



School of Graduate Studies

**Effect of Financial Management Practice on Organization Accountability in
the case of Gurage Zone, Central Ethiopia**

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Wolkite, Ethiopia

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School of Graduate Studies

**Effect of Financial Management Practice on organization accountability in the
Case of Gurage Zone, Central Ethiopia**

**A thesis Submitted to School of Graduate Studies, in a Partial Fulfillment of
the Requirements for the Degree of Masters of Business Administration**

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We hereby certify that we have read and evaluated this Thesis “*Effect of Financial Management Practice on organization accountability in the case of Gurage Zone, Central Ethiopia*” prepared under our guidance by **Yohanes Mengistu Haile**. We recommend that the Thesis shall be submitted as fulfilling the requirements for the award in Master of Business Administration (MBA).

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Abbreviation/ Acronyms

ACCA:	Association of Chartered Certified Accountants
AfDB:	African Development Bank Group
ATI:	Accountability, Transparency, and Integrity
CIDA:	Cultural Industries Development Agency
DFID:	Department for International Development
EC:	European Commission
ESAAG:	Eastern and South African Association of Accountants General
FMS:	Financial Management System
IFAC:	International Federation of Accountants
IFMIS:	Integrated Financial Management Information System
IMF:	International Monetary Fund
MCS:	Management Control System
PFM:	Public Financial Management
RMC:	Regional Member Countries
SPSS	Statistical Package for the Social Sciences
UNDP:	United Nations Development Programme
VIF:	Variance Inflation Factor

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Abstract

Effective public financial management is critical for transparency, resource allocation, and trust in governance, yet challenges persist in developing countries, particularly in aid-dependent regions. The general goal of this study is to assessing the effect of financial management practice on organizational accountability in case of Gurage zone public sector. Conducting statistical analyses, such as multiple regressions, to look at the effect between independent and the dependent variables (organizational accountability), combining quantitative and qualitative data from 89 respondents in the Gurage Zone Internal Revenue Service. Multiple linear regression reveals that financial planning and budgeting, financial control mechanisms, Training for financial staff, and action on audit recommendations significantly enhance organizational accountability ($p < 0.005$). Conversely, audit compliance, transparency, and accountability culture showed insignificance impacts. The study recommends that strengthening public financial management practices particularly through structured financial controls, continuous staff training, and severe implementation of audit recommendations can significantly improve accountability in public institutions.

Keywords: *Financial controls, Organizational accountability and Public financial management*

Chapter One

1. Introduction

1.1 Background of the Study

Public financial management is absolutely important to improve the quality of public service outcomes. It affects the funding of the fight against national and regional priorities, availability of investment resources, and the cost-effectiveness of public services, and is an essential component of the effective management of an organization (Burke, 1978). Furthermore, if there is strong financial management, obligations and transparency when using public funds, it is likely that public sector public is more confident (Pessoa & Allen, 2010).

There has been concern in recent years about the quality of public financial management (PFM) in developing countries, particularly those with high aid recipients in the southern and southern and Southeast Asia of the Sahara, as efficient use of funds is dependent on both foreign support and domestic sources of public financial management systems (Allis, 2004). (SonontagPadilla et al., 2012) shows effective financial management practices to increase transparency, efficiency; accuracy and accountability that help businesses achieve their goals.

In July 2009, the International Federation of Accountants of London and the World Bank (IFAC) G20 Summit highlighted the need to develop and strengthen financial professionals in development and emerging countries to achieve stable and stronger financial management. At a meeting of the Eastern and South African Audit Association (ESAAG) in February 2009, the need to develop specialisation projects for the public sector in Africa was identified as urgent and important (Boachie, 2017).

Donors and credit agencies such as the World Bank, International Monetary Fund (IMF), UK Department of International Development (DFID), European Commission (EC), Cultural Industry Development, UK (CIDA) and more (Boachie, 2017).

The ACCA (2010) cited that if public funding uses provide strong financial management, accountability and transparency, it is likely that the public in public sector organizations have a great deal of trust in the organization (Bhattacharya & DE, 2010). The PFM strategy supports finance and macrostratability, guides the allocation of public resources to national priorities, supports the ef

efficient delivery of services to reduce poverty and economic development, and enables transparency and management of public funds. (Alshubiri et al., 2023).

Governments are responsible for changing responsibility through socioeconomic change and development, enabling citizens to effectively and efficiently meet responsibility, enabling high quality public services to the required quality and level. (Hickson, 2016). Improving the quality of public service outcomes by efficiently and effectively using public resources based on approved budgets is essential for solid public finance management. (Kwarteng, 2017).

(Block, 2008) According to Yale University Press, financial management is defined as a procedure designed to protect assets and ensure that all financial transactions are determined to prevent and reduce errors and fraud. Public sector organizations deal with large amounts of public funding and work primarily in a political environment. This requires a high degree of trust. (Block, 2008).

Financial management activities are guidelines and procedures that ensure that management guidelines are implemented. (Dunn, Walters et al., 2001). Assets and resources are protected to ensure that the administration, as determined by the administration, methods, processes and internal examinations, are carried out in accordance with administrative purposes, and defined guidelines and laws, accounting documents are carried out in an accurate and complete manner, financial and management information is carried out in a reliable and reliable manner, creating reliable information. (Khoove, 2010).

The effect of financial management on organizational accountability is a critical area of study that examines how effective financial practices influence an organization's ability to uphold transparency, responsibility, and ethical governance. Financial management systems (FMS) serve as the backbone of an organization's financial operations, providing essential frameworks for decision-making, resource allocation, and performance assessment. (Chewaka, 2019).

A well-implemented FMS enhances organizational accountability by establishing clear guidelines for financial reporting and internal controls. These systems not only facilitate accurate financial disclosures but also promote a culture of responsibility among employees. Research indicates that organizations with robust FMS are better equipped to mitigate risks associated with financial mismanagement and resource misallocation, ultimately fostering a sense of ownership among staff that aligns their efforts with the organization's strategic goals (Gebregiorgis, 2018).

The relationship between financial management and accountability is emphasized by the idea that accountability is promoted. Organizations that maintain a culture of accountability often increase employee commitment and productivity and are directly related to better financial outcomes. For example, companies report that they have integrated accountability measures into their financial management practices (Reynoso Meza et al., 2017). This correlation suggests that when employees are aware of their responsibilities and the implications of their actions on the organization's financial health, they are more likely to contribute positively to overall performance.

Governments in developing countries such as Ethiopia are increasingly investigating methods and systems for modernizing and improving public financial management. For example, over the years, the introduction of an integrated financial management information system (IFMIS) has been implemented as one of the most common reform practices for financial management aimed at promoting efficiency, effectiveness, accountability, transparency, data management security, and comprehensive financial reporting (Ameen & Ahmad, 2011).

Effective public financial management is widely recognized as a cornerstone for promoting transparency, efficient resource allocation, and accountability within public sector organizations (World Bank, 2018; IFAC, 2021). In developing countries such as Ethiopia, persistent challenges in financial management continue to undermine the ability of public institutions to deliver services efficiently and maintain public trust (AfDB, 2020). The Gurage Zone, located in Central Ethiopia, is no exception, facing ongoing issues related to budget execution, internal controls, and compliance with audit recommendations. As highlighted by Yohanes Mengistu Haile (2025), understanding the link between financial management practices and organizational accountability is crucial for improving governance and ensuring the effective use of public resources. This study, therefore, investigates the effect of financial management practices on organizational accountability in the Gurage Zone public sector, combining quantitative and qualitative data from local government offices to provide evidence-based recommendations for policy and practice

In conclusion, the interplay between financial management and organizational accountability is vital for sustaining long-term success. By fostering an environment where accountability is prioritized through effective financial management practices, organizations can enhance their

operational integrity and achieve greater financial performance. Understanding this relationship not only helps in refining management strategies but also in ensuring that organizations remain resilient in the face of economic challenges.

1.2. Statement of the problem

The purpose of state accounting is to determine the amount paid, where it came from, the amount issued, what purpose and what financial obligations arise. In contrast to the private sector, profit is not a goal, but its main purpose is profit, which determines the profit of the company over a period of time. As a result, for example, many factors affect government bookkeeping. The role of government in various fields such as military, health, education, government, and more, government is necessary to achieve its goals and goals. As a result, public accounts are interested in collecting information that can generate income and payment accounts (Scheppelmann, 2014).

The researchers argued that the source of finance would maintain a field of finance where it was used efficiently. Proper monitoring of inflows and financial emissions are now available, with no space for waste of financial resources (Yogendrarajah, 2011). With financial management, businesses achieve their goals, combat spending, take steps to prevent fraud, improve productivity, report accurate financial data, improve operational efficiency by assessing financial data, monitor and measure services, and improve operational efficiency to communicate financial resources effectively and efficiently. (HAILU, 2016).

Both developed and developing countries continue to fight along with the complexity and pace of change in public financial management. Lastly, financial professionals working in the public sector are (Slater & Keoka).

Financial reporting helps in assessing economic, social and political decisions and accountability. The assessment is based on the input of reports in which the actual results are performed in the budget where the actual results are legally adopted, assessments of financial diseases and revenue sectors, decisions on compliance with financial laws, rules and regulations, and assessments of efficiency and effectiveness. Therefore, financial reporting should provide information for users to evaluate financial activities and questions (Rakhman & Wijayana, 2019).

The government's enforcement department that implemented the budget is necessary to ensure that the costs of the Responsible Expenditure Act are handled appropriately. Funds will be split acc

ording to the approved budget. It was discovered by (Mackenzie et al., 1997).

It is argued that as soon as the budget is approved, the funds are being shifted to a purpose other than intended. Expenses are charged by budget. However, expenditure institutions are not observed when these restrictions arise. The budget will be maintained during the budget date to ensure that approved budget limits are not exceeded. This aspect of output control is often misused.

Also, Failures to understand the impact of internal control system in public sector has drastically eaten the fiber of the public sector as a result of lack of financial controls (Wakiriba et al., 2014). The lack of reasonable measures in financial management demonstrates public sector accountability for certain threats such as false degrees, loss of state assets, fraud, fraud, fraud, fraud, and mismanagement of state important documents, loss of government integrity, and false and unreliable financial documents that could lead to the implementation of a decline in the corresponding law. (Wakiriba et al., 2014).

Nevertheless, available literature although scanty indicates that in spite of elaborate system of controls in organizations, accountability has been elusive in most of these organizations, this necessitated this study which sought to establish the impact of effective financial controls on accountability in the public sector of local government (Chiu et al., 2016).

This study was motivated by the persistent challenges of weak accountability and financial mismanagement within public institutions in developing regions, particularly in Ethiopia. Despite the existence of financial systems and audit mechanisms, accountability remains elusive in many government organizations. The Gurage Zone, being a key administrative area with diverse public services, was selected as the case study to explore these challenges in depth.

The lack of effective financial controls, underutilized audit recommendations, and gaps in staff training highlighted a critical need to investigate how financial management practices influence organizational accountability. Moreover, the limited empirical research available on this subject in the Ethiopian context further fueled the necessity of this study.

By focusing on this topic, the research aims to contribute actionable insights to improve transparency, financial discipline, and public trust in governmental operations. It also reflects a

broader commitment to strengthening institutional governance and supporting policy development for sustainable public sector reform in Ethiopia.

Therefore, the purpose of this study is to investigate the impact of financial management practices on organizational accountability in the case of Gurage Zone. This is an attempt to investigate how it affects accountability within an organization, including fund disclosure, internal controls, and financial planning. The research examines the effect of financial management in improving transparency, responsibility and decisionmaking processes, ultimately contributing to improving organizational performance. Through the analysis of existing literature and conducting empirical research, this study provided insight into the mechanisms in which financial management practices influence organizations and organizations that want to strengthen accountability.

Research Questions

- ✓ How do financial management practices influence the enhancement of organizational accountability in the public sector of Gurage Zone?
- ✓ In what ways do financial management practices contribute to fostering organizational responsibility within the public sector of Gurage Zone?
- ✓ What is the effect of financial planning and budgeting on organizational accountability in the public institutions of Gurage Zone?

1.3 Research objective

1.3.1. General research objective

The general goal of this study is assessing the effect of financial management practice on organizational accountability in case of Gurage zone public sector.

1.3.2. Specific objective

- I. To assess the effect of financial management practice in enhancing organizational Accountability in public sector of Gurage zone.
- II. To examine the effect of financial management practice on fostering organizational responsibility in the public sector of Gurage zone.
- III. To establish the effect of financial planning and budgeting on organizational accountability.

1.4 Significance of the study

Understanding the effect of financial management on organizational accountability is crucial for promoting transparency, efficiency, and ethical governance within organizations. This study has contributed to the existing body of knowledge by highlighting the importance of robust financial management systems in fostering a culture of accountability, which is essential for achieving organizational success and maintaining stakeholder trust.

The findings of this study offer valuable benefits to several key stakeholders. Primarily, public sector organizations in the Gurage Zone will gain practical insights into how financial management practices such as financial planning and budgeting, internal controls, and audit follow ups contribute to improving organizational accountability. This can lead to more efficient resource utilization, better internal governance, and enhanced public service delivery. Government policymakers and administrative leaders are also important beneficiaries, as the research provides evidence-based recommendations that can guide the development of robust financial policies and reform programs aimed at strengthening accountability mechanisms. Financial and audit professionals stand to benefit by understanding which practices have a significant impact on accountability, thereby enhancing the effectiveness of audits and financial oversight functions.

Additionally, academics and researchers can use this study as a reference for future investigations into public financial management and organizational governance, particularly within the Ethiopian context. Lastly, the general public—especially residents of the Gurage Zone—will benefit indirectly through improved public sector performance, reduced financial mismanagement, and increased transparency, all of which foster greater trust in public institutions.

1.5 Scope of the Study

The scope of this study is defined across three dimensions: geographical, conceptual, and methodological. Geographically, the study is limited to public sector institutions within the Gurage Zone, located in Central Ethiopia. The region was chosen due to its administrative importance, diversity of public service departments, and the ongoing challenges related to financial accountability in the public sector. The research specifically focuses on key

departments such as finance, revenue, construction, and transport, which are central to public financial operations in the zone.

Conceptually, the study examines the effect of financial management practices on organizational accountability. The key financial management components assessed include financial planning and budgeting, financial control mechanisms, audit compliance, transparency in financial reporting, training for financial staff, and implementation of audit recommendations. Organizational accountability is considered in terms of transparency, responsibility, responsiveness, and internal control mechanisms, as defined by public administration standards.

Methodologically, the study adopts a mixed-methods research design, combining both quantitative and qualitative approaches to ensure comprehensive analysis. Primary data were collected using structured questionnaires distributed to 89 respondents selected through stratified random sampling. The data were analyzed using descriptive statistics and multiple linear regression analysis, employing SPSS software to identify the most significant factors influencing organizational accountability. This approach ensures both depth and rigor in evaluating the link between financial practices and accountability outcomes in the public sector context.

1.6 Limitation of the Study

When investigating the effect of financial management practices on organizational accountability, numerous limitations may arise:

- ✓ Response Bias
- ✓ Budget/ resource intervenes
- ✓ Time constraints
- ✓ Limited access of the data
- ✓ Lack of previous research studies on the topic

1.7 Definition of the study variables

- Financial management practices mean the processes and systems used to manage an organization's financial resources effectively.
- Organizational accountability refers to the obligation of an organization to be crystal clear and accountable for its actions and decisions, particularly in financial matters.

- Dependent Variable: Organizational accountability

1.8 Organization of the study

This study is organized into five interconnected chapters. The first chapter introduces the research by providing the background of the study, the statement of the problem, research questions, general and specific objectives, as well as the significance, scope, and limitations of the study. Chapter Two presents a comprehensive review of both theoretical and empirical literature related to financial management practices and organizational accountability. It also outlines the conceptual framework that guided the study. Chapter Three describes the methodology used in the research, including the study area, research design, population, sampling techniques, data sources, variables, and the methods of data collection and analysis. Chapter Four focuses on the presentation, analysis, and interpretation of the data using statistical tools such as descriptive statistics and multiple linear regression to examine the relationship between financial management practices and organizational accountability. Finally, Chapter Five provides a summary of the major findings, draws conclusions based on the analysis, and offers practical recommendations for public sector institutions, policymakers, and future researchers. This structure ensures a logical flow and clarity throughout the research process.

Chapter Two

2. Literature Review

2.1 Theoretical Review

Theoretical literature on the effect of financial management practices on organizational accountability is extensive and covers various aspects of management control systems, financial accountability, and organizational performance. Here's an overview of key concepts and findings

Management control system (MCS) and accountability encompass financial accountability and are crucial for ensuring organizational control and accountability, financial management systems, including budgeting and risk management, positively impact organizational accountability by providing clear financial oversight and management structures (Abanis et al., 2013).

Financial accountability is essential for organizational performance improvement, often achieved through performance contracts and measurement systems and involves being answerable for financial decisions and actions, ensuring transparency and compliance with financial regulations. Effective financial management practices, such as cash budget management and working capital management, enhance organizational accountability by ensuring efficient resource allocation and reducing financial risks (Smirat & Yousef, 2016)

As Studies of Richard King, the financial management systems can improve accountability in both public and private sectors by promoting transparency and responsibility in financial operations, clearly defined roles and responsibilities are crucial for effective accountability relationships and accountability frameworks should focus on results rather than just adherence to rules, allowing for flexibility in achieving organizational goals.

Implementing robust accountability frameworks can be challenging due to resistance from public managers and the complexity of existing regulatory environments, ensuring that auditors and other watchdogs are accountable is also a significant challenge in maintaining a strong accountability system

Theoretical literature emphasizes that financial management practices significantly influence organizational accountability by providing frameworks for transparency, responsibility, and efficient resource management. Effective accountability requires clear roles, robust internal controls, and a focus on achieving results rather than merely adhering to rules. However, challenges such as regulatory complexity and resistance from managers can hinder the implementation of strong accountability systems (Muttaqin & Mulyasari, 2018).

2.1.1 Public Financial Management

Public financial management is about government burdens and expenditures, which affect resource allocation and income distribution. The Expenses section covers budget cycles including budget preparation, internal controls, accounting, internal and external testing, procurement, monitoring and reporting agreements. (Mubako & Muzorewa, 2019).

Based on the review, there are several factors that affect public financial management. The following factors were identified and used for the purposes of this study: budgeting, bookkeeping and reporting, internal control, external examinations, and leadership.

(McKinney & Howard, 1979) he explained that a solid financial management system helps us achieve the government's goal that will bring this to us.

- a. Government revenue collection should give the economy.
- b. The money acquired should be spent in accordance with the claims of competing applicants to meet the public interest.
- c. Project needs to be implemented efficiently and economically.

2.1.2 Concept of Accountability

Accountability is the concept of taking responsibility for one's actions, decisions, and outcomes. It involves the acknowledgment and assumption of responsibility for these elements, with an obligation to report, justify, and be answerable for the resulting consequences (Dykstra, 1938). Accountability is essential in governance, business, and personal contexts, ensuring that individuals or organizations are held responsible for their performance and behavior.

Importance of accountability: Accountability is crucial for maintaining trust and ensuring ethical conduct. It promotes transparency, honesty, and dependability, which are essential for good governance and corporate success. In the corporate world, accountability extends beyond

financial reporting to include ethical practices, environmental impact, and social responsibility (Khotami, 2017).

Historical context:

The concept of accountability has old roots in recording and governance systems and develops over time to capture the broader aspects of ethical and governance.

Accountability is a concept of ethics and governance that has several meanings, and is often synonymous with concepts such as responsibility, responsibility, guilt, responsibility, and other terms related to accounting expectations (Okwoli, 2004).

Accountability is increasingly used in political discourse and political documents (Eryanto, 2021). Enter that accountability is a process that is subject to a form of control over a department or institution. In other words, consider your actions. Etzioni (2005) argues that the goal of financial management is to provide general guidelines for the robust and efficient management of all institutional resources.

The purpose of having a strong system of financial management is to promote the capabilities of the Institute, achieve its goals, provide reliable financial data, protect assets and records, and promote service efficiency through budget, organizational management, and compliance with regulations guidelines and regulations (Wakiriba et al., 2014).

The calculation of a defined accountability as an obligation to provide (not necessarily financially) provision, or a consequently liable litigation, includes a promise that promises normal or legal liability for the provision of an account. (Bovens, 2010)

Accountability is synonymous with responsibility. It is a kind of relationship that exists when it exists by a single (or a company unit). Be responsibility to assume the role or perform the task (Ajay et al., 2006).

(Appah & Appiah, 2009), the duty of accountability concerns those who invested their trust, faith and resources. (Adegite, 2010) defined accountability as the obligation to demonstrate that work was carried out in accordance with agreed rules and standards, with civil servants reporting relatively accurately on the results of their defined roles and/or performance on the plan. That means things become transparent in harmony with the right process and providing feedback.

According to public accountability, it is an essential component of the functioning of our political system. Accountability is because accountability should be mandated to those who are asked to develop and/or implement the guidelines to provide an explanation of their actions to voters (Johnson&Onwuegbuzie, 2004)

2.1.3 Approaches to Accountability

According to (Coker, 2010), the various approaches to accountability based on the language of account can be grouped into:

i. Process Based Accountability:

This approach measures compliance with preset standards and formally defined outcomes. This includes accountability for financial and conductivity requirements relying on the use of accounting methods. (Coker, 2010).

ii. Performance Based Accountability:

This approach measures performance against a wide range of goals. This measure is qualitative and may be a standard where performance is not accurately defined (Coker, 2010).

2.1.4 Internal Control

The UK Examination Guidelines defined internal controls as a whole system of financial and other defined control systems to further develop the company's business in an orderly and efficient manner, in accordance with the management guidelines, protecting assets as much as possible, and ensuring the integrity and accuracy of records.

Internal control define as the set of accounting and administrative management and practice that help to ensure that approved and appropriate decisions are made in an organization (Horngren, 2009).

They also said internal controls include both accounting and administrative controls. For them, accounting management involves methods and procedures primarily related to transaction approval, assets protection, and accuracy of accounting documents, while administrative management involves planning your organization and all methods and procedures that help you plan and manage your company. (Okezie, 2008), internal control is an integral part of Accountancy and Auditing Profession. .

2.1.4.1 Components of Internal Control

Control environment: It is a major aspect of organizational management (Karagiorgos et al., 2011). It affects the performance of the organization's goals (Aldridge & Colbert, 1994). However, it is the basis of other components of internal control and structure provision (Sudsomboon & Ussahawanitchakit, 2009).

A controlled environment helps reduce the degree of fraud within an organization's organization, and the quality of the company's internal control system depends on the function and quality of the controlled environment (Amudo & Inanga, 2009). Therefore, providing a proper control environment for the public sector is very essential to the effectiveness of their operation (Aldridge & Colbert, 1994).

Risk assessment:

This is the identification and analysis of the associated risks associated with achieving management goals. Additionally, risk assessment as a process for managing and analyzing risks related to the creation of a degree (Karagiorgos et al., 2011).

Information and communication:

This refers to the process of identifying, recording and communicating relevant information within reasonable and time frames to achieve financial reporting goals (Aldridge & Colbert, 1994). However, effective communications should occur in a wider sense with information within the various sections of the organization (Karagiorgos et al., 2011).

Most of the latest literature on the framework conditions of internal control systems has raised concerns about information and communications as one of the internal control system components due to its importance to the impact of work relationships within an organization at all levels (Amudo & Inanga, 2009).

Monitoring:

Monitoring provides assurance that the findings of audits and other reviews are promptly determined (Appah & Appiah, 2009). Also, monitoring of operations ensures effective functioning of internal controls system (Amudo & Inanga, 2009).

Therefore, monitoring determines whether guidelines and procedures designed and implemented by managers are effectively implemented by employees.

2.1.5.2 Internal Audit

An internal examination is the process of ongoing review of financial transactions to ensure you work after intended management. You should review all specified regulations, instructions, accounting systems or procedures and regulations to ensure that they work as needed (Ozuomba Chidinma et al., 2016).

Elements of Internal Audit

Some elements of the internal test between elements include: (Okezie, 2008)

1. **Independence:** Internal auditors must have independence to allow them to perform their duties objectively
2. **Staffing:** Internal examiners must access the skills and knowledge necessary to meet their responsibilities. He must employ employees with different types and levels of skills, qualifications and experience to meet the requirements of each exam task.
3. **Training:** The organization must ensure that the internal examiner receives the training require to select the duties.
4. **Planning, Controlling and Recording:** The internal auditor should plan, record and control his work, according to the approved auditing guidelines
5. **Due Care:** The internal auditor must exercise legitimate care, skills and care to fulfilling his responsibilities
6. **Evidence:** Internal examiners should receive sufficient, relevant and reliable evidence to support appropriate conclusions and recommendations.

The conceptual model in which this study was set is shown above. The independent variable is a financial management mechanism, but the accountability of the dependent variable is required. The model also includes proxy for dependent variables, which are effective monitoring of public funds, but proxy for independent variables, financial violations, testing processes, legislative monitoring capabilities, and formal institutional performance of financial management.

2.2 Empirical Literature

The empirical literature on the impact of financial management practices on organizational accountability presents several important findings. Financial management practices play an important role in improving organizational accountability. Based on an investigation into the impact of financial management practices on the accountabi

lity obligations of Islamic Social Enterprises (ISEs), some important points that highlight the relationship between financial management practices and accountability are listed below (Kamaruddin et al., 2021).

- I. Financial Management:** Research shows a direct relationship between financial management and accountability. Effective financial management ensures that financial transactions accurately, reliably, and respond to organizational policies and improve accountability obligations
- II. Financial Planning and Budgeting:** Financial Government as an intermediary between financial planning practices and accountability. This ensures that financial decisions are structured and transparent and are essential to maintaining accountability.
- III. Transparency in Financial Reports:** Transparency in Financial Reports is extremely important to your obligation to accountability. This includes financial information that stakeholders can access. This is done to assess organizational services and ensure financial decisions are made.
- IV. Action on audit recommendation:** Establishing clear financial policies and procedures is essential for accountability. These guidelines help in defining roles, responsibilities, and practices within the organization, reducing confusion and financial mistakes

When investigating the role of public sector testing regulations and financial management systems in Sudan, audit and management systems are of paramount importance to ensure accountability for the use of public funds and to ensure limited public resources for corruption and other misconceptions and misconduct.(El-Nafbi,2008) This study showed that financial management systems and defects are weak and ineffective financial management systems and defects to facilitate some of the factors that lead to Sudan's financial corruption (Okezie, 2008).

Case studies on internal controls in Belgium also illustrate the importance of the control environment when studying internal auditing practices. (Sarens & De Beelde, 2006) To the extent that responsibilities related to risk management and internal controls are clearly defined and communicated, specific control environment characteristics such as tons, risks, and control perceptions in tons are found to be highly related to internal inspection capabilities and fraud detection within the firm.(Brierley et al., 2002) found in their findings that effective financial ma

management systems of governments in most developing countries are responsible for promoting public resources and financial corruption in these countries. The lack of proper testing and accounting systems in most African countries has been examined as examples through inefficient internal controls and internal examinations, unqualified examination and accounting employees, and unreliable, non-timing accounting information systems (Brierley et al., 2002).

Research findings (Owizy, 2011) found that the Benue State Ministry of Finance quickly created an annual budget and also had appropriate spending tracking to prevent financial ruthlessness. As a result, the Ministry of Finance was recommended to strictly adhere to principles and procedures to ensure that slacks are installed in the budget (Owizy, 2011).

(Amudo & Inanga, 2009) conducted a study on the assessment of internal control systems in regional member states (RMCs) of the African Development Bank Group (AFDB) focusing on Uganda, East Africa. In this study, these projects have disabled the current control structure due to missing control components of some of the effective internal control systems. This study recommended improvements to the existing internal control system of the project (Amudo & Inanga, 2009).

2.3 Conceptual Framework

The conceptual framework for this study is grounded in the assumption that effective financial management practices are essential for enhancing organizational accountability in public sector institutions. In this context, financial management practices are the independent variables and are composed of several key components: financial planning and budgeting, financial control mechanisms, training for financial staff, audit compliance, transparency in financial reporting, and action on audit recommendations. These practices are expected to directly influence the level of organizational accountability, which is the dependent variable.

Organizational accountability is conceptualized in terms of transparency, responsibility, responsiveness, compliance with regulations, and internal control integrity. The framework assumes that improvements in financial planning, better implementation of financial controls, and regular staff training will positively affect accountability outcomes. This framework helps to structure the empirical analysis by identifying specific, measurable variables and hypothesized linkages between financial practices and accountability outcomes within the Gurage Zone public sector context.



Figure 1: - Conceptual framework ((Kamaruddin et al., 2021); (El-Nafbi, 2008) & (Sarens & De Beelde, 2006))) of Effect of Financial Management Practice on Organization Accountability in the case of Gurage Zone, Central Ethiopia 2025

Chapter Three

3. Research Methodology

3.1 Study area and Period

This study was conducted in the offices of the Gurage zone in Central Ethiopia. The Gurage Zone is one of the managed regions of Central Ethiopia. The town of Wolkite is the capital of the gurage zone. It is 153 km southwest of Addis Ababa, the capital of Ethiopia. It has 16 districts and five city governments. According to the 2007 national budget number, the gurage zone estimates a population of 1,279,646, of which 657,568 are women and 622,078 men.

3.2 Research Design

The researchers adopted a comprehensive mixed methods research design, flawlessly integrating both quantitative and qualitative approaches. This approach would be employed to thoroughly investigate the multidimensional effect of financial management practice on organizational accountability within Gurage zone public center Service.

3.3 Sources of Data

A well designed structural questionnaire primary source of data was used as the best instrument to record the required data to achieve the research goals. The questionnaire is first designed in English, and then it can be translated in to Amharic language. The data was collected from public center office of Gurage zone, Ethiopia.

3.4 Population of the Study

The population of respondents in the Gurage zone public center Service is 115 consist of managers and head of units in the office and the general public comprising other experts in the field.

3.5 Sampling size and sampling technique

To determine the sample size for this research, the Taro Yamani method would be used. This is

designated by the formulae: The formula is stated thus:
$$n = \frac{N}{1+N(E)^2}$$

Where n is the desired sample size

N = Total population = 115

e = Tolerable error = 0.05

l = constant

The researcher assumed 5% level of margin error has been used for this research work. Hence, the sample size is computed thus; n = 89

Stratified sampling was applied where stratum from each organizational department formed categories. Stratified random sampling was preferred because it is accurate, easily accessible and separable (Saunders et al., 2009).

A sampling ratio from each stratum was preferred forming a sample of 89 respondent as shown in Table 3.1. This method ensures that the sample size for each stratum is proportional to its size in the population. The formula is:

$$n_h = \frac{N_h}{N} * n$$

Where:

- n_h = Sample size for stratum
- N_h = Population size of stratum
- N=Total population size
- n= Total sample size

Role	Frequency	Sampling ratio	Sample size
Revenue	35	0.304	27
Transport	26	0.226	20
Finance	44	0.383	34
Construction	10	0.087	8
Total	115		89

3.6 Study Variable

3.6.1 Dependent variable

In this context, the dependent variable is Organizational Accountability. This variable reflects how effectively an organization adheres to financial management practices and maintains transparency and responsibility in its financial dealings.

Which can be defined through several dimensions According to (Koppell, 2005), these dimensions include :

Transparency: The clarity and openness of financial information.

Liability: The obligation of organizations to report and justify their financial actions.

Control: Mechanisms that ensure adherence to financial regulations and standards.

Responsibility: The duty of organizations to manage resources effectively.

Responsiveness: The ability to address stakeholder concerns promptly.

To create an effective survey questionnaire on organizational accountability, it is essential to design questions that assess various aspects of accountability at individual, team, and organizational levels. Here's a structured approach to developing such a questionnaire.

Individual Accountability

- Understanding personal contributions to organizational goals.
- Willingness to accept responsibility for actions and outcomes.

Team Accountability

- How team members hold each other accountable.
- Clarity in roles and responsibilities within teams.

Leadership Accountability

- Perceptions of leadership accountability and its impact on employee behavior.
- Transparency in decision-making processes.

Organizational Culture

- Overall culture of accountability within the organization.
- Communication practices related to accountability

3.6.2 Independent variables

Key Independent Variables

- Financial Planning and Budgeting
- Financial Control Mechanisms
- Training for Financial Staff
- Audit Compliance
- Action on Audit Recommendations
- Transparency in Financial Reporting
- Accountability Culture

3.7 Method of Data Analysis

Regression Analysis: Conducting statistical analyses, such as multiple regressions, to examine the effect of independent variables and the dependent variable (organizational accountability). For instance, a study showed that various factors significantly influenced accountability through regression analysis, revealing how much variance in accountability could be explained by different independent variables

To determine how much variance in accountability can be explained by financial management practices. For instance, using multiple regressions where accountability is the dependent variable and various aspects of financial management are independent variables

Chapter Four

4. Data Presentation, Analysis and Interpretation

The demographic variables are used to summarize the background of the 89 respondents, offering insights into the workforce composition. A total of 89 respondents were included in the study. Out of this 26(29.2%) are female and 63 (70.8%) are male responders. The role of the responder within the organization out of 89, five of them are manager, sixty-seven are staff and seventeen are executive and other's role.

4.1 Statistical data analysis

The analysis is performed in two sections. In the first section, results of descriptive statistics in the second section, we identified and investigate organizational accountability using multiple linear with help of SPSS software.

4.2 Result of descriptive statistics

Table 4.1: Descriptive statistics result of financial management practice on organizational accountability within Gurage zone public center Service. 2025

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Organizational Accountability	89	2.42	3.83	3.1626	.03807	.35913
Financial Planning and Budgeting	89	1.75	5.00	3.9543	.08637	.81482
Accountability Culture	89	1.75	5.00	3.7847	.08290	.78210
Audit Compliance	89	2.25	4.83	3.5029	.05351	.50484
Transparency in Financial Reporting	89	2.25	5.00	3.7046	.07070	.66698
Financial Control Mechanisms	89	2.25	5.00	4.0248	.07768	.73286
Training for Financial Staff	89	1.75	5.00	3.7958	.09193	.86724
Action on Audit Recommendations	89	1.80	4.83	3.4826	.06209	.58579
Valid N (listwise)	89					

Source: own survey 2025

Based on the above descriptive statistics table considered a study on using a 5-point scale (1=Strongly Disagree to 5=Strongly Agree) the mean score of 3.954 suggests a generally

positive perception of financial planning and budgeting, with a majority of respondent expressing agreement or strong agreement. The standard deviation of 0.81 indicates some variability in opinions, with a notable portion of respondent expressing neutral or negative views. Also, the mean score of 4.0248 suggests a generally positive perception of Financial Control Mechanisms, with a majority of respondent expressing agreement or strong agreement. The standard deviation of 0.73 indicates some variability in opinions, with a notable portion of respondent expressing neutral or negative views.

4.2.1 Test of Reliability

Before proceeding linear regression, it needs to be change liker scale responses to continues mean score. In order to precede this step Cronbach's Alph test of reliability must greater or equal to 0.7. The result shown in table 4.1 show the list of variables with acceptable reliability using Cronbach's Alpha assesses internal consistency,

Table 4.2: Test of Reliability

Variable	Items	Cronbach's Alpha
Organizational Accountability	4	.874
Financial Planning and Budgeting	2	.796
Accountability Culture	2	.793
Audit Compliance	3	.798
Transparency in Financial Reporting	2	.976
Financial Control Mechanisms	2	.921
Training for Financial Staff	3	.869
Action on Audit Recommendations	2	.916

4.3 Determinants of organizational accountability: Multiple Linear Regression Analysis

4.3.1 Model specification

Before inserting a linear regression model, first check the linear functional form based on the graphical representation of the dependent variable with each of the independent variables. The diagram showed in Figure 4.1 shows that the relationship between the dependent and explanatory variables is approximately linear. Similarly numerical result also shows that linearity checked by

deviation from Linearity checked is not significant, so that the linear relation between free variables and outcome variable guaranteed.

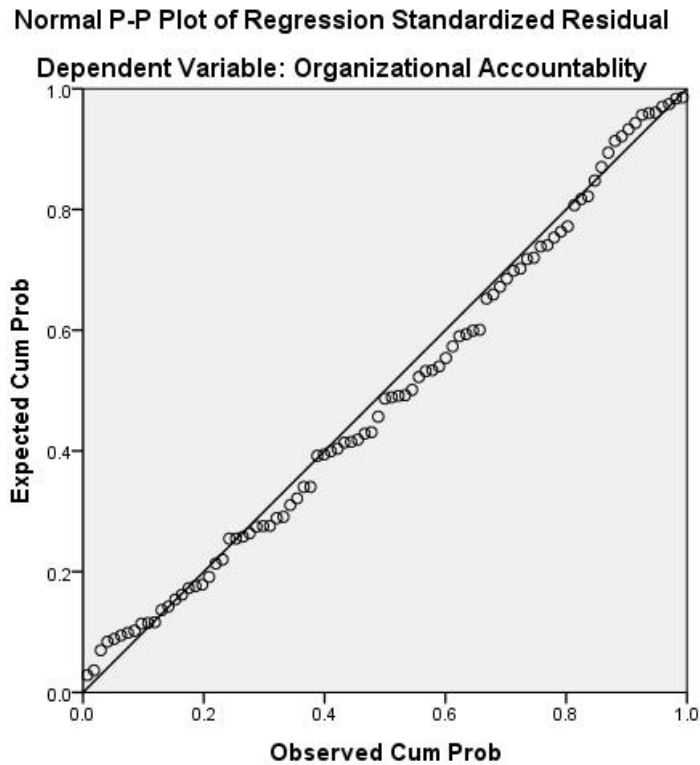


Figure 4.1: Normal P-P plot of regression standardized residual

4.3.2 Model Diagnostic

4.3.2.1 Test of Multicollinearity

The correlation matrix is shown in Table 4.3. Almost all correlation coefficients between explanatory variables are small, moderate and statistically significant. To see whether these medium correlations generate so called multicollinearity problems, a formal evaluation is performed using variance inflation coefficients and criteria conditions.

This evaluation uses the first VIF to recognize the multicollinearity of the model. These variables were found to be strongly related to the other regressors when one of the VIFs exceeds 10. In all cases, we can see that the variance inflation coefficient is not greater than 10, as shown in Table 4.3. Therefore, there is no collinearity problem between independent variables.

Table 4.3 Variance inflation factors

Collinearity Statistics	
Tolerance	VIF
.542	1.845
.408	2.449
.807	1.240
.558	1.793
.637	1.571
.642	1.557
.839	1.192

4.3.2.2 Testing the residuals for normality

i. Using p-p plot

As shown in Figure 4.2 for the P-P plot, we can see that most of the actual data fit along the expected line. This indicates that there is no violation of the assumption of normality.

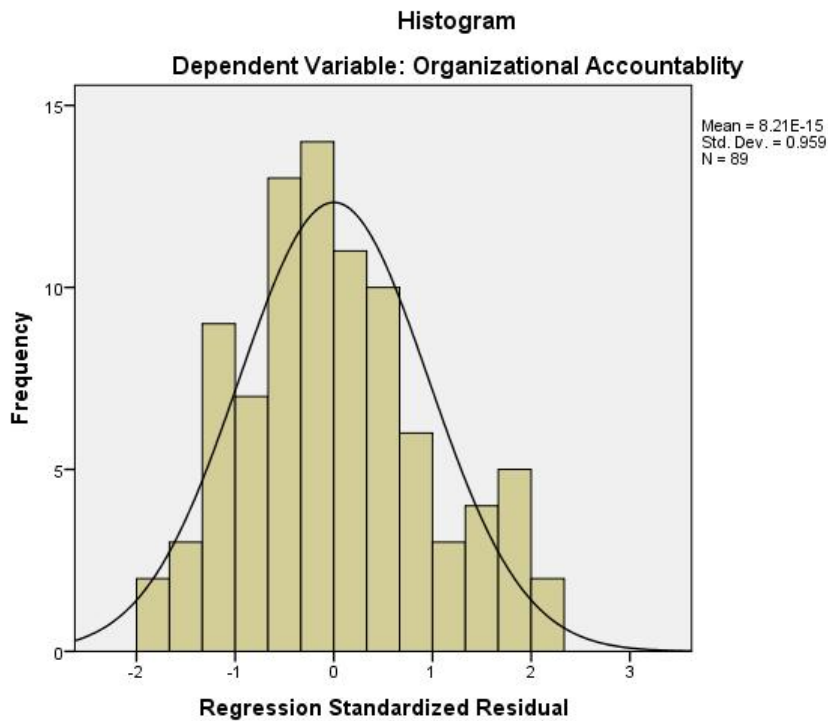


Figure 4 .2: Histogram of organizational accountability

ii. Formal test of normality based on Kolmogorov-Smirnov test

The test results are given as Kolmogorov-Smirnov tests for Normality is recommended for large data set.

The hypotheses used are:

Ho: The sample data are not significantly different than a normal population.

Ha: The sample data are significantly different than a normal population.

Table 4.4 Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Unstandardized Residual	.078	89	.150	.985	89	.180

The Kolmogorov-Smirnov test is used to test whether the assumption of normality is accepted or not. In this assessment, the calculated values at 0.05 level of significance are not significant (p = 0.150). This means not refusing to accept normality (Gujarati, 2002).

4.3.2.3 Testing the Residuals for heteroskedasticity

Formal test of heteroskedasticity

The Breusch-Pagan test for heteroskedasticity states the null hypothesis as

Ho: Homoskedasticity (constant variance of residuals).

H1: Heteroskedasticity (non-constant variance).

By computing the residual square and fit linear regression model with the respective independent variables. Then the model summary show (Appendix: B3) that calculated F test statistic value is 0.863 with p-value = 0.1041.

This result shows the lack of heteroskedasticity at a significance of 0.05 levels. This means that such results indicate the presence of the same residual variance along the predicted line.

4.3.3 Results of Multiple Linear Regression Analysis

The most important Effect of Financial Management Practice on organization accountability was identified using stepwise selection method in multiple linear regressions. In this model, we use

the variables Financial Planning and Budgeting, Financial Control Mechanisms, Audit Compliance, Transparency in Financial Reporting, Accountability Culture, Training for Financial Staff and Action on Audit Recommendations at 5% level significant.

The model indicated that Audit Compliance, Transparency in Financial Reporting and Accountability Culture had negative effect on organizational accountability. The variables like Financial Planning and Budgeting, Financial Control Mechanisms, Training for Financial Staff, Action on Audit Recommendations had positive effects on the organizational accountability.

Table 4.5: Model summary

This study showed that there is in fact a relationship between predictor variables and independent variables of size 0.799, as shown in Table 4.4. Independent variables have a significant impact on organizational accountability, as indicated by R², causing 60.7% of changes in the dependent variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799a	.639	.607	.22502

R-Squared (R²): Indicates the proportion of variance in the organizational accountability explained by the model. An R² of 0.639 means 63.9% of the variance in the outcome is explained by predictors. And the Adjusted R² Adjusts for the number of predictors in the model. Use this for multiple regressions to avoid overestimating explanatory power.

Positive coefficients indicate the direct relationship between two variables. In other words, a change in the variable leads to changes in other variables in the same direction, while a negative coefficient is a change in the dependent variable, which is caused by changing the independent variable, but in the opposite direction. This means that all four independent variables from the following model have a positive effect on the dependent variable:

Table 4.6: Results of Multiple Linear Regression Models for predicting Organizational Accountability in Gurage Zone, SWE, 2025

Variable	β	Std. Error	T	Sig.
(Constant)	1.259	.233	5.400	.000
Financial Planning and Budgeting	.144	.040	3.595	.001*
Accountability Culture	.047	.048	.983	.328
Audit Compliance	-.016	.053	-.300	.765
Transparency in Financial Reporting	-.040	.048	-.834	.406
Financial Control Mechanisms	.134	.041	3.258	.002*
Training for Financial Staff	.115	.035	3.328	.001*
Action on Audit Recommendations	.111	.045	2.485	.015*

***Significant (p<0.05)**

The final model = $ORGACC = 1.259 + 0.144AFB + 0.134FCM + 0.115TFS + 0.111AAR$

This variable can be recognized from the results in Table 4.5 using SPSS and several linear regression models in a stepwise selection method, Financial Planning and Budgeting, Financial Control Mechanisms, Training for Financial Staff, Action on Audit Recommendations are highly significant ($p < 0.05$), but Audit Compliance, Transparency in Financial Reporting and Accountability Culture are not significant and remove from the model. The adjusted R^2 is high and F-value indicates that the multiple linear regression model is significant in general.

Financial Planning and Budgeting ($b=0.144$, $p=.001$) is significant and its coefficient is positive indicating that the greater the proportion of Financial Planning and Budgeting, the greater the organizational accountability that means the financial planning and budgeting variable is highly related to organizational accountability

The percentage of Audit Compliance ($b=-0.016$, $p=.765$) seems to be unrelated to organizational accountability. This appears to indicate the percentage of Audit Compliance is not an important factor in predicting organizational accountability this result was somewhat unexpected.

The results of the above linear regression showed that this was shown the organizational accountability was highly significant for Financial Planning and Budgeting. The organizational

accountability was increased by about 0.114 for each unit increase in Financial Planning and Budgeting controlling all the other variables in the model. Financial Control Mechanisms is also a significant factor associated with organizational accountability. As compared to the reference category the Financial Control Mechanisms were about 0.134 unit more in their organizational accountability, controlling for other variables in the model.

Training for Financial Staff is another important variable with a statistically significant association to the organizational accountability. The Training for Financial Staff was higher by 0.115 units score in organizational accountability, controlling for other variables in the model.

Action on Audit Recommendations also showed a statistically significant association with organizational accountability.

4.5 Discussion of the result

The results of the analysis presented in this study consisted of identifying the Effect of Financial Management Practice on organization accountability in the case of Gurage Zone, Central Ethiopia. This paper was important to improve organizational accountability of the organization by ensuring the effective implementation of a limited number of significant factors.

The study took over Financial Planning and Budgeting, Financial Control Mechanisms, Audit Compliance, Transparency in Financial Reporting, Accountability Culture, Training for Financial Staff, Action on Audit Recommendations as related factors.

This study was an attempt to identify some determinants of organizational accountability based on the data collected from Gurage Zone, Central Ethiopia. The results which are obtained are discussed as follows:

Descriptive analysis of this study showed that the random sample analyzed financial planning and budgeting and financial management mechanisms as important variables that show a statistically significant association with organizational accountability. Research shows that financial management practices have a positive effect on organizational accountability (e.g. financial planning, budgeting, financial management mechanisms) and organizational performance. For example, there is a significant relationship between financial management practices in the company sector in Pakistan (Kiprotich, 2018).

The study revealed that Training for Financial Staff, is also a significant factor associated with organizational accountability. Similarly, a study by Setyani Dwi Lestari showed that Training improves financial literacy, enabling staff to analyze financial data effectively and make informed decisions. This enhances organizational accountability by ensuring that financial decisions are well-informed and transparent (Lestari et al., 2024). In this study Action on Audit Recommendations also showed a statistically significant association with organizational accountability. The results are based on the Institute of Internal Auditors (IIA) by prioritizing the implementation of audit recommendations, organizations can significantly enhance their financial management practices, leading to improved accountability and governance (Auditors, 2006).

The major findings of the study indicate that effective financial management practices have a significant positive impact on organizational accountability in the Gurage Zone public sector. Specifically, the results from multiple linear regression analysis show that financial planning and budgeting, robust financial control mechanisms, targeted training for financial staff, and decisive action on audit recommendations all contribute meaningfully to enhancing organizational accountability (with statistical significance at $p < 0.005$).

In contrast, factors such as audit compliance, transparency, and the general accountability culture were found to have an insignificant effect on accountability outcomes within the organizations studied. The evidence suggests that public institutions in the Gurage Zone can substantially improve their accountability by prioritizing structured financial controls, ongoing staff capacity building, and rigorous follow-up on audit findings. These targeted improvements in financial management practices are recommended as practical steps for strengthening transparency, resource allocation, and public trust in governance within the sector.

Chapter Five

5. Summary, Conclusions and Recommendations

5.1 Summary

Financial management practices significantly improve organizational accountability by encouraging transparency, trust, and obedience. Financial management practices accentuate clear policies, procedures, and reporting appliances, confirming that financial activities are visible and accessible to shareholders. Transparency builds trust and facilitates informed decision-making. Effective financial management includes Financial Planning and Budgeting, Financial Control Mechanisms, Training for Financial Staff, and Action on Audit Recommendations which reduce risks of errors, deception, and dishonesty. These controls confirm organizational accountability at every point of financial transactions.

In summary, sound financial management practices create a strong accountability structure that protects organizational resources, promotes ethical behavior, and enterprises performance across all levels.

5.2 Conclusions

This study was developed to determine the Effect of Financial Management Practice on organization accountability in the case of Gurage Zone, Central Ethiopia. Multiple linear regressions were used. The results demonstrate the importance of using Financial Planning and Budgeting, Financial Control Mechanisms, Training for Financial Staff, and Action on Audit Recommendations measures to understand the organizational accountability.

The results of multiple linear regression showed that variables such as Financial Planning and Budgeting, Financial Control Mechanisms, Training for Financial Staff, and Action on Audit Recommendations had positive effects on the organizational accountability. In contrary variables like Audit Compliance, Transparency in Financial Reporting and Accountability Culture had negative impacts on organizational accountability.

Organizational accountability is essential for protecting the financial management system, building trust, and improving risk management. When clear policies, actions, and internal controls are established, it creates a foundation for strong financial accountability across all

levels of an organization. This includes defining financial budget, financial control, and action and audit recommendation performance with encouragements.

In summary, effective financial management practices have a significant positive impact on organizational accountability. By implementing strong financial planning and budgeting, financial control, get training for staff, action and audit recommendation, organizations can enrich transparency, improve decision-making, and promote a culture of responsibility across the organization.

5.2 Recommendation

The findings of this study have several relevant policy implications. By proposing defined financial data, promoting well-informed decision-making, and guaranteeing obedience to financial regulations, a well-designed financial management system can increase organizational accountability. Regular and transparent financial reporting is important for sustaining accountability. It advantages shareholders understand financial performance and decisions, encouraging trust and responsibility.

The development and implementation of clear financial policies and procedures can reduce ambiguity and ensure that all employees understand their roles and responsibilities and improve their obligations of accountability. Discrimination against obligations helps prevent deceptions and ensure that financial decisions are taken responsibly. Compliance with legal and formal requirements is also essentially important to maintain organizational accountability.

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7. Appendix

Appendix A: Structural questionnaire

Effect of Financial Management Practice on organization accountability in the case of Gurage Zone, Central Ethiopia survey questionnaire

Introduction

The purpose of this questionnaire is to evaluate the Effect of financial management practice on organization accountability in the case of Gurage Zone, Central Ethiopia. This survey has focus on various aspects, including financial management systems (FMS), internal controls, and organizational policies.

Questionnaire Structure

Organizational data

Name of organization: _____
Address: _____
Phone: _____ Email: _____

Section 1: Demographics

1. What is your role within the organization?

- a. Manager
- b. Staff
- c. Executive
- d. Other (please specify)

2. How many years have you worked in this organization?

- a. Less than 3 year
- b. More than 3 years

Section 2: Financial Management Practices

1. How would you rate the extent to which your organization has a comprehensive financial plan aligned with its strategic goals?

- | | |
|----------------------|-------------------|
| a) Strongly Disagree | d) Agree |
| b) Disagree | e) Strongly Agree |
| c) Neutral | |

2. To what extent do you agree with the following statement: "Budgets are regularly reviewed and updated?"

- | | |
|----------------------|-------------------|
| a) Strongly Disagree | d) Agree |
| b) Disagree | e) Strongly Agree |
| c) Neutral | |

3. How much you agree that these controls are frequently reviewed or audited.

- | | |
|----------------------|-------------------|
| a) Strongly Disagree | d) Agree |
| b) Disagree | e) Strongly Agree |
| c) Neutral | |

4. I strongly agree that these controls are frequently reviewed or audited.

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

5. Is financial information transparent and accessible to stakeholders when needed?

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

6. Financial reports provided by the organization are clear, accurate, and accessible, ensuring transparency for all stakeholders.

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

7. I strongly agree that our organization takes effective action on audit recommendations.

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

8. Do you agree does your organization implement audit recommendations promptly?

- f) Strongly Disagree
- g) Disagree
- h) Neutral

- i) Agree
- j) Strongly Agree

9. Are managers aware of their financial responsibilities and accountabilities within the organization?

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

10. Is there an effective system in place for training financial performance against budgeted targets?

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

11. Does your organization undergo external audits or reviews related to its finances?

- a) Strongly Disagree
- b) Disagree
- c) Neutral

- d) Agree
- e) Strongly Agree

12. Does your organization implement audit recommendations promptly?

- a. Always
- b. Mostly

- c. Sometimes
- d. Rarely

13. How would you rate the culture of accountability regarding financial decisions within your organization?

- a) Strongly Disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly Agree

14. In my organization, individuals are held accountable for their actions and responsibilities.

- a) Strongly Disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly Agree

15. The training provided for financial staff is effective.

- a) Strongly Disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly Agree

*Here is a sample survey questionnaire designed to measure **organization accountability** as the dependent variable.*

Please give your opinion for the following statements on given point scale where

(Scale: Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree)

Individual Level	1	2	3	4	5
I know how my work contributes to organizational goals.					
Team Level					
To what extent do you agree with the statement: "My team members hold themselves accountable for their tasks?"					
Leadership Level					
Leadership is held accountable for their decisions.					
Organizational Culture					
How much agree that the important of accountability in your workplace?					

Appendix B: SPSS output

Appendix: B1 Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.078	89	.150	.985	89	.180

a. Lilliefors Significance Correction

Appendix: B2 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799a	.639	.607	.22502

Appendix: B3 Model Summary for Breusch-Pagan test for heteroskedasticity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.0167	7	.0024	0.863	.005 ^b
	Residual	.2240	81	.0028		
	Total	.2407	88			

a. Dependent Variable: SqResiduals

b. Predictors: (Constant), Action on Audit Recommendations, Audit Compliance, Training for Financial Staff, Financial Planning and Budgeting, Financial Control Mechanisms, Transparency in Financial Reporting, Accountability Culture