WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING AND FINANCE

ASSESSMENT OF BUDGETARY PERFORMANCE (IN CASE OF EZHA WEREDA FINANCE)

A RESEARCH SENIORESSAYSUBMITED IN PARTIAL FULFILLMENT OF THEREQUIREMENT FOR BADEGREE IN ACCOUNTINGANDFINANCE

BYABDILMEJID YABA ----------------------IDNO SSR/0019/14

ADVISOR. KINFE Y (PHD)

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WOLKITE ETHIOPIA

DECLARATION

I, Abdilmejid declare that to the best of my knowledge and belief, that this dissertation is my own and has never been submitted to any institution of higher learning for academic award.

Signature ---

Date ---

ADVISOR'S APPROVAL SHEET

As this research Advisor, I hereby certify that I have read and evaluated this prepared under our guidance,
by Abdilmejid entitled An Assessment on budgetary performance in ezha woreda finace The assistance
and the help received during the course of this investigation has been duly, Acknowledged.
Therefore, I recommend that it will be accepted as fulfilling this Requirement.

ADVISOR NAME --

SIGNATURE ---

DATE ---

ACRONEMS

ZBB Zero base budgeting

NGO none governmental organization

ABB Activity based budget

JIT just in time

TQM total quality manger

.

ACKNAWLEDGMENT

Letmestartbythanking God for his continued blessings and guidance in accomplishing, this work.MayHisname be glorified forever. I wish to extent special thanks to my Advisor:Kinfe Y(phd) forhisbeneficialguidance during the preparation of this report. His efforts and tolerance were trulyencouragingand source of inspiration to me. My sincere gratitude goes to my lovely Mom andDadforthemoral, wisdom, and financial support towards my study may God reward you abundantly.Ialsowish to thank my lecturers at Wolkite University for the hard work they put in helpingmegrapple these concepts. To all my course mates, friends, brothers and sisters, I say thankyouforallowing me learn from you.

ABSTRACT

This study assesses the budgetary performance of the Ezha Wereda Finance Organization in the Gurage Zone, Ethiopia, focusing on the effectiveness of budget implementation and its impact on organizational goals. The primary objective is to evaluate budget preparation practices, identify factors limiting budgetary performance, and analyze variances between planned and actual expenditures. Using a mixed-methods approach, the research collected primary data through questionnaires and interviews with 28 employees, supplemented by secondary data from organizational reports. Key findings reveal that while budgets are generally realistic, challenges such as untimely fund disbursement, insufficient funds, poor technology, and management policies hinder optimal performance. The study also highlights consistent variances between planned and actual budgets, with actual expenditures falling below projections.
Recommendations include adopting better budget systems, improving fund allocation, enhancing employee participation in budget preparation, and employing more experts to ensure timely project completion. The study underscores the importance of effective budgetary control for organizational success and suggests areas for future research to address gaps in implementation and performance evaluation : Keywords Budgetary performance, budget implementation, financial management, Ezha Wereda, Ethiopia.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Budget a predetermined is statement of management policy during a given period, which provides a standard comparison with results actually achieved (Brown and Howard 8th edition. The study focus on the assessment of budgetary performance in the organization and Budgetary performance of the organization against many problem such as budget deficit, unequal distribution of budget, etc. Hence, there should be an inviting effort to minimize budget deficit (Ekiti, 2020).

One aspect of the budget process that has received considerable attention is the sequence of budgeting decisions. Traditionally, Congress voted on budget items line-by-line, or category by category. The sum of all spending approved by Congress emerged as the overall budget a budget process called bottom up. The budget reforms stemming from the Budget Act of 1974 replaced this tradition with a different sequence. First, Congress was to vote on the total size of the budget. Once that was determined. A budget process of that type is called a top-down process. It was argued at the time, that a top down budget process would lead to a better outcome, in particular, to a smaller budget, than would a bottom-up budget process(Stahl et al., 2006)

Properly managed budgetary performance is good to the organization development. But absence of this the organization would be not fulfill their goals and objectives.The budget at the right place supports the organizational objectives, customer service, return of investment, promoting high profit and others objectives. Organization performance is different from one organization to other organization, but all need adequate budgetary performance management, Assessment of budgetary performance would be consistent with the finance organization to utilize the planned budget(Mutai, 2015)

The budget at the right place supports the organizational objectives, customer service, return of investment, promoting high profit and others objectives. Organization performance is different from one organization to other organization, but all need adequate budgetary performance management, Budgetary control entails a repetitive circle of planning and control which is normally followed by appropriate information about actual result to the management for comparing them against a budget and initiating a control action if necessary. Budget and Budgetary control constitute important management and internal control systems and are central to the process of planning and control which are major activities of management in all organizations (Dakurah, 2020) Most of the time budget deficit should be controlled by finance organizations and by periodical performance of the organizations. But taking this case into account there is a gap created with in the organizational system which affect the goal of the organization.Budget implementation is about transforming an amount stated in the budget books in to actual delivery of outputs and successful achievement of organizational objectives. During implementation budget review is done to capture the reality and to use as lesson learnt for the future project development and implementation; here the budget review can be done on monthly, quarterly or at specified period up on needed. While implementing checking the budget availability before undertaking any activity, and reports on budget variance to budget holders or senior management smooth budget implementation and help to avoid financial risk. Budget implementation can be affected by; change in project staff, implementation area, insufficient funds allocation, lack of analysis of the current market situation and non-participatory budget development (Legesse, 2021)

1.2 Statement of the problem

In preparing a budget to guide the use of funds in the Ezha district, the organization is experiencing delayed release of cash for some operational organizations. Financial Report, 2025 In addition, the woreda Human Resource Report (2015) indicates that employees receive their salaries late. This raises questions as to why such experiences may arise even with preparation of budgets. It’s against this back ground that the researcher wants to investigate the role of budgeting on the financial performance of a district

Good budgetary performance can be a vehicle for addressing of objectives and goals in the most carful way. But in preparing budget many problems were take place and consequence creates a great impact on the performance of the organization. The problems are using inappropriate budget preparation procedures & not well utilization of budget for each department within the organization Every organization doing exceedingly well on the face of the earth rely heavily on budgets, and budgetary control measures to improve performance, through adequate resource allocation. Budget and Budgetary control, both at management and operational level looks at the future and lays down what has to be achieved. Control checks whether or not the plans are realized, and puts into effect corrective measures.(Mary’ & Id, 2016)

The organization always prepare annual budget for the current year activities by designed bud when just in time (JIT) get proposal and its active implementation of objectives. Budget is one of the techniques used to control the organization activity and it is also quantitative expression for set of time period and a proposed future plan of action by management. The problem of budgeting is not only in preparation stage but also on implementation. The concern of this study is to examine the assessments of budgetary performance in particular area Ezha woreda finance in gurage zone. The study is primary focus on the organization, in order to give the final solution and suggestion to the problems.

The researcher raised the following question that would be answered in this course of study.

1.3 Research questions

- What are the factors that affect budgetary performance of the organization?
- How to assesses budget utilization on Ezha woreda finance organization?
- How does budgeting contribute to financial performance ?
- Why budgetary performance is necessary?
- What standard the organization use to prepare good budget system?

1.4 Objective of the study

1.4.1 General Objective

The general objective of the study is the assess ofthe budgetary performance in case study of Ezha wereda finance organization in Guragie zone.

1.4.2 Specific Objective

The specific objective of the study are the following

- To assess the effectiveness company on its budget
- To examine budget preparation practices of Ezha woreda finance organization
- To identify ways and means by which the organization budgetary performance improved to best level expectation.
- To assess budget and actual performance
- To assess wather the is variance between budgeted and actual expenditure.

1.5 Significance and scope of the study

1.5.1 Significance of the study

This study would help the organization to have a good budgetary practice and to properly budget the available resources and to effectively implement it. In addition to this study would be used to provide ground line information for the organization about its budgetary performance, which is very help full for the organization advancement to provide a better service.

The study helps to examine about the factor affecting budgetary performance in the organization and create awareness to the organization about budget utilization and implementation, which requires improvement. Furthermore, it helps to identify ways and means by which the organization budgetary performance is improved to the best level expectation, in addition to the above the following play a great role to avoid the problem of budgetary performance for the future society

- It will enrich the knowledge of woredas finance on budget preparation and budget utilization.
- It provides baseline information about current practice of the budget preparation process and budget utilization in managing revenue and expenditure.

The district can get inputs to improve budget preparation and utilization practices in implementing donor funded projects

1.5.2 Scope of the study

The scope of this research is limited at Ezha woreda finance only. The research goes through to investigate on how budget prepared in the selected area of study and utilized accordingly.

To come up with effective and better study, it was better if the study will be conducted on over all organization performance as compared with other similar organizations performance but due to the financial and other constraints this study conducted only in Ezha wereda finance there fore the study is limited to the organization.

1.6 Limitation of the study

Every research work has its own limitation. The main limitations of this paper are inadequate time which is not possible to analyze all respects relevant to the study, the analysis is based on annual reports of the district. in which the accuracy and reliability of analysis depends on reliability of figures derived from financial statement., during data collection some respondent are not willing to give information and lack of sufficient materials from the expected organization ,time and financial constrains

1.7 Organization of the paper

This paper includes five chapters. The first chapter present the introduction part which reflecting the background, statement of the problem objective of the study, significance of the study, scope of the study, limitation of the study and organization of he paper. The second chapter deals with literature review. The third chapter deals with methodology of the study. The fourth chapter deals with data analysis and interpretation and the fifth chapter consists of summary, conclusion & recommendation.

CHAPTER TWO
Literature Review

Introduction

This chapter is divided into three parts; the literature survey, literature review and the conceptual frame, literature review describes how the study variables are viewed elsewhere while the conceptual frame work shows the relationship between independent variables and dependent variables diagrammatically

2.1 definition of Budget

Budget is an itemized estimate of the operating result of enterprise for a future time period. Forms of budget vary from organization to organization. Budget is eventually summarized in to the form of normal financial statements. The major difference between budget and the financial statement is the data used to develop each, financial statement are based in actual result of past operations, where as budget are based on planned operations for a future time period, because of this budget is a perform statements(Affected et al., 2012)

A budget is a detailed plan that describes in a formal, measurable terms how resources will be acquired and allocated during a specific period. A budget is an important tool for directing how resources are spent to achieve an organization's goals/objective,Because it expresses the plans of management in financial terms by matching activities with available resources. Budget is a written plan; therefore, it is a reference for setting and evaluating goals/objective. And will helps managers to employ/implement the limited organization resource in most efficient and effective way to exits in the business (Kaol, 2017)

It is representing a list of document in which aspect of the predictable revenues and expenditures of an organization, for a specific period are placed. Budget can be understood as a general finance specific methodological process through which, it highlights how development and sizing of financial resources done economic entities, on the one hand, and the distribution to various destinations of resources for the fulfillment of prearranged targets, on the other hand. Budgeting is an operational plan on a given time horizon, usually one year, which includes forecasting revenues and expenditures of a company, additional capital needs and how to finance them. Even if the budget is a financial plan regarding future revenues and costs of a business, it is about much more than just financial numbers. Budgeting process involves choosing specific objectives of future activities and company policies, programs and procedures designed to ensure the necessary conditions for achieving these objectives ((Kaol, 2017). Budget is document which shows how the organization will spend money and where the money comes from to pay these expenses. Budgets will set limits on the amount money will be paid on 10each activity line. If you can imagine how muddled an organization or country would be if everyone could spend as much as they wished on whatever they wanted. Besides setting limits, budgets also enable the organization in prioritizing the needs and helps to get first and less important needs are deferred until the sufficient funds found to pay (Iverson & Dervan, n.d.). Overall a budget is prepared to have effective utilization of resources and for the realization of objectives, as efficiently as possible. Budget preparation and control done at the top level, however, involvement of all persons, including at the lower level, is necessary in framing the budget and its implementation for the success of budgetary control. In practice, budgets are executed at the lower level. With experience, they can offer practical suggestions that can lead to success. The success of Budgetary Control depends more on the active participation of all employees of the organization (Roestel, 2016)

2.2 BUDGETING TECHNIQUES

Different organizations for various reasons have use different budgeting systems. Research reveals that the introduction of a budgeting system is influenced by different reasons. Mostly the influence is based on the political agenda of the organization. Therefore, some budgeting systems improve or undermine accounting and auditing standards, fiscal management and elements of good governance, like transparency and accountability. Lastly, it has been noticed that some budgeting systems focus more on ‘administration and control’ of organization funds than on the management of organization funds.There are two main ways of building a budget – incremental and zero-based. And organization will adopt the approach which works best for them, given the skills and time available. (Lubega, 2016)

Incremental budgeting; Incremental budget approach bases any year’s budget, that is on the perpetuate existing inefficiencies. It also makes it difficult to justify the figures to donors since the original calculations may be long time and forgotten ((Zymelman, 1973)).

Zero-based budgeting; An alternative approach is to start with a clean sheet – a zero base. Zero base budgeting (ZBB) base budgeting (ZBB) ignores previous experience and starts with next year's targets and activities. ZBB requires the writer of the budget to justify all the resource requirements. This process may suit organizations going through a period of rapid change and those, like NGOs,whose income is activity-based. Zero-based budgets are said to be more accurate since they are based on the detail of planned activities. However, the approach does impose a much greater workload on managers than incremental budgeting. **Activity-based budgeting** is a special formof ZBB and is frequently used in the NGO sector to create project budgets (Lewis, 2013)

2.3 BUDGET TYPE

A budget is merely a plan described in financial terms; there are numerous types of budget that meet a variety of purposes. Knowing which budget type to choose is a matter of what needs to be conveyed. A budgetary system has been developed to more effectively plan multi-year operations, identify and control costs, stimulates continuous improvement, or facilitate more refined performance evaluation (Matsoso, M. and Nyathi, M. and Nakpodia, 2021).

The basic concept of budgeting involves estimating future performance, comparing actual results with the estimate, and analyzing the differences between them. Factors that are relevant in determining the type or style of an organization's budget and its effects include: the type of organization, the leadership style, personalities of people affected by the budget, the method of preparation, and the desired results of the budgeting process (Kuntadi & Firmansyah, 2022)

In general, budgets can be classified into two primary categories (Classification, 2009)

Operating budgets; Operating budgets consist of plans for all those activities that make up the normal operations of the firm. The main components of the firm's operating budget include sales, production, inventory, materials, labor, overheads and R & D budgets.

Financial budgets; Financial budgets are used to control the financial aspects of the business. In effect, these budgets reveal the influence of the operating budgets on the firm's financial position and earnings potential. They include a cash budget, capital budget and income and expenditure budget**.**

Income and expenditure budget; The income and expenditure budget sets out the anticipated running costs (also referred to as recurrent costs) of the organization and shows where the funds will come from to cover the costs. The annual income and expenditure budget is often broken down into shorter periods – quarterly, half yearly or even monthly – to assist with monitoring progress. **Capital Budget;** The capital budget lists the expenditure you intend to make for the coming years on capital projects and one-off items of equipment that will form part of the organization’s Fixed Assets. As these usually involve major expenditure and non-recurrent costs, it is better to list and monitor them separately. Examples of capital expenditure include: Vehicles, Office furniture and equipment, Computer equipment, Building construction, Major renovation works The implications for the income and expenditure budget should be noted – such as running costs for vehicles. A separate capital budget is not required if only one or two capital items are to be purchased. In this case, it is sufficient to incorporate the capital items in a separate section of the income and expenditure budget. This is most common in a project budget. **Cash flow Forecast budget;** a good cash and financial management will help to maintain cash reserve in organization, cash reserves are essential as there will always be times when grants are delayed or unexpected expenses occur. The cash flow forecast (or cash budget) helps managers identify those times when cash levels become critical. It predicts the flow of cash in and out of the organization throughout the year by breaking down the master (or overall) budget into smaller time periods, usually one month. Whereas the income and expenditure budget shows whether the organization is covering its costs over the whole year, the cash flow forecast shows whether it has sufficient cash in the bank to meet all its obligations needs as they arise. This then helps to identify likely cash shortages and allows avoiding action to be taken such as: requesting donor grants early, delaying payment of certain invoices, delaying some activities or negotiating a temporary loan facility at bank. However, take care as there are likely to be negative consequences if they follow the last three strategies: delaying payments could affect the relationship with suppliers, delaying activities will affect the communities work with and ability to implement the programme as agreed with donor, borrowing money from the bank will attract bank charges and interest. Different scholars also have stated the budget as annual, master and activity based in the preparation time, use and purpose; 2025/4/26

Annual budget; the annual budget is the cost and forecast of the organization's expenses and revenues for the twelve months of the calendar year. It is used, notably: to provide a global provisional overview of volume of activity, expenditure and receipts, to provide an overview of the organization's financial position. The annual budget is estimated based on forecast activities that are themselves determined by: the association's global strategy, the specific strategies defined in organization. (Venkateswaran, 2014) **Master budget**; The master budget is a key part of the organization annual planning process. It identifies the expected cost of delivering the annual plan, shows the anticipated funding and identifies any expected unfunded costs. It is also used to produce updated forecasts against the annual plan at certain points in the year. The master budget is a budgeting tool designed to capture the full annual costs required to run an organization programme and match this against confirmed and likely funding to calculate the funding gap. The master budget is required to be completed prior to the start of the new financial year, with quarterly reviews to ensure the budget is accurate. Once the funding gap has been identified, it is then possible to understand where additional funds are required, and ensure the funds are secured to meet these gaps or efficiency gains made where required. (Action & Budgeting, 2003) **Activity based budget**; Activity-based budgeting is an outgrowth of activity-based costing (ABC), which is like zero-based budgeting. This budget type accounts for how staff members allocate their effort among activities. Once the full cost of each activity has been calculated, drivers can be established that link support activities to the primary activities of the organization. (Contoh et al., 2019)

(Mahal, 2016)defined activity based budgeting simply as activity based costing performed in reverse. Activity based costing trace costs from resources to activities and then from activities to specific products and services, while activity based budgeting moves in the opposite direction and traces costs from the products to activities and then from activities to resources. In short, the activity based budgeting approach combines a more complete operational model with a detained financial model where work activities are set as a building blocks for budgets. The resulting model makes resource consumption highly visible while identifying resources of imbalance or inefficiencies. The resulting transparency of the activity based budget promote the allocation of resources to their best uses in line with organizational priorities, enhances decision making and performance evaluation, and improves operational flexibility (Arquitectura et al., 2015) By developing a comprehensive activity-based budget executives can create a clear link between workload and costs. This process may suit organizations going through a period of rapid change and those, like NGOs, whose income is activity based budgets are said to be more accurate since they are based on the detail of planned activities (Robinson and Last, 2009). There are many different budget types, each with a different purpose. The most common is the line-item style, which answers the question: what is to be bought? This budget plan is oriented toward control and economy. A program budget answers the question: what is to be achieved? This budget plan is oriented toward planning and effectiveness. And a performance based budget answers the question: what is to be done? This plan is oriented toward management and efficiency. Each has its place depending upon the goal. However, one budget type, which has gained popularity, can link activities to costs, giving executives a better understanding of the full costs of service and resource allocation. This plan is an activity-based budget (ABB) ((Arquitectura et al., 2015)

2.4 Budget Implementation

Budget implementation is the responsibility of the budget directory. Communication and support determine the success of budget implementation process proper communication of expectation and targets to all key people in the company is essential. All employees involved in the operations of the business must know what is expected of them and they must receives directions on how to achieve there goals. Equally important top management must support the budgeting processes and encourage implementation of the budget. The processes will succeed only if middle, and lower level managers can see that top management truly is interested in the outcome and willing to reward people for meeting the budget goals.At this point, management must decide whether to accept the proposed master budget, as well as the planned operated

results , or ask the budget director to change the plans and do part of the budget over sustain the level of growth needed. Internal factors such as inadequate collections and poor accounts receivable practices could also impact revenue. Aggressive projections that assume a high rate of growth or increased revenue have a much greater potential for inaccuracy than conservative estimates based on data from previous years. (Vitkovics, 2023)also explain that, expenditure may be one of the most difficult areas of the budget to predict. Increases to health insurance, turnover levels and collective bargaining in unionized organizations can all change salary and benefits by a significant margin. In many industries, salary and benefits is more than 50 percent of the organization's total expenses. Any variance to employee compensation will have a noticeable impact on budget predictions. Changes to the inflation rate and stock market conditions directly affect the organization's net worth and its ability to generate funds or loans. If the company relies heavily on investments as a funding vehicle, then poor stock market performance will have a direct, negative effect on budget predictions. Likewise, if the rate of return on investments outperforms the prediction, then the budget will have a surplus ((Your, 1925)

2.6The structure of budget

Budget is classified broadly into two category these are operational budget and financial budget.

(Gulpenko et al., 2017)

2.6.1 Operational budget: which reflect the result of operating decision of the firm

2.6.2Financial budget: which reflect the financial decision of the firm .

The operating budget consists, sale budget, production budget, Ending inventory budget cash

receipts budget, direct material budget, factory overhead budget, selling and

Administrative

expense budget. (Spring et al., 2018)

2.6.3 Sales budget

Any master budget is the sales revenue budget based on forecasted sale of goods or services

Sales forecasting: is the process of predicting sale of services of goods. Various

procedures are

used in sale forecasting and final forecast usually combines information from many different

sources. Many firm have top management-level market research staff whose job is to

coordinate

the company's sale forecasting efforts (Singh Kundu, 2017) on hand or suffering a cash shortage, However, if a cash shortage is expected, the cash budget includes weather shortages temporary or permanent, i.e. weather short term or long term borrowing need. Cash budget typically consists of the following four major section.

2.7.1 The receipt section:- Which gives the beginning cash balance, cash collection from customers and others.

2.7.2 The disbursement section: which should all cash payment made or listed by purpose

2.7.3 The cash surplus or deficit section:

which simply shows the difference b/n cash receipts and cash disbursement action.

2.7.4 The financial section: Which provide a detailed account of the borrowing and repayment expected during the budgeted period (Source Schams P.75)

Estimate of cash at particular point of time may be made with the help of the following:-

1. Budgeted Balance sheets cash budget: the cash budget may be prepared inline of capital budget with the help of budgeted balance sheet. This cash budget is essential for static type.
2. Fund flow type of cash budget: It does not show as to how the expected cash deficits arising
3. Cash account type or receipts and payment type of cash budget: Fund flow type analysis is better balance sheet type of approach

(Viera Valencia & Garcia Giraldo, 2019)

2.8 The budget process

The budget process is as important into day's globally competitive operation environment as in traditional environments. In fact budget becomes even more important when just in time (JIT) or total quality manager (TQM) technique are a plied and when computer and other electronic operation and data accumulation device are used. In these new operating setting actual operating data are made available quickly, and budgets must be updated continuously to accommodate management's need for performance evaluation. The basic principles of budgeting do not change in these environments, only the speed and timing with which they are applied (Source: (Khan & Hildreth, 2002)

2.9 The Need for Budgetary Control

Budgetary controls the process of developing plan for company's expected operations and controlling operations to help carry out those plans. The basic objective of budgetary control are

To aid in establishing procedures for preparing a company's planned revenue and costs, To aid in coordinating and Communicating those plans to various levels of management and To formulate a basis for revenue and cost control

A business does not benefit from budgetary control by operating haphazardly the company must first set quantitative goals, define the role of individuals and establish operating targets or detail operating budget.A period budget is a forecast of operating results for segment or function or a company for a specific period of time, it is quantitative expression of planned activity and requires timely information and careful coordination.

(Product & Two, 1966))

2.10 The basic objective of budgetary control

1)It lays down define targets of production and sales with corresponding allowable expenses. Which can be exceed only with prior approval

2) It provides definite and precise guidance regarding sales, production and finance. Types and quantities to sold and expense allowable for sale are clearly indicated. As regards production, definite instructions regarding types, quantities materials, labour and other allowable expense are available similarly, from the point of view of finance; guidance is available with respect to working capital and capital expenditure to be incurred.

3)It acts as coordinating machinery between different functional heads. Otherwise, there might be production without chance of sales, or there may be commitment for supply when chance of production would be meager, or production might be held up for want of certain materials, or for certain grades of labour

4)This is helpful in controlling production by limiting chance of wastage. Similarly, it keeps in control cost and expense by limiting the allowable expenses where decentralized functioning of is essential.

5)An aid to management in policy matters, from working of one budget management may change future plans and programs by eliminating proper line and by concentrating on more profitable illness or area. Budgetary control thus continually helps management in modification and revision of policy, and the revised policy shall be the basis of the next plan and budget.

6)It provide objective basis of judgment executives rather than pure guess these providing them with an opportunity to strive for some calculated better result

Budgetary control is the system of management control in which all the operations sale purchases, production etc. are for case in advance and the results, when known, are compared with the planned targets(Product & Two, 1966)

2.11 BUDGET PERFORMANCE AND SOURCE OF VARIATION

Successful budget performance depends on numerous factors, such as the ability to deal with changes in the macroeconomic environment, and the implementation capacities of the organization concerned, effective expenditure control, complete budgetary/appropriation accounting system, and tracking transactions at each stage of the expenditure cycle (commitment, verification, payment). An organization can prepare a good budget as a basis for performance management and standards on a regular basis to compare actual performance with the budget to analyze differences in the results and take corrective measures, which mainly involves the process of budget implementation, evaluation and control (Ta et al., 2016)Per Horngren (2003),

Effective budget implementation is usually assessed by addressing various variances between the actual performance and budgeted performance. The most important task of variance analysis is to understand why variances arise and then to use the knowledge to promote learning and improve performance. The district finance office use variance analysis also to report to the donors the reasons for the deviations. Some level of deviation from the budget is allowed otherwise variance needs to be investigated.Budget implementation is about transformation and plans to others, to enable them attain desired objectives (Kimani, 2015) .

SUMMARY OF LITERATURE

Most studies proved that budgeting and budget performance helps for establishment of goals by the management of an organization and designing a process which serves as a framework within which an organization effectively articulates overall planned activities. The involvements of all relevant stakeholders in budget preparation will helps for effective budgeting and budget performance. Budgeting and budget performance contributes to management efficiency and high productivity of an organization; therefore, all relevant stakeholders must be involved in the budget process, from preparation to implementation. And the budget is less criticized when the level of participation and involvement of managers and the importance assigned to action plans during budget negotiations are high. On other hand budgeting practices place high importance on budget-to-actual comparison for performance evaluation both at corporate and business unit levels. Researchers indicate that, a good budgetary practice tends to be critical for the achievement of objective in organization in today's dynamic and outcome focused environment. Because of donors, government,the cabinets, and regulators are demanding more accountability and better performance from management. Budget preparation, control and implementation significantly influence budget variance. Budgeting encourages managers to plan, consider the stakeholders to be involved, provides information for improved decision making, increases and enhances communication and coordination among departments, and helps for evaluation of the work done.

CHAPTE THREE

METHODOLOGY

3.1 Introduction

This chapter contain the methods the researcher used while collecting data and processing it. It also gives the description of the research design, study population, sampling techniques and analysis.

3.2 Study area

The research will be conduct in Ezha Welene Woreda of Guraghe zone is situated in centeral part of Guraghe zone .The Gurage Zone is located in South Central Ethiopia with the location between 7040' to 8030' North and 37030' to 38040' East and covers an area of 5,932 km2 . The Zone is bounded with Oromia Region in the west, north and east, Yem Special Wereda (District) in the southwest, and Hadiya Zone in the south. Ezha woreda is one of the woredas of Gurage zone in the central Ethiopia Region of Ethiopia at about 190km far from Addis Ababa and 40 km from Wolkite .Gedebano Gutazer Welene is bordered on the north by Muhor Aklil, on the west by Cheha, on the south by gumer woreda, and on the east by silti zone. The administrative center of Ezha woreda is Agena. The study will be conducted at the ezha woreda finance office.

3.3 Research design

The study employed a cross sectional and descriptive survey research design. The purpose of using a descriptive survey is to collect detailed and factual information that deeply describe the existing phenomenon. Both qualitative and quantitative data was collected on the basis of concepts defined in the conceptual framework

3.4 Target population

The target population was 22 respondents of from all departments such as human Resource and finance department among others

3.5 Source of data

In this proposed study, data was collected using primary and secondary sources of data.the primary source of data applied to the questionnaire and interviews. In such away, there was major participants that used as a source of data in the former case; firsthand information was obtained from independent accountants,organization employee,customers. The district budgetary performance was taken as a source of information for the reason that they will be direct beneficiaries of the service delivered. Where as the secondary source of data will be obtained from available districts document, like reference book, magazines, used internet and the organization budget report document. And from other related offices

3.6 Sampling techniques

The sample selection will be carries out by a research, so that it is reliable as to the representation of the total population, who are believed high civil servants to the finance organization.Therefor the research will be focus on the employee of the organization by using simple random sampling techniques to acquire the necessary information and to make clear investigation for the current research. The total population of the study are would include 28 employees. Out of the total, the researcher would study only (22) randomly selected employees taking this in to account on factors it is found necessary to use personal judgment.

3.8.1 Observation

This is the method of data collection where the researcher uses his/her naked eyes to observe features as they happen in the field. Therefore, this method helped the researcher to collect data observed from the field so as to compile the report. Items to be observed include the financial reports for monthly budgets and yearly budgets, facial reactions of respondents as they are interviewed and this helped the researcher in reducing the time needed to collect information.

3.8.2 Interviewing

This is the method of collecting data by use of asking question and answered by the respondents at the sometime. The researcher will use the interviewing method whereby a drawn interview

3.9 Data collection instruments 3.9.1 Interview Guide

Structured interviews was used to collect data from the human recourse and other staff and these was mainly to be composed of heads of department and managers of the organization. This was face to face interaction and solicitation of pertinent information from the selected respondents.

3.9.2 Survey Questionnaire

Self-administered questionnaires were used by the researcher because they were not be expensive to distribute and process. They were more flexible and help to save more time without much bias of other people's views on the topic.

3.9.3 Observation checklist

This was used by the researcher to observe employee's behavior and attitude towards work. Here the researcher used eyes to observe employees towards job, attendance of the employees among other.

3.10 Data processing, presentation and analysis

3.10.1 Data processing

Data processing include coding and editing all the responses collected from the field and will be edited with the view of checking for completeness and accuracy to ensure that the data is accurate and consistent. Coding will be done after editing and was done manually by the use of computer through word processing.

3.10.2 Data analysis

The researcher used statistical analysis of historical data to assess the role of budgeting and financial performance. Primary data analysis involved calculating frequencies and percentages tabulated by putting and grouping the information that have same meaningful information. This helped in expressing the figures in tables of ideas of the respondents.

3.10.3 Data presentation

The researcher presented the results of the study using tables for easy interpretation

CHAPTER FOUR

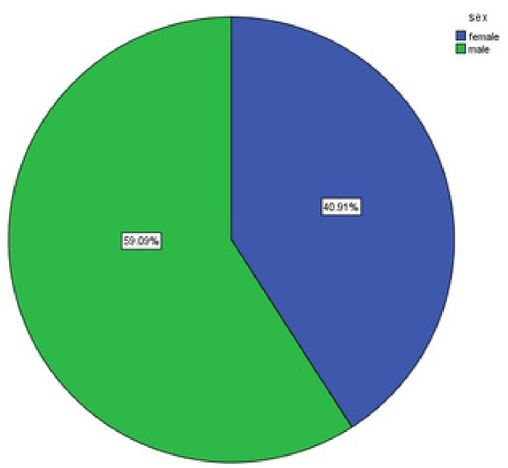
Data analysis and interpretation

4.1 Introduction This part deals with the major findings of the study. For data analysis and interpretation purpose the relevant information was gathered from questionnaires distributed to the employees of the organization and face to face interview with finance manager and also the four year budget report from the organization

Finally, the collected data organizes and arranged in appropriate manner, that will be readable and understandable to the reader by using different analysis and interpretation techniques like percentage and table.

4.2 Description of Participants

The research used the sample size of 22 staff obtained through sample size determination using Glenn Dale Cunningham table from the total population of 28. The selected sample has been represented using five dimensions namely; sex, age, level of education, type of the cadre and working experience at the studied area. The respondents are the staff who deal directly with budgetary performance and their participation positively From the above table, the respondent answer indicates that 11 (77.26%) of the respondent are diploma holders, 6 (27.27%)are degree holders and also 5 (22.72%) of the respondent are 12th complete. In addition to this the respondent response indicates that most of the employees are males that is 13 (59.09%)of the total population and the rest of the respondent are female **4.2.1 Respondents Distribution by Sex** Figure 4.1, the researcher employed 59.09 males and 40.09% females. This indicates that 40.09% of the data collected for all the variables settled in this study comes from female and male made contribution of 59.09, this shows that male involved much in the study while female were few. It can be concluded that the findings illustrates sex representation in the sample was imbalanced because of the nature of the population and the area under study. Also it can be evidenced that the City Council does not have equal employment of the employees since it has the majority of the male employed staff than the female employed staff.



. **Figure 4.1: Participant's Gender**

4.2.2 Age Distribution of Respondents Participant age distributions were determined by the study. It was important for the study because of determination of a representative sample of the target population for generalization purposes. The study employed four different age categories, 22participants were asked to identify age group they belong. As shown in the table 4.1, participants aged 18 – 25 were 2 (9%), 26 – 34 years old constituted 7 (31.18%), 35 – 49 years old constituted 10 (45.45%) and above 50 years old constituted 3 (13.63%).

Table 1. Participants Distribution by Age

Age (Years)	**Frequency**	**Percentage (%)**
18-25	2	9
26-34	7	31.18
35-49	10	45.45
Above50	3	13.63
Total	22	100

Source: Field Data (2024) Findings indicates that, the age range from 26 – 50 years constitute a large number of respondents which is 63% which suggests that large population of Agena City Council are matured and long in the service It can be concluded that since the majority of respondents age ranges between 26-50 years hence it allowed inflow of varying views about budget performanc. The data also indicates that the population has enough energy to performs different budgetary undertakings and have high knowledge on budget and development projects which are executed

4.2.3 Participant's Education Level

The study assessed the education level of respondents since this character was very essential to the researcher as education level of respondents was thought to have a relationship with the level of understanding on an assessment of budget performance of the development projects in Local Government Authorities. The data pertaining to education level is presented in below.

Table 2. Demographic characteristic of respondent and their educational qualification.

Sex	Educational level							
	Degre		Diploma		12th Complete		Tota	
	e No	%	No	%	No	%	l No	%
Male	4	18.18%	6	54.54%	3	13.63%	13	59.09%
Female	2	9.09%	5	22.72%	2	9.09%	9	40.09%
Total	6	27.27%	11	77.26%	5	22.72%	22	100%

The data showed that, the population had11 (77.26%) with Diploma, 6 (27.27%) with Bachelor degree, 5 22.7 with 12th. The findings revealed that 11 (77.26%)possess Bachelor degree which suggests that the population is highly schooled and that, there budget performance on the finance organization Bachelor Degree and hence it was easy to provide response of the questionnaires since is the group which is responsible for the day to day operations of the budget activities as realistic as practical. Also they are accountable of making sure that the budget targets are met and the funds are allocated to the planned development projects.

4.2.4 Participant's Working Experience

The researcher intended to extract information on the years of working experience of the respondent. The respondents were provided with the questionnaires which required them to state the number of years they have worked with the finance office. The question was set in order to determine the time the respondent has been involved in budgetary performance of ezha woreda

Table 3.Distribution of Respondents by Working Experience

Experience (Years)	**Frequency (N)**	**Percentage (%)**
1 to 5 years	4	18.18
6 to 10 years	7	31.81
11 to 15 years	6	27.27
16 to 20 years	3	13.63
21 years and above	2	9.09
total	22	100

The results as illustrated in table 4.3 indicates that majority of respondents 7 (31.8%) had 6 to 10 years followed by 6 (27.27%) 11 to1 5 years, 4 (18.18%) 1 to 5 years, 3 (13.63%) 16 to 20 years and 2(6%) 21 years and above. This provided a researcher with a sample of staff who had worked with finance office and therefore they were in a good position to provide their wealth of experience on the study.

It can be concluded that budget performance finance organization is not affected by lacking of experience among the budget implementer since most budget implementer have a better working experience.

4.3 Factors Affecting Budgetary Performance on the finance organization in ezha woreda

4.3.1 Realistic of Development Budget

The study asked the respondents whether the budget set aside to undertake the development projects was realistic in each respective budget physical year. The reason was the direct relationship exists between development budget and development projects in Local Government Authorities. The data showed that, majority of staff at MCC, 58 (43%) responded that budget is realistic due to revenue, other, 30 (23%) said that the budget is realistic due to project cost and 37 (27%) said that the development budget is unrealistic while 9 (7%) responded that the budget is partially realistic. Results presented in Table 4.4.

Table 4. Realistic of Development Budget

Response	**Frequency (N)**	**Percentage (%)**

Realistic due to revenue Realistic due to project cost Unrealistic Partially realistic total	9 5	40.
	6 2	9
Source: Field data (2024)	22	22.
		7
		27
		4
		9.0
		9
		100

Data presented reveals that, out of 22(100%) participants, 9(40.9%) responded that development budget is realistic and is set due to the revenue that is expected to be collected in the respective physical year,

The findings of the study show that budget control, implementation and preparation positively influence budget variance.This will enable organizations to prepare and develop a realistic budget as per expected revenues to be collected.

According to budgetary control model a good budget is that which take in hand organization expenditures in an effective and efficient way. A good realistic budget can be determined by observing the level of cash inflows or income of an entity that can be collected. This makes the development projects to be undertaken through the use of budget as a control device whereby predetermined projects, plans or standard output can be attained

4.3.2 Fund Disbursement

The study wanted to know to what extent is the rate of fund disbursement influence the undertaking of development projects among participants. The data could help the study to know the relationship between the rate of fund disbursement and the execution of development projects. The data were; out of 22 (100%) participants, 8 (36.36%) responded that funds are disbursed untimely and insufficient, 4 (18.18%) said that the funds are disbursed untimely and sufficient, 6 (27.27%) timely and sufficient while 4 (18.18%) responded that the funds are disbursed timely and insufficient. Results are shown in Figure 4.3.

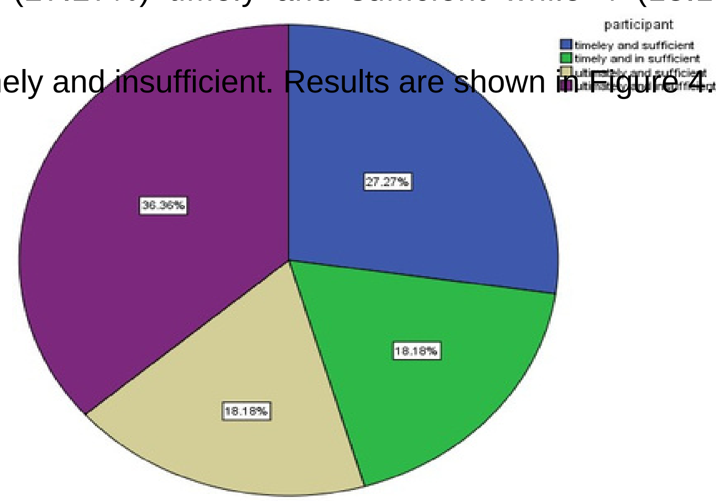


Figure 4.3: Rate of Fund Disbursement while Executing Development Projects
Source: Field Data (2024)

Findings indicate that the majority of respondents out of 22(100%) participants, 8 (36%) responded that funds are disbursed untimely and insufficient, as they agreed that during the execution of development projects funds are disbursed but its disbursement is done untimely and also the disbursed funds are insufficient. This led to untimely completion of development projects. The findings does not adhere to the study by Shields and Young, (2009) on the effectiveness of budgetary control in an organization which contend that the government has the responsibility of providing and disbursing funds and resources including also providing employment opportunities to citizens so as to meet the targeted objectives and goals. This is vital as it implies that the government and organization management with staff have the mutual role of ensuring timely implementation of budgetary activities through developing and following up effective control and directives. Therefore, in order to finance different development projects the government needs to have adequate access to financial resources that can generate more revenue to finance the projects. This can help to reduce the number of uncompleted projects across the country and adequate prioritizing of funds disbursement on the ongoing projects so that they can be completed on time to achieve the value for money.

4.3.3 Budget Priorities

The researcher found it was necessary to know whether the targeted performance adheres to budget priorities of the woreda government in the respective physical year. The reason for the test was to establish the relationship that might be existing between budget priorities of the central government with the development budget priorities. Table 4.5 summarizes the findings.

Table 5.Budget Priorities

Response	Frequency	Percentage(%)
agree	11	50
Strong agree	5	22.72
disagree	3	13.3
Strong disagree	2	9
Neither	1	4.54
total	22	100

The findings revealed that, 11 (50%) of the respondents agreed that budget of ezha adheres to budget priorities of the woreda 1(4.reda government. 5 (22.27%) strongly agree, 3 (13.3%) disagree, 2 (9%) strongly disagree a54%) neither agrees nor disagree that development projects adhere to budget priorities of the central government. The study agree with D-by-D strategy (Anosisye, 2017). The policy shifted from the former centralized system to the decentralized local governance system. One of the crucial elements of decentralization was fiscal decentralization which gives the local jurisdictions to exercise adequate authority over important decisions with regard to setting of development priorities. Also decentralization helped the financing of local services and revenue mobilization which lead to the successful implementation of development expenditure in the Local Authorities (Anosisye, 2017).

A total of 11 (50%) of the respondents agree that development projects adheres to budget priorities of the woreda government. The finds of the study are similar to the study by Bert, (2003) on the role of budget and the budgetary control in the District Council. The research findings show that the budget has the role of ensuring that the organization goals are achieved which makes the management to make sure that it excises a proper and clear budgeting system by laying down and developing sustainable budget guild lines and policies which can help the organization to avoid the wastage of resources which can hinder the achievement of expectations.

This is significantly true since the government through the Ministry of Finance provides budget guidelines which state its priorities in every physical year. Hence public Institutions and Authorities us the guidelines in formulation of budgets to be implemented in the respective year which improves efficiency in the allocation of resources.

4.4 Current Budget Performance

4.4.1 Accurate and Completeness of Planned Activities

It was the intention of the study to find out the rate of the accurate and completeness of planned activities while executing the development projects. This could bring about the linkage between the accurate of the planned activities and its completeness when executing the development projects. The respondent's responses were as shown in Table 4.6.

Table 6.Accurate and Completeness of Planned Activities

Response	**Frequency (N)**	**Percentage (%)**
Very accurate and complete	**5**	**22.72**
Moderate accurate and complete	**11 3**	**50 13.6**
Nor accurate and complete	**3**	**13.6**
Inaccurate and incomplete	**22**	**100**
Total		

Source: Field data (2024)

The findings had both positive and negative responses as follows; 11 (50%) said that the planned activities are moderate accurate and complete, 5(22.7%) planned activities are very accurate and complete, 3 (13.6%) planned activities are nor accurate and complete while 3 (13.6%) said that planned activities are inaccurate and incomplete.

The findings show that majority of the respondents 11 (50%) had positive opinion.

The data can also be compared with the previous question which looked on development budget funds disbursement where 8 (36%) perceived that funds are disbursed untimely and insufficient which cause the activities to be executed moderate accurate and complete. The study does not adhere to the study by Vitus The finds of the study concluded that during the commencement of the annual budget preparation procedures the management of an Institution should legally formalize their opinions and decide on the most important targeted planned activities and their outcomes that they will implement on the next physical year so that the activities can be completed as planned.

It can therefore be concluded that while executing the development projects the central government should disburse the development funds timely and most sufficient so that the planned activities in projects can be executed in a very accurate way and complete.

4.4.2 Number of Experts Implementing

The respondents were asked to give their views whether the number of experts is sufficient because the researcher thought that the number of experts could influence the execution of development projects. Table 4.7 summarizes the findings.

Response	**Frequency (N)**	**Percentage (%)**
Sufficient	4	18.18
Satisfactory	7	31.8
Insufficient	9	41
More than required	2	9
Total	22	100

Source: Field Data (2024)

The findings revealed that 9 (41%) respondents said that the number of experts is insufficient, 7 (31.18%) satisfactory, 4 (18.18%) sufficient and 2(9%) said the experts are more than required. It can be concluded that, since the majority of respondents 9 (41%) said that the number of expert's projects is insufficient. The study is the same to the study by Gambries, (2005) on the effectiveness of budget and budgetary control. The finds of the study suggest that as a result of unlimited experts it causes difficulties in implementing planned activities since the present experts due to their designation have the tendency of resisting changes and other different challenges that may rise in the whole budgeting process. This can be caused by lacking knowledge on the role of budget which hinder the execution of development projects. Hence insufficient of experts cause delay in projects completion and hence the government should employ more experts that can provide strategies and recommendations on how to execute projects through preventive and predictive maintenance programs and updates to ensure successful completion of planned activities and reduce downtime. This will help to attain the value of

money since the actual activities in projects will be reviewed against the development plan and the Council budget. **4.4.3 Required Time Frame to Executed Development Projects** The study wanted to know whether the development projects are executed within the required time frame. The data could help the study to know the relationship between time frame and execution of development projects. The data were; out of 134 (100%) 44 participants, 48 (36%) responded yes while 86 (64%) said no. Results are shown in table Table 7. Whether Development Projects are Executed within the Required Time Frame

Response	**Frequency (N)**	**Percentage**
Yes	8	**(%)** 36.36
No	14	63.63

Total	22	100

Source: Field Data (2024)

The findings shows that out of 22 (100%) participants, 14 (63.6%) of participants had negative reason on required time to execute budgetary performance while 8 (36.36%) had positive reason. This indicates majority of participants who responded on the question viewed that the development projects are not executed within the required time frame in a positive way. implemented out of the required time.

4.5 Budgeting contribute to financial performance

Respondents response for know how about budgetary performance

Responses	Frequency	Percentage %
Strongly disagree	2	9
Disagree	3	13.63
Strongly agree	6	27.27
Agree	11	50
Total	22	100

Table 8.Respondents response for know how about budgetary performance

Respondents were asked how whether budgeting contribute to financial performance 11(50%) agree, 6(27%) strongly agree the used of budgeting contribute to financial performance, 3(13.63%) disagree and 2(9%) strongly disagree. The majority explain budgeting contribute to financial performancein ezha woreda through allocation of resources and planning

4.6 What factors limit budgets from resulting into proper utilization of finance in Ezha woreda

Table 4.9 below show the factors limit budgets from resulting into proper utilization of finance Ezha woreda

Responses	Frequency	Percentage %
Luck of funds	8	36.3
Management policies	3	13.62
Poor technology	5	22.7
Frauds	6	27.27
Total	22	100

Table 9. Table 4.9:What factors limit budgets from resulting into proper utilization of finance in

Primary Data, 2024

From the table 4.9 above show 8(36%) said that lack of funds for the woreda is one of the factors that limit budgets from resulting into proper utilization of finance inEzha woreda and they explain that even if accompany do budgeting without funds it cannot utilize it resources, 5(22.7%) poor technology is one of most factors that limit budgets from resulting into proper utilization of finance in Ezha woreda the explain that the company has few computers to make the work easy, 6(27%) said fraud of woreda funds limit budgets from resulting into proper utilization of finance in Ezha woreda they argue that most of the company fund are being stolen, 3(13.6%) management policy is also limit budgets from resulting into proper utilization of finance in ezha woreda where by most of the policy are not used when preparing budgets.

4.6 The major sources of the variances between the budget and actual expenditures in Ezha woreda finance?

Year	Planned budget	Actual budget	Variance (favorable)	%
2005	9,747,496.60	7,310,622.45	2,436,847.15	75%
2006	11,421,519.72	8,566,139.79	2,855,379.97	75%
2007	11,020076.67	9,036,462.87	1,983,613.80	82%
2008	12,446,282.81	10,579,340.39	1,866,942.42	85%

Table 10.The planned and actual budget of the four year report of organization

(Source: The organization budget report from 2005- 2008)

From the above table we can understand that the organization budget actually used 2005 75% in and 2006, 82% in 2007 and 85% in 2008

In the year 2005 and 2006 budget utilization remain constant that is 75%, this two year data shows that the organization not take any corrective action to improve good budget utilization. But in the remaining two consecutive years that is 2007 and 2008 the budget utilization of the organization shows improvement, this lead to the performance of the organization increase.

The variance observed in the organization were favorable for the four consecutive years, this is due to the amount of planned budget is greater than actual budget.

According to the finance head response the variance is occurred with in the organization because of unforeseen circumstance and externalize (un controllable factor) such as change in market condition and increase in general and administrative expense.

4.7 The organization use to prepare good budget system

Budget deficit reducing techniques	No of respondent	Percentage

Adopt good budget system	9 5	40.9%
Effective manager	4 4	27.7
Active participation of employee	22	%
Effective allocation of budget		18.2
Total		%

18.2

Table 11.System or techniques used by the organization to reduce budget deficit.

%

(Source data collected through questionnaire) 100%

From the above table out of the total (22) respondent 9(40.9%) of the respondents response budget deficit is reduce by using or adopting good budget system within the organization. 5(27.7%) of the respondent response indicates that budget deficit reduced by introducing effective manager with in the organization. 4(18.2%) of the respondent response budget deficit reduced by active participation of all employees at their specific job and the rest 4(18.2%) of the response indicates the organization budget deficit reduced by using effective allocation of budget.

Respondent response to reduce the organization budgetary performance problem by using the following way.

- Adapt good or well budget system with in the organization.
- The allocation or distribution of budget allocated by appropriately or correctly way.
- Active reporting of recording data by employee to respective body.
- Active participation of all employee during budget preparation.
- Introducing professional or effective manager.
- Giving orientation to employees of the organization about budget preparation and its related problems.

According to the respondent response the main objective to implement budget by the organization were fulfilling the following purpose.

- To attaining or achieving the organization goals.
- To facilitate communication and coordination with in the organization.
- For formulating or implementing the future plan of the organization.
- For managing financial and operational performance of the organization.

CHAPTER FIVE SUMMARY,CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of the summary of the findings, conclusion and recommendations. It includes summary of the study and of the major findings. It also provides suggestions for implementations and for further research where other researcher can investigate on.

5.2 Summary of the Study

The purpose of the study was to sessment of budget performance on the EZHA WOREDA. The study was conducted at Agena City as a selected case study. Respondents involved were 22 who were randomly selected. Primary data were collected using questionnaires and the data obtained were analyzed using SPSS version 20.0 through descriptive statistical analysis. The findings were presented using frequency, percentage distribution, tables and charts.

5.3 General Findings

The findings of the study have revealed that budgetary performance are realistic since the budget are set due to the revenue that is expected to be collected. Disbursement of funds by the central government is untimely and not sufficient to complete the activities even though the targeted projects and planed recurrent activities in the woredas adhere to the budget priorities of the central government. Also the experts implementing essential recurrent activities and projects are insufficient which cause the 12 planned project and many essential recurrent activities to be moderately executed in the respective physical year and thence the activities are completed and implemented out of the required time frame. Furthermore, evaluation of activities is done monthly This results to very accurate and complete auditing procedures of recurrent activities and projects, which causes the woredas to receive either qualified or unqualified opinion of the activities should be completed within the required time frame so as to achieve the value for money.

5.6 Recommendations

The study has identified major gaps with regard to budgetary performance in ezha woreda. In the light of the findings and the conclusion made the following are the conclusion made to inform the policy makers, the employee staff,partners and other. Hence when the government face inadequate funding it causes the emergency of lack of priority in allocation of funds which leads to allocating more funds in recurrent expenditure than in the expenditure. When the government doesn’t have enough income to fund what is so far estimated in the budget then it has to fund its budget estimates.

5.7 Suggested areas for Future Research Since

there are little researches and studies done on the topic particular budgetary performance issues. Other areas which seem to be important could continually be studied by other researchers, therefore, the following are suggested areas for further studies: To examine the strength of budgetary with and without force account construction method. Evaluation of challenges facing execution of budgeting

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APPENDIX
WOLKITE UNVIERSITYCOLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING

Questionnaire

Dear respondent:- This questionnaire is designed to help in examining and assessing the budgetary performance of the organization in Ezha wereda finance. So you are kindly requested to give the right response you think, since it contribute a lot for the success available for the study.

NB.:- There is no need of writing your name

Make a thick mark (P)in box which you think an appropriate res pones

I Personal profile

N.Byes √

No √√

1. Age
2. a) 18 - 25 b) 26-34 c)

C)35-49 d) Above 50

1.1 Sex A) Male B) Female

1.2 Education level

A)complete B)Diploma

C)Degree C)Others

II General question

Do you have know about budgetary performance?

1.1 Yes 1.2 No

2.1 What is your working experience at at ezha woreda finance organization ?

a) 1 to 5 years b) 16 to 20 years c) 6 to 10 years d) 21 years and above

e) 11 to 15 years

2.2 Do you participate during budget preparation?

2.1 Yes 2.2 No

If no why? ____

____

3. What is the major factor affecting the budgetary performance of the organization?

3.1 Employees 3.3 In appropriate budget allocation

3.2 Shortage of fund 3.4 The manager of the organization

4. Does the organization effectively implement its budget?

4.1Yes 4.3 May be yes

4.2 No

5. Budgetary allocation is mostly allocated by?

5.1 The organization manager

5.2 the finance department

5.3 The market department

5.4 Others

Is budget deficit occur in the organization

6.1 Yes 6.2 No

7. On basis of question No 6 if yes why? ____________________________________

____

8. Do you think the organization used its capacity to reduce budget deficit

8.1 Yes 8.2 No

9. From question no 8 if yes in what way ?__________________________________

____

10. In which method use the organization in order to know appropriate utilization of budget amount?

10.1 By recording revenue and expense

10.2 By recording inventory valuation

10.3 By planned accordingly

10.4 By other ways

11) What is the realistic of development budget in each respective budget physical year?

a) Realistic due to revenue b) Realistic due to project costs

c) Unrealistic d) Partially realistic

12. How do you rate the accurate and completeness of planned activities a) Very accurate and complete b) Moderately and complete

c) Nor accurate and complete d) Inaccurate and incomplete

13 How do you rate fund disbursement from central government while implementing development projects?

a) Timely and sufficient b) Timely and insufficient

b) c) Untimely and sufficient d) Untimely and insufficient

14 To reduce the organization budgetary performance problem what means the organization accomplish?

____

____

____

15. What are the main objective to implement budget by the organization?

____

____

____