education, etc. this approach to budgeting is sometimes also referred to as input budgeting, as the budget is prepared on the basis of resource inputs. The basic components of educational expenditures in many African countries are generally arranged on this basis under the following functional sub-heads (Forojalla, 1993). Such as: Personnel emoluments (salaries, allowances, insurances and super annulations) Other charges or running expenses, like travel and transport of personnel, purchase of goods materials, services (water, electricity, etc.) and repair and maintenance of buildings, and equipment.

As Jeilu (2009) has stated that, the line item budget is also referred to as object function budget where an object budget is a listing of the objects of expense such as salaries, supplies and the like while a function budget classification lists of estimate of expenditure in terms of the purpose for which they are made: administration, instruction and adult education and etc. line item budget is a better tool for fiscal control than it is for fiscal planning.

2.4.2.2 Program Budgets of Planning, Programming, Budgeting (PPBs)

As described in Forojalla (1993), the program budget entails setting forth certain major objectives, defining programs essential to these goals, identifying resources to the specific types of objectives and systematically analyzing the alternatives available. PPBs involve an analysis leading to the choice of the preferred mix of a set of proposed projects. It requires decisions like: qualitative discussion of some of the more relevant non-quantitative issues involved in the decision, example: political factor etc. a program budget provides for determination of the costs of program goals and objective. This can be used to compare the costs and advantages of competitive programs. The PPBs differs from the line-item budgets, which despite its degree of retirement and sophistication, is essentially no more than a descriptive tool, in that it aims at examining alternatives.

2.4.2.3 Zero-Base Budgeting (ZBB)

From zero-based budgets, past budget figures are not used as the starting point and the budgeting process starts from the proposed activities for the year. The result is a more detailed and accurate budget, but it takes more time and energy to prepare a budget in this way. Therefore, with the zero-based budget, the total cost of every single item in the budget is calculated in full by departing from zero and adding on all justifiable and verifiable expenses pertaining to the specific budget post (Conradie, 2002). It is like budgeting for the item for the first time assuming there is no previous value to start from.

According to Van Deventer and Kruger (2003) states that, the zero-based budget is the most comprehensive form of budgeting where each of the expenses at a school is re-evaluated and re-considered each year. According to Kennedy (2011) has stated that, when making use of zero-based budgeting, the assumption is that one will be starting the new financial year with a blank piece of paper rather than using last year's budget, which becomes a new financial plan, having re-evaluated the entire income and spending.

2.5 Budget Preparation and Allocation

As written from books of financial planning and management in public organization , Alan Walter Steiss 'Emeka O. Cyprian Nwagwu(2001) has described the budget bellow as follow

A budget is a control mechanism to assure accountability, financial integrity, and legal compliance; a management tool to achieve operating economies and performance efficiencies; and a planning component to assess the overall effectiveness of government programs in meeting public service needs. Fiscal authority and responsibility can be delegated through the budget process, while appropriate central control can be maintained.

These basic objectives of the public budget process are. The budget process involves

- (1) Executive preparation,
- (2) Legislative review, modification, and enactment,
- (3) Budget administration, and
- (4) Post-audit and evaluation.

The budget document should provide a clear and concise picture of both the programs to be carried out and the fiscal basis to support these activities. On the basis of public hearings, the

governing body may amend the budget and the proposed revenue measures and then approve the budget by resolution or by an appropriation ordinance. Steps in budget administration include appropriation, allocation and allotment, expenditure control, and budget adjustment. Sufficient information should be maintained to anticipate requirements for budget amendments during the fiscal year.

As Alan Walter Steiss 'Emeka O. Cyprian Nwagwu(2001) has developed the alternative budget formats developed over the years to meet the broad objectives of financial management includes

Line-item/object-of-expenditure budgets, Performance budgets program budgets, and Zero-base (or service level) budgets.

A line-item/object-of-expenditure budget has two distinct advantages: a pattern of accounts that can be documented, controlled, and audited and control mechanisms for enforcing allocation and allotment limits through such devices as line-item allocations, periodic budget reports, and independent year-end audits. Since personnel requirements are closely linked with other budgetary requirements, the management of positions can be used to control the whole budget. Controls may also be applied to the use of specific funds and prior approval may be required for proposed transfers between major budget items. Although rarely practiced today in its pure form, many characteristics of performance budgeting have survived.

Performance measures workload and unit cost measures and the concept of levels of service have been incorporated into many contemporary financial planning and management applications. The focus on cost-efficiency a hallmark of performance budgeting has its parallel emphasis in current budgeting and accounting formats. Cost accounting systems also are being used more widely in government and nonprofit organizations.

Program budgeting combines a planning framework with the basic functions of management and control. Under this approach, multi-year program plans are developed to identify anticipated outputs of services and facilities according to the program objectives. Program objectives describe how and where specific resources will be used: to eliminate, contain, or prevent a problem; to create, improve, or maintain conditions affecting the organization or its clientele; or to support or control other identifiable programs. Program objectives must be consistent with available (or anticipated) resources. The “output” of many organizational activities may be

difficult to define and measure, however. Therefore, secondary measures often must be used to test alternative approaches and evaluate costs.

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

Based on MoE (2015) revised document review, there are various requirements to give non salary recurrent budget to schools in a form of block grant. However, this guising takes the number of students as the basis for such procedure. This is believed to make the allocation of block grants fair and transparent. as point of viewed of researcher, from the level of higher decision maker like, federal level, Regional level, Zonal and Woreda level need to looked carefully the allocation of finance to schools should be considering due to distance location area of region and location of schools level because there is area has a lack of accessibility of transport and provision of available materials in that area while the cost of transportation and human power are not included in the allocated funds. A school that accommodates more students would get more whereas the school that enrolls less number of students gets less block grant, but the necessary inspection should be made to control schools not report more than the actual block grant. Inflexible measures should be taken against such illegal deeds. The allocation of school grant to the first cycle primary school would be birr 50 times the number of students from grade 1-4, the allocation of block grant to the second cycle primary school would be birr 55 times the number of students from grade 5-8. The allocation of block grant to the first cycle secondary school would be birr 60 times the number of students from grade 9-10 and the share of the second cycle secondary school would be birr 70 times the number of students from grade 11-12 (MoE, 2015) revised document

As written from Educational Resource Management an international perspective book, as Derek Glover and Rosalind Levacic (2007) has described that, allocation principles of public funding of education affect the way in which funds are distributed to schools and colleges. These funds may be distributed according to formulas containing indicators, such as the numbers of student enroll in school and age of students attending a particular school or group of schools. Another method is by matching payments, for example, when central government matches local area funding by a set ratio. An alternative is bidding, by which a school or group of schools can put up a bid for funding to meet particular needs, for example, for those with special educational requirements, or submit cost estimates for their entire budget.

2.6. Budget Utilization and Control

Levacic(1995) has stated, monitoring the budget by comparing planned receipts and expenditure month by month with those which actually needs to be undertaken so that budget manager can make adjustments to the budget as new events and information unfold. While, as Knight (1993) argued that, budget monitoring need not be confined to the expenditure to monitoring income, capital, or project expenditure and cash flow through regular budgetary tabulation. Thus, budget monitoring enable to make adjustments to the budgets using information obtained while comparing the actual expenditure with already planned.

Budgetary control in education is ensuring that the funding yet visible means directed to the instructional priorities to be achieved (Mullins and Michael, 2005). Therefore, controls over expenditures must be established to assure that the allocated funds are in accordance with the authorized budgetary statements (Vashit, 2008). This could be done through recording of actual performance and the provision of regular feedback that enable continuous monitoring.

2.6.1 Procedure to Financial Control

As written from Educational Resource Management an international Perspective book, according to Derek Glover and Rosalind Levacic (2007) describe that, financial control is essential to ensure that there is no mismanagement of resources. This requires probity, a combination of transparency and administrative practice that can track how and where resources have been used. Whatever the criteria for the relationship between resources and outcomes, there is a requirement that the funds are managed in the right way. Operational financial management is concerned with

ensuring that money allocated in the budget is properly spent on authorized purchases. It also endeavors to monitor the implementation of spending plans according to the budget or, with good reason, as a deviation from the budget. Therefore, financial control is shown in the following areas of administration. These are, Purchasing goods and contracting services; banking funds paid into and by the school or college; managing the payroll for all employees; security of assets; maintaining petty cash accounts maintaining voluntary funds; insurance matters; increasingly, ensuring data security to prevent the misuse of information.

2.6.2. Financial Accounting

Accounting is the ways to rescored, summarize, report, and interpret economic data for use by many groups within our economic and social system, as defined by Mengistu (2008).

Similarly, as Condoli (1984) also stated that, accounting is recording and reporting activities and events affecting personnel, facilities, materials or money of an administrative unit and its programs. Therefore, accounting provides useful financial information that enable to make a sound decision and the accounting system also provides a history of speeding and may be used to evaluate how the plan developed in the budget document is proceeding (Ubben and Hugbess, 1997). Thus, financial accounting is concerned with the recording of transactions for a business or other economic unit and the periodic preparation of various reports from such records. in such case that, the reports which may be for general purposes for special purpose to provide useful information for managers, government agencies and the general public of particular importance to financial accountants are the rules of accounting termed as “Generally Accepted Accounting Principles (GAAPs)” cited by mengistu (2008).

Vashit(2008) has stated that, school accounting programs are more than a set of abstract records which contain historical information about past activities in the local district, they provide basic information used in making current administrative decision and planning future activities. As this author, every educational decision will require an allocation of financial or material resources in its implementation, the reliability of the accounting systems is one of the vital elements in the effective administration of local school district.

The entity’s accounting system consists of methods used to record, classify, summarize and report the entity’s transactions and hence has major impact in the reliability of the entity’s

financial statements (Hermanson, 1989). Poor accounting system, financial control becomes weakened, unrealistic due to the lack of information and transaction could also be weakened. Efficient accounting system is a decisive issue and a precondition for good financial management. For an accounting system to be efficient there should be financial rules, regulations and internal control procedures. Therefore, in the management of education finance, there has to be appropriate accounting for the funds received and expensed by the educational organization over expenditures must be established to ensure that the funds are spent in accordance with authorized budgetary statement.

2.6.3. Audit Systems in Education

As written from Educational Resource Management an international Perspective book, according to Derek Glover and Rosalind Levacic (2007) described the auditing system in education, if financial probity is to be maintained, it is essential that audit processes are put in place to ensure that there are no opportunities for corrupt or careless practice to inhibit resource use. To this end, most countries have some form of audit service and/or procedures.

The dictionary definition of audit is ‘an official examination of the books of account’. This official verification is obviously necessary in order to protect those whose funds are entrusted to another person or group of persons. Such a restricted interpretation, however, would consign the importance of an audit to that of ensuring that the figures presented in a set of accounts give a ‘true and fair’ view of the health of the organization, and that they comply with statutory requirements and accounting policies. The fact that very large sums from the public prize are entrusted to a variety of public sector bodies gave rise to the concept of ‘public accountability’, the development of internal audits, a consideration of not only the legality of expenditure but also of value for money, and closer study of financial procedures and processes to ensure that they comply with regulations and good practice.

Internal audits occur when a specialist member of the organization, usually looking at the detail of operational management, undertakes this checking. External auditing is undertaken by employees of an organization external to and independent of the organization being audited (for example, the education authority with respect to a school, and a higher education quality assurance agency with respect to a university).

External auditing tends to be more wide-ranging than internal auditing, which tends to be confined to financial probity concerns. It includes within its remit, for example, the way in which the organization is achieving its stated aims and making use of the resources allocated to it. Often external auditing informs and then prompts policy development.

According to Hermanson (1989) has stated that, auditing is a logical process of objectively obtaining and evaluation evidences regarding proclamations about economic actions and events to determine the degree of correspondence between those statements and established criteria and communicating the results to the users. Relatively, It is the checking of the transactions of the business with its books of accounts and evidences with a view to find out the mathematical accuracy of the accounts and the exactly and truthfulness of the transactions recorded in books and their results (Jain, 1996). In relatively, auditing is the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria and an activity involving an independent review of the accounting records as public accountants examine the records supporting the financial reports of an enterprise and given an opinion regarding their fairness and reliability (Mengistu, 2008).

According to Kumar and Sharma (2001) states, auditing serves as a means for prevention of errors frauds and to update records available. It also facilitates executions of decision without delay. Besides, auditing enhances acceptability of authorities and provision of professional advice. To audit finance, the weak side of financial management can be identified and so as to take corrective measures to improve the weak areas.

In addition to, Mbua (2000) has categorized audits in education into two main types: Internal audit and External audit. The internal audit is an independent appraisal function established by a firm in order to examine and evaluate that firms activities (Hermanson, 1989). According to Arens,(2012) has described that, internal auditors' responsibilities vary considerably, depending on the employer, but the principal has responsibility of internal auditors to determine if the various operating divisions are following management's policies and procedures. Because, auditing plays a significant role in improving and strengthening the activities of the financial system, it requires the education system to have a well-structured auditing system and timely auditing since a huge financial resource are being utilized in the system. The both internal and external auditors have to play role in carrying out their responsibility to follow the financial

system. And make the managers in the educational organizations to create conducive environment in order to make internal audit system properly functions and financial activities run in accordance with the existing rules, regulations/ guidelines and financial principles.

External audit are conducted by appropriate official form within the organization. The external audits examines whether the financial statements according with General Accepted Auditing Standards (GAAS) and Generally Accepted Accounting Principles (GAAP). That is, examines the accounts and sees to it that the accounts have been prepared in line with the legal requirements regulations and the proper accounting practices have been observed in the compilation of the accounts (Hepworth, 1979).

2.6.4. Purchasing

Doubler(1996) has described that, Purchasing is the procurement of goods and services in the exchange of money. But in nature, purchasing is a basic and integral part of business management for any organization to achieve its full potential without follow the procedure of purchasing activity. As the part of managerial activity purchasing requires planning, organizing and controlling the interrelated activities. Therefore, educational institutions or organizations require materials which are either directly offered by the government or purchased using the fund available or the local governmental level that require the materials to run their daily activities.

Within the same author has stated that, no organization can operate without materials and thus, they must be available at proper time, in the proper quantity and at the proper place and failure to fulfill any of these responsibilities concern the material add to the organization cost and may decrease in performance. And purchasing has its own objectives, guiding rules, procedures and principles. Thus, purchasing power is not inherent but is delegated to the organizations by regulators of the state (Jordan, 1985). The state mandates purchasing responsibility, authority, purchasing limits, procedures based on which organizations act to purchase materials required to organizational activities and render public services.

2.6.5. Financial Reporting

According to Garrison (1991) has stated, financial report is a summarized and analyzed report of accounting information to plays important role in an organization. It makes communication to be

effective and efficient and enables to investigate the existing situation and to take relevant and timely administrative action. Performance reports are a form of feedback to managers directing their attention on problems or opportunities that might otherwise go overlooked. As indicated from ESDP III (2005) underlined that, quarterly, semi-annually activity and annual financial performance report to be produced at every governmental level of education sector in Ethiopia which concerning the information on issue on actual capital and recurrent expenditure. The quarterly report is mainly to serve the day-to-day management purpose at implementation level. The semi-annual and annual reports will be the main source of information on progress and achievements of the entire program as compared to plans. Compared by Jordan (1985) described that, there are three levels of financial reports prepared by local institutions:

The comprehensive financial report prepared annually comprising all financial statements.

The general purpose financial statement prepared monthly or quarterly.

The popular report summarizing data contained in the comprehensive financial report into format that is easily understood by the public and that may contain graphs and figures to enable reading.

CHAPTER THREE: Research Design and Methodology

This chapter presented the research design, location of study, sampling technique and sample size, instrumentation, and procedure of data collection and method of data analysis.

3.1. Research Design

For this purpose the research methodology used was descriptive survey and both quantitative and qualitative approaches were adopted. The reason behind choosing both the quantitative and qualitative was motivated by the fact that the authorities were supposed to have better information than anyone else. This group included Woreda administration, Woreda Financing and economic development office (core process owner, the auditor) and Woreda educational office (head officer and experts). The data obtained from this group deserves a qualitative analysis. The other group's members were those who filled out the questionnaire were believed to provide a data that was analyzed quantitatively. The study design was descriptive survey which was based on the nature of the data with an aim that methods were assumed to enable the researcher to find out the gap for the existing problems.

3.2. Sources of Data

Both primary and secondary sources of data were employed. The data collected from interview, focus group and questionnaire were function as the primary data while the data which collected from consulted documents might serve as the secondary data.

3.3 Population Sample size and sampling technique

The population of this study were involved all four (4) Woreda of Gambella Regional states; these were Gambella town, Lare, Makuey and Jikow with selected four (4) public secondary schools together with some representatives of PSTA and KETB. The population of the academic staff is 108 while the population of the administration staff of others sectors is unknown. Because the sample were drawn from different unit of concerning body which was purposely selected.

Any principals, vice principals, unit leaders, Department heads and teachers in the four schools were filled out the questionnaire as they were happened being in the sample by matter of chance.

The Woreda administration council Head; Woreda Education Office Head; Woreda Education Office Experts; Woreda Finance and economic development Office Head; Woreda Finance and economic development core process owner; Woreda Finance Office auditor was interviewed and the representatives of PSTA and KETB were participated in focus group discussion.

The sampling technique used in this study was purposive sampling and random sampling technique. In purposive sampling the researcher selected the samples that he assumed to provide adequate information to achieve the objectives of the study (Gay, 1982). Thus, the purposely selected sample schools were for secondary schools in the four Wareda, namely,

1. Elay secondary school is located in Gambella town,
2. Kuergeng secondary school is located in Nuer zone lare Wareda,
3. Bildak secondary school is located in Nuer zone makuey Wareda,
4. Nib-Nib secondary school is located in Nuer zone Jikow Wareda,

The reason why these schools were select was because of the following: 1) some locations in the Woreda have no transportation facilities.2) the chosen Wareda were safe for researcher travel place.

The total numbers of samples participants in four schools were 80 Academic staff from 108 populations. Which means the selected population was approximately 25% of entire population. From other sectors such as administration staff, 20 sample participants and 4 KEBT and 4 PSTA members within all four schools that were chosen purposefully, altogether 108 participants.

In the table below, the academic staff was a part of randomly selected sample. The group members of the sample were included to fill out the questionnaire. And the other administration staffs were a part of purposefully selected which was a part of interviewed and other group like PSTA and KETB were participated to focus group discussion.

Table 1. Sample Size

No	Woreda	Schools	Academic staffs								
			Population			Sample					
			M	F	T	Principals	Unit leader	Dept.' heads	Teacher	N _o	%
1	Gambella Town	Elay	26	4	30	2	2	11	5	20	67
2	Lare	Kuergeng	24	2	26	2	2	11	5	20	80
3	Makuey	Bildak	24	-	24	2	2	11	5	20	83
4	Jikow	Nib-Nib	28	-	28	2	2	11	5	20	71
		4	102	6	108	8	8	44	20	80	74

3.4 Instruments of Data Collection

The data gathering instrument to secure primary source of data was questionnaire; Interview, FGD and secondary data which was consulted documents review.

3.4.1 Questionnaire

The process of data collection involved the use of questionnaire. It was distributed to 80 participants in four schools (20 from each school). This was done because it was seen suitable and manageable as the number of participants is not vast that the load to deal with such as number wouldn't impose more challenge on the researcher. Questionnaires were distributed in Elay, Kuergeng, Bildak and Nib-Nib secondary school. And those who fill out the questionnaire are principals, vice principals, Unit leaders, Department heads and Teachers. Out of the distributed 80 questionnaire papers, only 75 of them were returned in the good faith.

3.4.1.1 Pilot Testing and Validation Test

Pilot test of the questionnaire was conducted with participants drawn from Newland secondary school and Gambella secondary school. The participants of this study were not included in the final study. As such, the pilot test questionnaire was carried out across public secondary schools in the neighboring Gambella town administration. The purpose of carrying out the pilot test questionnaire was to find out if any weaknesses in the research instruments; and also to find out

whether or not the instruments were able to collect data that tallied with the research objectives. The aim was to pre-judge the reliability and validity tests on the data being collected at this stage.

Validation of the Instrument

The instrument was face validated by three experts; two from the Gambella Teacher Training and Health Science College; one from Gambella University, they were requested to study the items and assess the suitability of the language, the adequacy and relevance of the items in addressing the research questions bearing in mind the purpose of the study.

Reliability of the Instruments

To ensure reliability of the instrument especially the internal consistency of the instrument, from the pilot testing, useful feedbacks were obtained on the survey's wording and clarity was looked to all respondents, and whether the questions meant the same thing to all respondents. During testing, Researchers used to look it carefully to ensure whether the respondents understood the objectives of the study, feel easy in answering the questions. As a result, problems relating to the content, wording, length, instructions were uncovered in the pilot study and then amended accordingly. Twenty participants properly filled and returned. As a result of this pilot test, some improvement was made on the questionnaire. Generally, the test has shown that the designed questionnaire is acceptable to measure what it intends to study.

3.4.2 Interview

The key informant interview guide were prepared and administered with a total 20 participants. 1 participant from each Woreda administration council was selected (totaling 4) participants from the four Woredas, 8 participants for Woreda finance and economic development office (WFEDO) in four Woredas (2 participant from each Woreda), 8 participants for Woreda education office (WEO) with 2 sample participant from each Woreda.

3.4.3 Focus Group Discussions

The focus group discussion (FGD) guide was prepared and conducted with Kebele Education and Training Board and Parents Students Teachers Association (PSTA) in four selected schools in the woreda for the study. Eight FGDs were held with 2 members in each group. The purpose

of the FGD was to substantiate data gathered through questionnaire survey, key informant interview and document review.

3.4.4 Documents

Published and unpublished documents were reviewed. These were included school records, already existing information on financial guide lines, journals, articles, MOE policy documents, dairies, and reports on budget allocation and utilization in public secondary schools.

3.5. Procedure of Data Collection

The researcher was required an approval of research proposal and developing basic data gathering instruments from advisor. Then a formal letter from the University as an official introduction to the Regional Education bureau was been given to respective public secondary schools under study were issued. This was followed by a formal letter from the office of the Woreda education office being directed to the school Principals of the targeted public secondary schools. Then, the researcher formally was introduced himself to the schools in order being allowed to collect the required data. Therefore, data was collected at different times and stages.

The first phase was dealing with school principals in order to fill out the questionnaire by Department heads, Unit leader, teachers, vice principals and main principals also. The second phase was dealing with Woreda educational experts, Woreda administration heads; Woreda finance and economic development office expert; within different selected school and Woreda and administering the questionnaires was the third phase. Focus group discussion with PTSA and KETB members were the fourth phase. The fifth phase was reviewed documents.

3.6. Method of Data Analysis and Interpretation

The data generated by interview were qualitative nature and were analyzed through interview thematic analysis. The data collected from questionnaires were quantitative nature and were coded and tabulated for computer analysis. The procedure for data analysis entailed the following steps; first the researcher collected the questionnaires. Second, data code book was prepared by the researcher for data coding. This facilitated the entry sheets of the data into the computer data entry sheets. Third data were keyed into statistical Package for social sciences (SPSS) software package version 20.0. Data from questionnaires on academic staff was tabulated

according to distribution, sex, age, qualification, work experiences. This enabled the researcher used of descriptive statistics in description of respondents characteristics was analyzed using frequencies, percentages, mean and standard deviation.

3.7 Ethical Consideration

As the matter of ethic dictates, the collected data were kept and used confidentially and any information gathered in the field should was only for the purpose of this study. Cultural sensitive points were to be kept in mind as the objective of the study was aimed at finding the issues relating to the budged allocation and utilization in public secondary schools.

CHAPTER FOUR: Presentation, Analysis and Interpretation of Data

Introduction

This chapter presents data analyses, presentation and discussion of the findings of the study

4.1. Demographics Characteristic of Respondents

A brief personal profile of the respondents including Gender, Age, Working experience, qualification and Current position in the school is presented according to themes developed during the analysis is provided in this section.

A total of 80 Academic staff respondents (principals, vice principals, Department heads, unit leaders and Teachers) were selected to fill out the questionnaire. From 80 copies of questionnaires 75(93.75%) were completed and returned. And the other groups of participants were administrative staff; which included Woreda administration, Woreda Financing and economic development office (core process owner, audit) and Woreda educational office (head officer and experts). Among these, a total of 16 key informants were interviewed by the researcher and one PSTA representatives from each four schools and one KETB members from each of the four schools representative participated in focus group discussion. The analysis was made on the basis of information obtained from 75 respondents and a total of 16 key informants were interviewed by researcher plus a total of 4 PSTA and 4KETB participated in focus group discussion.

Table 2: Academic staffs Respondents characteristic by Gender, Age, Qualification, work experience and current position in schools

s.no	Items	F	%
Gender	Male	72	96.0
	Female	3	4.0
	Total	75	100
Age	18-25	1	1.3
	26-30	27	36.0
	31-35	32	42.7
	36-40	14	18.7
	41-45	1	1.3
	Total	75	100
Qualification	BA,BSC,BED	66	88.0
	MED,MA/MSC	9	12.0
	Total	75	100.0
Work experience	0-5	2	2.7
	6-10	26	34.7
	10 and above	47	62.7
	Total	75	100
Current position in schools	Principal	4	5.3
	Vice principal	3	4.0
	Department head	43	57.3
	Unit leader	6	8.0
	Teacher	19	25.3
	Total	75	100

The above table 2 outlines the biographic information of the participants with regard to the gender and the age of the academic staff. The study reflects that males formed the majority with 72 (96%) and the females constituting only 3 (4%). This information still reflects the current trend that female academic staff is by far the minority in the schools. Similarly, Only 1 (1.3%) of the participants is between the ages of 18 and 25 years. 73 of the participants are between the age 26 and 40 years, i.e. (86.6%).

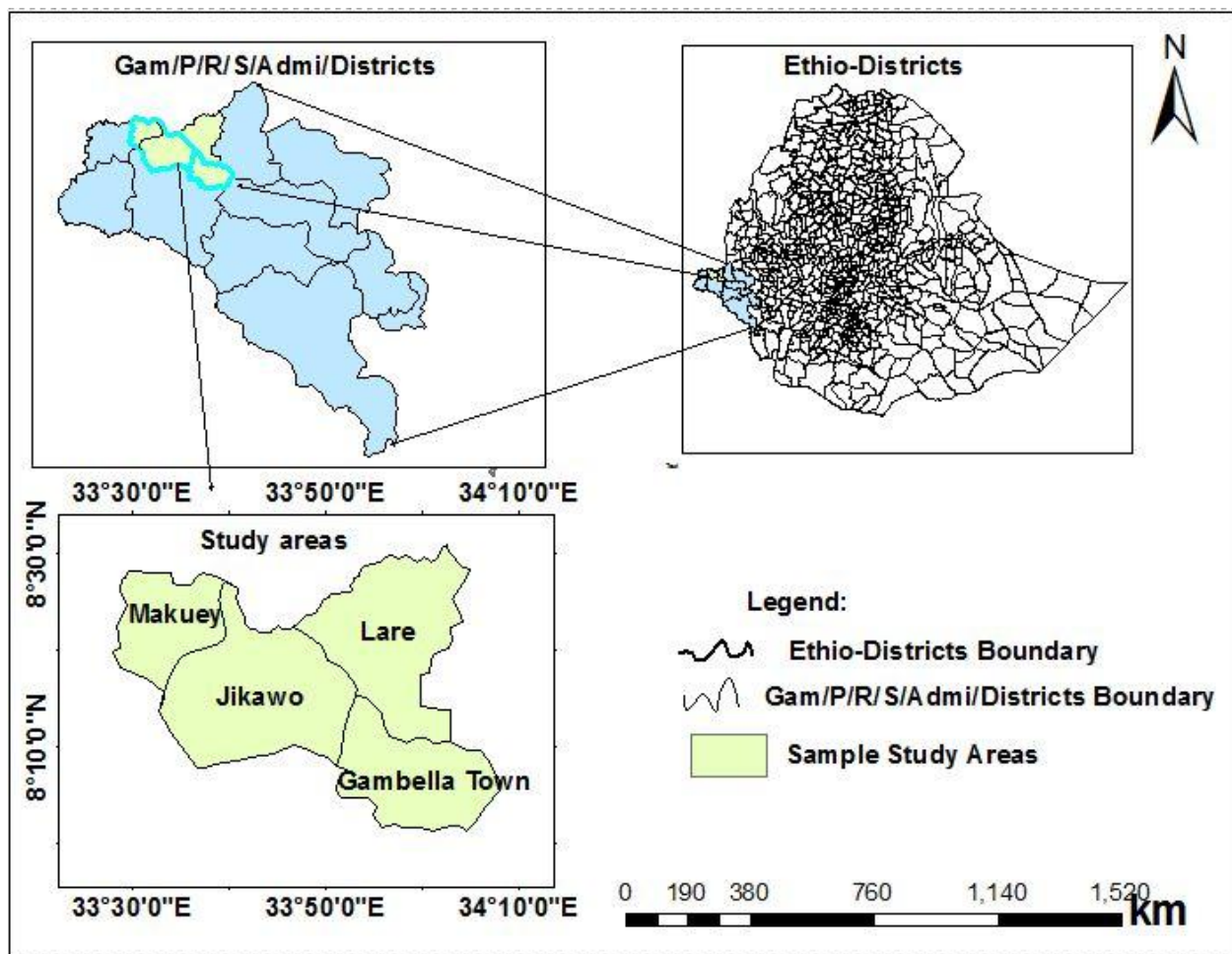
Table 2 shows that 9(12%) participants were master degree holders and 66 (88%) of academic staffs were a Bachelor degree holder, with regards to the work experience, 2 (2.7%) academic staff ranges between 0 to 5 years, which is normally not considered as very experienced. The rest 26(34.7%) of academic staff were more than 6 years and 57 (62.7%) of these have experience of more than 10 which is normally considered as very experience teachers.

Table 2 above presents the current positions of Academic staffs. As indicated, principals constitute 7(9.3%), Department heads 43(57.3%), Unit leader 6(8%) and Teachers 19(25.3%) represented respectively.

Figure 1: Location Map of the study areas from around National and Regional Setting

Gambella National Regional State is one of the 9 Regional States. It is located in the south-western part of Ethiopia and borders two other regions Oromiya to the North and east and the Southern Nations, Nationalities and Peoples’ Regional State (SNNPRS) to the south and the country of Sudan to the west.it has 766 KM away from capital Addis Ababa, Ethiopia.

Figure 1: Location Map of Study areas from there National & Reginal setting



Source: Ethio-GIS Processed with Arc GIS 10.3 , 2018

4.2. Major Findings of the Study

Table 3: Source of Finance Available for Public Secondary School

No.	Items	N	SA	A	UN	D	SD	Mean	Std.
1	The school generates adequate income by using transcript	75	1	5	25	-	44	1.9200	1.14797
2	The School obtain adequate income from registration fees	75	-	-	23	-	52	1.8000	.88532
3	The School get adequate income from Sale of grass, trees	75	-	1	23	-	51	1.653	.9655
4	The School get income from rent of class room/meeting hall	75	-	1	24	15	35	1.8800	.91474
5	The school get income from Community contribution	75	1	-	22	18	34	1.8800	.92940
6	The School get income from Donors/NGO'S	75	-	-	44		31	2.1733	.99150
7	The block grants are currently available source of income	75	1	-	9	-	65	1.2933	.78454
8	The school grant is currently available source of income	75	47	5	23	-	-	4.3200	.91769

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50 <4.50 = agree 4.50 ≤ 5.00 = strongly agree.

Table 3 above shown that mean difference rated items from 1-8 with mean variation of 1.92, 1.80, 1.653, 1.88, 1.88, 2.173 and 1.293 with standard deviation 1.14797 .88532 .9655 .91474 .92940 .99150 and .78454 respectively. Low mean ratings of 1.92, 1.80, 1.653, 1.88, 1.88, 1.293 shown degree level of strongly disagree.

The available source of income currently is school grant which have nearly 4.3200 shown strongly agree. Therefore, the findings from the respondents of academic staffs as indicated that the available source of income of finance is inadequate in secondary schools, but the only available source of income currently is school grant.

Table 4: Budget plan Preparation

No	Items	N	SA	A	UN	D	SD	Mean	Std.
1	The School collecting information from the community to designing its budget	75	24	23	1	22	5	3.5200	1.37899
2	The school adequately estimates its expenditure for academic year	75	31	22	-	-	22	3.5333	1.69525
3	The School conducted need assessment for priority issue	75	-	-	25	-	50	1.6667	.94916

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree.

Table 4 above, shown that 1 and 2 with mean rating shown strongly agree because 3.5200 and 3.5333 mean variation is at the level of agreement. Whereas 3 with low mean rating indicated degree level of disagreement because their mean variation is 1.6667 at the level of disagreement. Therefore, the school is always ready to collect information from the community by designing its budget and adequately estimating their expenditure on budget for academic year. This shown that the school is strongly working on both issues.

Table 5: Budget allocation Criteria

No	Items	N	SA	A	UN	D	SD	Mean	Std.
1	The budget of school is allocated with Standard unit cost per student	75	22	23	30	-	-	3.8933	.83137
2	The budget of school is allocated with Previous year budget performance	75	-	-	52	-	23	2.3867	.92843
3	The budget of school is allocated based on amount of budget requested	75	-	-	27	-	48	1.7200	.96646
4	The block grant is allocated every academic year by government	75	-	-	-	23	52	1.3067	.46421

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 5 indicates that the mean rating in number 1 has a degree level of agreement with 3.8933, while number 4 indicate the low mean rating with degree level of strongly disagree, the finding shown that there is no block grant allocated every academic year to the school by government. But only school grant were allocated based on the standard unit cost per students not for the amount of budget requested by school and also they do not consider the performance of specific school facilities in order to achieve the planned activities.

Table 6: Distribution on budget allocation Criteria

No	Items	N	SA	A	UN	D	SD	Mean	Std.
1	The amount allocated budget is fairly distributed in each schools	75	-	-	48	-	27	2.2800	.96646
2	The distance of school are considering during allocating budget	75	-	-	48	-	27	2.2800	.96646
3	The amount of allocated (approved) budget for each fiscal year is adequate to accomplish the academic year of the school activities	75	-	-	24	-	51	1.6400	.93923
4	The allocated (approved) budget announced on time to the school community.	75	-	-	27	23	25	2.0267	.83784

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50 <4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 6, this indicate that mean rating 2.2800, 2.2800 and 2.026 are at degree level of disagree while 1.6400 indicated that low mean rating which is strongly disagree.

Therefore, this shown that there is no fair distribution being considered during budget in each school especially in case of distance of school like transportation material, available provision of stationary materials in that area and human power. This also revealed that the budget allocated in each school is not adequate to fully implement the activities of Academic year.

Table 7: Presence of human skills on finance position in schools

No	Items	N	SA	A	UN	D	SD	Mean	Std.
1	My School has accountants, treasury to manage school finance in good manner	75	-	-	23	-	52	1.6133	.92843
2	My School has personnel trained financial management in school.	75	-	-	5	-	70	1.1333	.50225

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 7 above presents the view of Academic staffs of secondary schools on presence of human skill at position of financial management at school level, this indicated items 1-2 are mean rated 1.6133 and 1.133 with standard deviation of 0.92843 and 0.50225 for academic staff as per the mean variation at the degree level of strongly disagree. This indicated that schools has no necessary human power skill for financial management but the position of finance department in school are occupied by ordinary teachers without any kind of training they received who are nominated every year for the first week at the time the school starts to begin which is approved through school community assembly with recommendation of school director.

Table 8: Budget Utilization in Schools

No	Items	N	SA	A	UN	D	SD	Mean	Std.
1	The School give awareness of teaching and non-teaching Staff about release of schools budge	75	-	-	28	-	47	1.7467	.97389
2	The Involvement of stakeholder and management Committee in finance decision is low	75	52	23	-	-	-	4.6933	.46421
3	My school use proper efficiently purchasing activities for provide quality items for school.	75	-	-	46	-	29	2.2267	.98053
4	The function of warehousing holding and caring for materials in your school are evaluated.	75	-	-	27	-	48	1.7200	.96646
5	The inventory control carrying out in school is fully implemented	75	-	-	50	-	25	2.3333	.94916
6	The practical of financial rules and regulations are observed in utilization of finance in your school	75	-	-	45	23	7	2.5067	.66522
7	The amount of allocated budget for the school is fully utilized	75	22	-	46	-	7	3.4000	1.18550
8	The utilization of finance in your school is effective.	75	-	-	45	-	30	2.2000	.98639
9	My school practiced financial coding materials like receipts, invoices, and models during utilizing resource	75	7	-	46	-	22	2.6000	1.18550

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 8 above presents the opinion of academic staffs on budget implementation and utilization in schools, this indicated items 1-9 rated 1.7467, 4.6933, 2.2267, 1.7200, 2.3333, 2.5067, 3.4000, 2.2000 and 2.6000 with standard deviation of 0 .97389, 0.46421, 0.98053, 0.96646, 0.94916, 0.66522, 1.18550 , 0.98639 and 1.18550 respectively. The low mean ratings are 1.7467 and 1.7200 showing the degree level of agreement of mean variation is strongly disagree while the rest 2.2267and 2.200 indicated the level of disagree. The finding indicated schools do not give awareness of teaching and non-teaching Staff about release of schools budge. Schools are not actually intended to keep school materials in the right way. In addition schools misuse of financial regulation without following the procedure of financial rules according to government policy because the schools have no legal receipt, voucher to know the income and expenditure of

money during utilization of finance in schools. They buy the ordinary receipts from any available shop not from government finance coding system. This implied that they are not properly managing school finance in a good manner.

Table 9: Budget auditing and report system

No	Items	N	S A	A N	U N	D	SD	Mean	Std.
1	My school make a planning , financial plan, accounting, reporting and the protection of assets from loss and damage	75	7	-	46	-	22	2.6000	1.18550
2	The internal auditing is carried out in the school.	75	-	7	23	-	45	1.8933	1.13392
3	The external auditing is carried out in the school.	75	-	-	23	-	52	1.6133	.92843

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 9 indicates that the mean rating in numbers 2 and 3 have a degree level of strongly disagree with mean difference of 1.8933 and 1.6133 and standard deviation of 1.13392 and 0.92843 respectively. The findings indicated that the internal auditing and external auditing system are almost rarely carried out at school level. This implied that schools have no clear guideline financing procedures in auditing system which lead schools being practicing corruption and in turn of not properly managing school finance in a good manner.

Table 10: Transparency at budget utilization in schools

No	Items	N	S A	A	UN	D	SD	Mean	Std.
1	My school follow the necessary financial rules and guidelines	75	-	-	22	5	48	1.6533	.90782
2	Financial information is accessible and available to school community	75	-	-	23	-	52	1.6133	.92843
3	My School give financial report to concerning bodies at any time	75	-	-	50	-	25	2.3333	.94916
4	My School give clearly & publicly displayed funds on board	75	5	-	48	-	22	2.5467	1.11856
5	My School give awareness of number of accomplished activities	75	-	-	5	-	70	1.1333	.50225
6	The timely submission of quarterly and annual financial performance reports of the school is evaluated.	75	-	-	23	5	47	1.6800	.91769

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 10 presents the opinions of Academic staff on Transparency at budget utilization in schools. This indicated that items 1-5 rated 1.6533, 1.6133, 2.3333, 2.5467, 1.1333 and 1.6800 with standard deviation of .90782, .92843, .94916, 1.11856, .50225 and .91769 respectively. The low mean ratings 1.1333, 1.6133, 1.6533 and 1.6800 indicated the degree level of agreement with strongly disagrees. The finding revealed that the following , the schools rarely follow the necessary financial rules and guidelines, schools are rarely give awareness of number of accomplished activities, Financial information was not accessible and available to school community.

Table 11: Effective of Budget utilization in school

No	Items	N	S A	A	U N	D	SD	Mean	Std.
1	My school use good financial system to make effective use of resources	75	-	-	28	-	47	1.7467	.97389
2	My school make effective planning and financial control	75	-	-	28	-	47	1.7467	.97389
3	My Schools can regulate their financial management with internal rules	75	50	2	23	-	-	4.3600	.92474
4	My school ensure the efficient and effective use of resources	75	-	-	25	-	50	1.6667	.94916
5	My school leader is accountable for setting the internal controls and internal auditing.	75	29	-	-	-	46	2.5467	1.96106
6	My school make sound of business decision	75	-	-	22	2	51	1.6133	.91376

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 11 above reveals the opinion of academic staffs to make budget allocation more effective and efficiency to school. This indicated that items 1-5 are rated 1.7467, 1.7467, 4.3600, 1.6667 and 2.5467 with standard deviation of 0 .97389, 0 .97389, 0.92474, 0.94916, 1.96106 and 0 .91376 respectively. The low mean ratings of 1.6133, 1.6667, 1.7467 and 1.7467 for Academic staffs have shown the mean variations at the degree level of disagreement while the std. error mean is less than to 0.5.

Therefore, the result of the findings revealed that schools does not practicing the following, good financial system to make effective use of resource, effecting planning and financial control, ensuring the efficient and effective use of resource and sound of business decision. But school can regulate their financial management with internal rules as indicated that the degree level of agreement is nearly approach to agree.

Table 12: Financial Control

No	Items	N	S A	A	U N	D	SD	Mean	Std.
1	My School is keeping monthly records of income generated	75	-	-	40	-	30	2.2000	.98639
2	My School identify the source of finances in school	75	5	-	47	-	23	2.5200	1.13137
3	My School clearly outline the expected expenditures of the school	75	-	-	22	-	53	1.5867	.91671
4	My School keeping records of all expenditures	75	-	-	27	-	48	1.7200	.96646

KEY: Range of mean value to the level agreement or disagreement of mean range from 0.00 <1.50 = strongly disagree, 1.50 <2.50 = disagree 2.50 <3.50 = Undecided 3.50<4.50 = agree 4.50 ≤ 5.00 = strongly agree

Table 12 above for the following items 1, 2, 3 and 4, the mean ratings and standard deviations of respondents' reaction from academic staff in financial plan management in schools are 2.2000, 2.5200, 1.5867 and 1.7200 with standard deviation of .98639, 1.13137 and .91671 respectively, the low mean ratings are 1.5867 and 1.7200 indicating the degree level of agreement of mean variation of disagreement. This shown that schools have weak side to clearly outline the expected expenses and keeping records of all expenses in financial control.

The following analysis is in line with the qualitative information gathered from the key informants and the FGDs participants for the following question.

1. What are the sources of income for the Woreda education services? Particularly secondary school

According to Wareda administration council report on source of finance income in secondary schools, of course there is a source of income of education sector, like income generated by school itself for example students' transcript service charge, schools grants donated by World Bank and other incomes like community contribution.

The other qualitative information gathered from the key informants and the FGDs participants pointed out that there are many sources of income in schools and some key informants said that there is no another income sources of school because there is no block grant practice being allocated to schools in our Gambella Regional state. Only school grants that comes through

education bureau, for example those schools that are located in rural areas have no other means of facilities to strengthening the internal income and the only main source of income in schools are school grant.

This shows that the schools have only school grants being practiced as internal income and the other internal income like transcript service charge and registration though it cannot be compared to regular budget. Generally, if there is no school grants being allocated in schools to fill the gap of financial constraints among the schools in Gambella Regional State in the coming twelve years, the schools would not achieve the desired quality of education.

2. What are the criteria used to allocate annual budget for schools in the Wareda?

Based on criteria of allocated annual budget, from what we experience there is no practice of budget allocation to schools like other sectors being allocated in schools, there is no financial position being assigned by civil service bureau like others sectors; the Wareda allocated only teacher's salary to education office because we work under pool system and there is no practice of budget being allocated through the number of students as policy dictated that the government should allocate block grants to schools based blueprint manual guide line which is working right now.

Due to this, Gambella Region has a problem of budget deficit because the allocated budget to Wareda is not expected from what is needed so they should decide to give priority like teacher's salary.

3. What are the necessary measures to make financial allocation and utilization more effective in school level?

It was found that the majority of respondents confirmed that 'unless the Woredas in particular or the region in general considers the importance of schools is like other sectors of civil service organs to give full responsibility and accountability for overall activities of schools'. For example if Wareda allocates block grant to the schools it will make more effective for what has been planned to implement fully.

Good financial management systems and processes for tracking resource utilization are essential for schools to make effective use of its resources.

Effective planning and financial control will help schools to:

- Ensure the efficient and effective use of resources
- Make sound business decisions
- Demonstrate accountability
- Take remedial action where needed

As mentioned from Blue print manual, the priority of the FDRE (ETP, 1994) in education, financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost sharing at higher levels of education and training.

4. Please tell us on how purchase is carried out for financial plan for necessary materials in secondary schools

According to how purchasing is carried out, first, BOFED notifies a letter to assure the figure of amount of money of schools grants being deposited through your Wareda accounts because the block grant are responsible for Wareda administrations.

Then, WFED office would notify to Wareda education offices for allocated budget breakdown of each schools according to the guide line given by REB based on the number of students registered for last two year or one year later in each schools. So, WEO should notify a letter again to each school to bring your proposal list of items being purchase it from stationary materials according to figures allocated to your schools.

Therefore, the schools would submit plans activities proposal lists of items to the WFED office and then it transfer to schools account or give it to school principals in cash for those schools located in rural area. Because 13 Wareda from Gambella Regional State have no any commercial bank available being opened in the area except in Gambella town.

For this case, after the schools principals received the money it would notice to the board of school community at large and majority of schools do not aware the school community about the amount being allocated to schools and some schools should nominate school purchasing committee and majority of them are schools principals themselves would buy stationary materials and among four selected schools only one schools follow the procedure of school grants guide line especially Elay because after received the money, they would post the figure amount allocated to school on notice board of school community. They would list items being

purchase for teaching and learning materials to school through invitation of Tender binding for anyone having legal trade documents and give priority to the one who reduces the price for each item with quality materials as the winner of the Tender binding document and that can be approved by the board of PSTA.

5. Is there any key stakeholders (KETB and PSTA) participation in Budget preparation? If yes, in what level?

NO, there is no involvement of KETB and PSTA during budget preparation.

6. Are there adequate financial skilled man powers in the schools of Woreda? If no, what are the challenges and solution?

As indicated for data collected from interview, the respondents were asked whether the schools have adequate skilled manpower that controls effectively the budget utilization. They replied that the schools have no adequate skilled manpower that controls effective budget utilization though the schools are institutions like other government sectors; the policy of education system doesn't put in place which one works best for an institution like school as the case is for other governmental sectors.

However, they should assign finance officer who manage schools finance as position in schools like others civil service sectors. And also from focus group discussion participants shown that there is no skilled manpower to control the financial utilization in most of the schools budgets.

7. Is there any monitoring and evaluations (audit) activities of financial utilization conducted in schools?

In case of auditing system in school grants, the auditing is conducted by World Bank through MOE with collaboration of REB and BOFED which is responsible for monitoring and evaluating from each WFEDO and WEO. Then, from school level the PSTA and KETB would monitor any activities being conducted in schools.

8. In your opinion what are the challenges of budget allocation and Utilization in public secondary schools at your Woreda? What are the possible solutions to reduce the problems?

The challenges of budget allocation are the following as given by respondents:

- The government does not give special attention to schools being included during budget allocation, because the policy objectives are not translated into targets for admission and internal efficiency.
- Even though, the resources are always scarce to address economic and social needs of the society, the available resources particularly financial resources should be utilized effectively and efficiently as indicated that the quality of a school's education provision is directly related to the amount of budget of finance available to school.
- Budget deficient in Woreda, Lack of commitments of Woreda administrators, Using single Pool system in Woreda administration, lack of awareness about the use of resources (such as students/section ratios or students/textbook ratios), lack of conducting need assessment's about the cost of specific items and their progress over the salaries
- The practice of allocating budget for general educations are not considered is a regional responsibility while it is dependent on the commitment of regions and Woreda to the sub-sector.

The challenges of budget utilization in schools are:-

- ✓ There is no financial accountant assigned in schools in order to manage finance documents
- ✓ There is no practice of decentralization of work among school community only school principals and school personal finance accountants run overall activities regarding finance.
- ✓ The schools have no legal finance receipts and invoice being audited to know the income and expenditure.

In generally, the way forward for budget allocation and utilization in public secondary schools, is better to consider the policy objectives to translate into targets for admission and internal efficiency for allocated budget.

It needs commitments of leaders on budget allocation to schools.

Its better the Wareda being aware about the using of resource in schools(such as students/section ratios or students/textbook ratios) and conducting need assessment's about the cost of specific items and their progress over the salaries

It needs separation of finance in education sectors from others instead of single pool system.

The schools need finance officer being assigned in order to manage finance documents

It's better to give school legal receipts and invoice in order to know the income and expenditure being used.

The schools should adopt the transparency on finance utilization among school community at large.

CHAPTER FIVE: Summary, Conclusion and Recommendations

This chapter consists of three phase, the first phase deals with the summary of major findings of the study. The next phase presented the conclusions drawn from the findings and the last phase presented the way forward that encountered in budget allocation and utilization in public secondary schools.

5.1 Summary of Major Findings of the Study

The purpose of study was to assess the states of budget allocation and utilization in public secondary schools.

1. What are the sources of finance available for public secondary school of Gambella Regional State?
2. To what extent do the criteria adopted to allocate budget consider specific need of secondary schools of Gambella Regional State?
3. How effectively do secondary schools utilize finance in Gambella Regional State?
4. What necessary measures are needed to make financial allocation and utilization more effective?

In this study both quantitative and qualitative approaches were adopted and the research method used was descriptive survey. The sampling techniques used in this study were simple random sampling technique. On the other hand researcher was selected participants from administration staff members by purposive sampling technique. The samples size drawn from four schools was 80 Academic staff from 108 populations. From other sectors such as administration staff, 20 sample participants and 4 KEBT and 4 PSTA members within all four schools that were chosen purposefully, altogether 108 participants. . From 80 copies of questionnaires 75(93.75%) were completed and returned. And the other groups of participants were administrative staff; which included Woreda administration, Woreda Financing and economic development office (core process owner, audit) and Woreda educational office (head officer and experts). Among these, a total of 16 key informants were interviewed by the researcher and one PSTA representatives from each four schools and one KETB members from each of the four schools representative

were participated in focus group discussion. The analysis was made on the basis of information obtained from 75 respondents and a total of 16 key informants were interviewed by researcher plus a total of 4 PSTA and 4KETB participated in focus group. The data gathering instrument were questionnaire; Interview, FGD and secondary data was consulted documents review. In addition, the researcher was used descriptive statistics using frequencies, percentages, means and standard deviation by applied statistical Package for social sciences (SPSS) software package version 20.0.

This chapter includes a discussion of the findings of this study conclusion, and recommendations for further research study.

Discussion of Findings

Specifically, the discussion was organized using the following sub-headings.

Source of Finance available in public secondary Schools

The criteria adopted to allocate budget consider specific need of secondary schools

How effectively do secondary schools utilize finance?

The table 3 above shown the mean variation of 1.92, 1.80, 1.653, 1.88, 1.88, 2.173 and 1.293 with standard deviation 1.14797 .88532 .9655 .91474 .92940 .99150 and .78454 respectively, but the low mean ratings of 1.92, 1.80, 1.653, 1.88, 1.88, 1.293 shown degree level of strongly disagree.

Therefore, the findings from the respondents of academic staffs as indicated that the available source of income of finance is inadequate in secondary schools, but the only available source of income currently is school grant.

Table 4 above with mean rating shown strongly agree because 3.5200 and 3.5333 mean variation is at the level of agree and the low mean rating indicated degree level of disagree because their mean variation are 1.3600 and 1.6667 is at the level of disagree. Therefore, the school is always ready to collect information from the community by designing its budget and the school is adequately estimating their expenditure on budget for academic year. This shown that the school is strongly working on both issues.

The table 5 indicate that the mean rating in number 1 have a degree level of agree with 3.8933, while number 4 indicate the low mean rating with degree level of disagree, the finding shown that there is no block grant allocated every academic year to the school by government. But only school grant were allocated based on the standard unit cost per students not for the amount of budget requested by school and also they do not considering the performance of specific school facilities in order to achieved the planned activities

Table 6, this indicate that mean rating 2.2800, 2.2800 and 2.026 are at degree level of disagree while 1.6400 indicated that low mean rating which is strongly disagree.

Therefore, this shown that there is no fair distribution being considered during budget allocation in each school especially in case of distance of school like transportation material, available provision of stationary materials in that area and human power, This also revealed that the budget allocated in each schools are not adequate to fully implemented the activities of Academic year.

Table 7 above present the view of Academic staffs of secondary schools on presence of human skill at position of financial management at school level, this indicated the mean rated 1.6133 and 1.133 with standard deviation of 0.92843 and 0.50225 for academic staff as to shown the mean variation at the degree level of strongly disagree. This indicated that schools has no necessary human power skill for financial management but the position of finance department in school are occupied by ordinary teacher without any kind of training they received who is nominate every year for the first week at the time school start to begin which is approves through school community assembly with recommendation of school.

Table 8 above presents the opinion of academic staffs on budget implementation and utilization in schools, this indicated the mean rated 1.7467, 4.6933, 2.2267, 1.7200, 2.3333, 2.5067, 3.4000, 2.2000 and 2.6000 with standard deviation of 0.97389, 0.46421, 0.98053, 0.96646, 0.94916, 0.66522, 1.18550, 0.98639 and 1.18550 respectively, the low mean rating are 1.7467 and 1.7200 shown the degree level of agreement of mean variation is strongly disagree while the rest 2.2267 and 2.200 indicated the level of disagree. The finding indicated schools do not give awareness of teaching and non-teaching Staff about release of schools budge, schools are not actually intended to keep school materials in the right way. In addition to, schools misuse of

financial regulation without following the procedure of financial rules according to government policy because the schools has no legal receipt, voucher to know the income and expenditure of money during utilization of finance in schools just they simply they buy the ordinary receipt from any available shop not from government finance coding system. This implied that are not properly manage school finance in good manner

The table 9 indicates that the mean rating have a degree level of strongly disagree with mean difference of 1.8933 and 1.6133 with standard deviation of 1.13392 and 0.92843, the finding indicated that the internal auditing and external auditing system are almost rarely carried out at school level. This implied that school has no clear guideline finance procedure in auditing system which lead schools being practicing corruption and in turn of not properly manage school finance in good manner

Table 10 presents the opinions of Academic staff on Transparency at budget utilization in schools. this indicated the mean rated 1.6533, 1.6133, 2.3333, 2.5467, 1.1333 and 1.6800 with standard deviation of .90782, .92843, .94916, 1.11856, .50225 and .91769 respectively, the low mean rating are 1.1333, 1.6133, 1.6533 and 1.6800 indicated the degree level of agreement of mean variation is strongly disagree. The finding revealed that the following , the schools rarely follow the necessary financial rules and guidelines, schools are almost rarely give awareness of number of accomplished activities, Financial information was not accessible and available to school community.

Table 11 above reveals the opinion of academic staffs to make budget allocation more effective and efficiency to school. This indicated that the mean rated 1.7467, 1.7467, 4.3600, 1.6667 and 2.5467 with standard deviation of 0 .97389, 0 .97389, 0.92474, 0.94916, 1.96106 and 0 .91376 respectively. The low mean ratings of 1.6133, 1.6667, 1.7467 and 1.7467 for Academic staffs have shown the mean variations at the degree level of disagreement. Therefore, the result of the findings revealed that schools does not practicing the following, good financial system to make effective use of resource, effecting planning and financial control, ensuring the efficient and effective use of resource and sound of business decision. But school can regulate their financial management with internal rules as indicated that the degree level of agreement is nearly approach to agree

As presented from Table 12 above for the following mean rating respondents' reaction from academic staff in financial plan management in schools are. 2.2000, 2.5200, 1.5867 and 1.7200 with standard deviation of .98639, 1.13137 and .91671 respectively, but the low mean rating are 1.5867 and 1.7200 indicated the degree level of agreement of mean variation is strongly disagree this shown that schools have weak side to clearly outline the expected expenses and keeping records of all expenses in financial control

5.2 Conclusion

The only available source of income of finance for secondary school is school grant and the income generated internally through transcript fees; Registration charge and Rent of class. But these are inadequately source for school activities.

There is no block grant have been allocated for the past twelve years by the government being allocated to schools and also there is no fair distribution being considered in budget allocation in each schools, as a result there is no specific criteria being considered during budget allocation such as that of distance of schools.

The budget allocated in each school is not adequate to fully implement the annual budget plan and also there is no effective transparency and accountability of financial management and control which would in turn, would lead to schools being have clear guidelines for financial procedures in auditing system. This has resulted to a poor management of resource in budget utilization in school.

The schools do not practice the following:

Good financial system to make effective use of resource, effecting planning and financial control, ensuring the efficient and effective use of resource and to make sound of business decision.

5.3 Recommendation

Although the fact that all schools have sources of finance, especially schools located in rural area are not able to generate income from themselves as they are just waiting only school grants because there is no other facilities to strengthen their internal income in order to make teaching and learning going smoothly in schools. For this case, it's better to make internal income by linking schools with production and income generating activities like building business centers around schools.

As mention from Blue print manual, the priority of the FDRE (ETP, 1994) in education, financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost sharing at higher levels of education and training. Therefore it is better to put policy in place which can motivate schools in order to make work condition attractive for everyone in order to fulfill the benefit of school, allocating adequate finance, available teaching materials to schools.

In case of specific criteria for budget allocation, it is better to consider distance of school like transportation material, available provision of stationary materials in that area and human power.

The way forward for budget allocation and utilization in public secondary schools, it's better to consider the policy objectives to translate into targets for admission and internal efficiency for allocated budget.

It needs commitments of leaders in decision making on practice of block grants allocation to schools because the school grants stand to fill the gap of school finance as it allocates for their own purpose focusing for only teaching and learning process and short term training. But, it may be stopped to support schools because it works as a kind of project funded by World Bank.

It is better for the decision makers to be aware about the use of resources in schools (such as students/section ratios or students/textbook ratios) and conducting assessments about the cost of specific items and their progress over the salaries.

Melaku (2010: 44) points out that “finance assumes to have a greater importance in education with expansion of educational systems and the provision of quality education are greatly influenced by the amount of finance available to education and by the extent to which the

available finance is effectively and efficiently managed.” In connection to this, the following suggestions need to be considered:

It is better to separate finance of education sectors from others instead of single pool system. The schools need finance officer being assigned in order to manage finance documents

It is better to give school legal receipts and invoice in order to know the income and expenditure being used, because they may lead all schools practicing any kind of corruption using school resources.

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Appendix A
Addis Ababa University
College of Education and Behavioral studies
Department of Educational Planning and Management

Dear respondent, Mr. /Mrs

This questionnaire is intended for collecting data on budget allocation and utilization in public secondary school of Gambella Regional State. The required data is essential for the success of this study which is a partial fulfillment for a master's degree in educational leadership and management. Therefore, you are directly involved in the subject of this study and also you have been chosen as a participant. I kindly request you to respond to all items in the attached questionnaire as honestly as possible. I assure you that the information provided will be treated confidentially and will be used for the purpose of research only and will be read in the libraries in a processed form that will not have individual effect. I would like to thank you in advance for your cooperation in filling out the questionnaire by devoting your precious time and effort

General instruction

No need of writing your name.

Make a tick mark (✓) in the box provided to show your responses.

If you change your response, please cancel the former one.

The questionnaire is prepared in structured ended questions

The questionnaire contain two sections

Thank you in advance for your cooperation

Section I. Questionnaire to be fill out by Academic staff (Main principals, Vice principals, Teachers)

PART ONE: Personal profile

1. Name of the school _____

2. Name of the Woreda _____

3. Sex: Male Female

4. Age: 18-25 26-30 31-35 36-40 41-45 over 45

5. Qualification: Diploma BA, BSC/BEd MEd, MA/MSC

6. Work experience in this school. 0-5 years 6-10 years above 10years

7. Total work experience

8. Current position in this school

a) Principal

b) Vice principal

c) Department Head

d) Unit leader

e) Teacher

SECTION II: General Direction:

After reading each question attentively indicate your response by putting a tick () on agreement response in the table structured. Please indicate the level of your agreement with the following; put a tick in the box of your choice Strongly agree = 5, Agree = 4, Undecided = 3, Disagree= 2, Strongly disagree = 1

		5	4	3	2	1
1	The School generates adequate income by using transcripts					
2	The School obtain adequate income from registration fees					
3	The School get adequate income from Sale of grass, trees					
4	The School get income from rent of class room/meeting hall					
5	The school get income from Community contribution					
6	The School get income from Donors/NGO'S					
7	The block grants are currently available source of income					
8	The school grant is currently available source of income					
9	The School collecting information from the community to designing its budget					
10	The school adequately estimates its expenditure for academic year					
11	The School involve stakeholders to designing its budget					
12	The School conducted need assessment for priority issue					
13	The budget of school is allocated with Standard unit cost per student					
14	The budget of school is allocated with Previous year budget performance					
15	The budget of school is allocated based on amount of budget requested					
16	The block grant is allocated every academic year by government					
17	The amount allocated budget is fairly distributed in each schools					
18	The distance of school are considering during allocating budget					
19	The amount of allocated (approved) budget for each fiscal year is					

	adequate to accomplish the academic year of the school activities					
20	The allocated (approved) budget announced on time to the school community.					
21	My school use good financial system to make effective use of resources					
22	My school make effective planning and financial control					
23	My Schools can regulate their financial management with internal rules					
24	My school ensure the efficient and effective use of resources					
25	My school leader is accountable for setting the internal controls and internal auditing.					
26	My school make sound of business decision					
27	My School has accountants, treasury to manage school finance in good manner					
28	My School has personnel trained financial management in school.					
29	The School give awareness of teaching and non-teaching Staff about release of schools budge					
30	The Involvement of stakeholder and management Committee in finance decision is low					
31	My school use proper efficiently purchasing activities for provide quality items for school.					
32	The function of warehousing holding and caring for materials in your school are evaluated.					
33	The inventory control carrying out in school is fully implemented					
34	The practical of financial rules and regulations are observed in utilization of finance in your school					
35	The amount of allocated budget for the school is fully utilized					
36	The utilization of finance in your school is effective.					
37	My school practiced financial coding materials like receipts, invoices, and models during utilizing resource					

38	My school make a planning and implemented of a financial plan, accounting, reporting and the protection of assets from loss, damage					
39	The internal auditing is carried out in the school.					
40	The external auditing is carried out in the school.					
41	My school follow the necessary financial rules and guidelines					
42	Financial information is accessible and available to school community					
43	My School give financial report to concerning bodies at any time					
44	My School give clearly & publicly displayed funds on board					
45	My School give awareness of number of accomplished activities					
46	The timely submission of quarterly and annual financial performance reports of the school is evaluated.					
47	My School is keeping monthly records of income generated					
48	My School identify the source of finances in school					
49	My School clearly outline the expected expenditures of the school					
50	My School keeping records of all expenditures					

Consulted document on budget allocation trends from 2005-2009E.C

No	Name of wereda	2005		2006		2007		2008		2009		Total	
		Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
1	Gambella Towun	4,065,676.00	3,841,057.00	4,541,959.00	2,674,352.00	7,684,777.00	6,100,677.00	6,180,126.00	7,719,863.00	11,355,849.00	12,178,667.00	33,828,387.00	32,514,616.00
2	Iare	1,419,400.00	1,418,993.00	1,825,494.00	1,011,171.00	2,466,886.00	1,220,883.00	6,129,389.00	3,663,533.00	2,636,492.00	3,443,679.00	14,477,661.00	10,758,259.00
3	Mekuy	-	-	-	-	-	100,012.00	-	-	-	-	-	100,012.00
4	Jikow	-	-	10,346,259.00	-	-	-	18,919,625.00	-	18,542,011.00	-	47,807,895.00	-
	Total	5,485,076.00	5,260,050.00	16,713,712.00	3,685,523.00	10,151,663.00	7,421,572.00	31,229,140.00	11,383,396.00	32,534,352.00	15,622,346.00	96,113,943.00	43,372,887.00

DECLARATION

I declare that this research study on:

Budget Allocation and Utilization in Public Secondary School of Gambella Regional State is my own independent work, and that all of the sources used or quoted have been indicated and acknowledged by means of complete references.

Name Ter Moyong Puoch

Signature _____

Date _____

Advisor's Approval

Name _____

Signature _____

Date _____