Intrinsic Factors Affecting Budget Utilization in Ethiopian Public Universities

Dejene Tafa  Semeneh Bessie
Madda Walabu University, Ethiopia

Abstract
Higher education budget utilization has been adversely affecting proper implementation of government policies, programs and projects in Ethiopia. This study sought to investigate internal (intrinsic) factors that affect budget utilization in public universities of Ethiopia in 2016. A total of 178 respondents were randomly selected from Dilla, Wolaita Sodo and Bule Hora Universities. Primary data were collected using closed and open questionnaires. To supplement the survey result secondary data were collected from federal general auditor annual report. The data were analyzed using various descriptive statistics. The findings indicated significant improvement of budget allocation to public universities from time to time. However, lack of proper planning and allocation of budget in these Universities were found to be serious challenges. Inadequate timely revision of initial proposed physical activity plan based on the approved and available budget, inadequate knowledge on the concept of program budgeting system, shortage of adequate number of human resources and insufficient involvement of all concerned bodies during the budget plan preparation were found to be main the causes of the aforementioned problems. Decentralized budget administration system, absence of result oriented evaluation of budget performance and regular revision of plan in accordance with the available budget, lack of effective communication, lack of effective budget monitoring and evaluation, and absence of full involvement of the line managers in planning process were identified as the most important internal factors that affected budget utilization in public universities. This study recommended that due attention should be given by University top management during budget plan, allocation and implementation. The result also suggested capacitating the employees' skill, knowledge and attitude through continuous on job training programs.

Keywords: Budget Utilization, Public Universities, Internal Factors, Ethiopia

INTRODUCTION
Scholars have defined budget as an itemized summary of estimated expenditures for a given period along with proposals for financing them (Khan and Hildreth, 2002). Budget is central to realize national development, goals and programs. Budget has multiple functions. Such as: control of public resources, planning for the future allocation of resources and management of resources. However, the relative strength of each function depends on the current view of the function of budgeting and budgeting tool and techniques, but also depends on the strength of particular organizations and/or institutional arrangements to support these functions (World Bank, 1998).

The public budget planning is a process by which government sets the level of expenditure, collects revenues and allocates the spending of resources among all sectors to meet national goals (Shah, 2008). Budget implementation on the other hand is the actual execution of the budget and application of funds to the planned activities. During the fiscal year, however, not all allocated budgets are used as per the proposed plan. These could be cases where the approved funds may not be enough to fully accomplish the intended goal. In other instances, the amount allocated to a project may be more than what the project can consume. The disparities between the budget allocated and actual expenditure arise due to multiplicity of factors and improper costing of County functions (Rotich and Ngahu, 2015).

Government organizations plan their activities as well as the budget to fulfill the public interest. The financial plan of action for the year, reflecting government priorities on expenditure, revenue, and overall macro-economic policy. The absence of a hard expenditure constraint at the start of the process, which forces early decisions, will invariably lead to one or more of a number of dysfunctional practices in budgeting (Shah, 2008). In order to sustain economic growth and reduce poverty, it is important to link physical planning, budgeting policy priorities. Failure to link policy, planning and budgeting is an important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries. In many countries, the systems are fragmented. This is because most often policy making, planning and budgeting take place independently of each other. Planning is often confined to investment activities, in which many developing countries refer to a series of donor-funded projects. On the other hand, capital expenditures are already largely accounted for through the planning process, and a large portion of recurrent expenditures is pre-committed to the wage bill. For this reason, annual budgeting is reduced to allocating resources thinly across donor and domestically funded “investment” projects and to the non-wage portion of the recurrent budget (World Bank, 1998).

In Ethiopia budget process is guided by a directive (financial calendar) issued by the ministry of Finance and Economy Development (MoFED) to all entities listed as public bodies. This directive has a schedule to make sure that planning and budgeting are prepared, approved, appropriated and executed so in line the pre-set development agendas (MoFED, 2010). Its preparation is often guided by a document known as the Macro-
Economic and Fiscal Framework (MEFF) prepared by MoFED. The MEFF provides, among others, forecasts of government revenue and expenditure; expenditure financing, the division of total expenditure between federal and regional, and divide federal expenditures between recurrent and capital expenditures for the next three years which the program budget is planned for (Ibid).

Based on the plan of three year program budget, MoFED prepares the annual fiscal plan, which includes identification of the amount of resources (foreign and domestic) known as the resource envelops. These comprise the amount of money needed, known as the expenditure need, setting the block grant amount for regional governments and administrative councils from all sources (domestic and foreign), and splitting the federal share between the capital and recurrent budgets.

In the context of public service in Ethiopia, the main sources of finances include taxes levied directly or indirectly, fines and penalties, revenues from profit-making state corporations, charges and fees for services rendered, foreign aid and donations from development partners and internal and external borrowing. This money is then allocated in main government expenditure sectors such as: agriculture and rural development, trade, tourism and industry, physical infrastructure, environment, water and sanitation, human resources development, research, innovation and technology, governance, justice, law and order, public administration and special programs.

Like any other countries, Ethiopia also puts more emphasis on higher education. As a result, in the past few years the government has invested a lot to build a number of higher educational institutions mainly universities and diversifying academic programs and non-academic services. Moreover, scientific problem solving research and development projects pertinent to social-economic, political as well as need based staff development programs were given due attention. In particular, billions of Ethiopian Birr have been invested to build universities and with the desired capacity to engage in problem solving research activities. In the past few years alone, the government allocated 10 to 20% of the national budget to the education sector where the lion’s share goes to higher educational institutions (MoFED 2012).

It has been argued that Universities are multifaceted institutions in all societies. They are especially important to the knowledge economies of the 21st century, but their roles extend far beyond this. Universities are quintessential public-good institutions; they are an essential underpinning of intellectual life in all societies, and especially in developing countries. They are key international links for science, scholarship, culture and ideas. Understanding the complex roles of universities is a first step towards providing the needed support—only not appropriate public funding, but also academic freedom and autonomy (Global University Network for Innovation, 2009). Even if the mandate of public universities is multidimensional, there are many challenges facing these public institutions including public universities of Ethiopia.

In the Ethiopia public sector, the budget implementation period or the financial years run from 1st July to 31st June. During this period, a lay down medium term expenditure framework budget cycle is followed in the preparation and implementation of the national budget. Budget implementation is the real execution of the budget and application of funds to the planned activities. During the financial year, however, not all funds are expended as per the plan. The budget cycle above shall be tracked and at every stage the factors that could be affecting the utilization of the budget analyzed.

Studies showed that in public expenditure management, a lack of predictability of financial resources undermines strategic prioritization and makes it harder for public officials to plan for the provision of services. Predictability of government expenditure in the aggregate and in the various sectors is also a challenge to guide the private sector in making its own production, marketing, and investment decisions. Budgetary rules not clear and uniformly applied to everyone. Transparency of fiscal and financial information is another problem for an informed executive, legislature, and public. Scholars show that dumping immense amounts of raw budgetary material on the public does nothing to improve fiscal transparency (Lewis, 2007).

The IMF (International Monetary Fund) Code of Good Practices on Fiscal Transparency emphasizes the importance of clear fiscal roles and responsibilities; public availability of information; open processes for budget preparation, execution, and reporting; and independent reviews and assurance of the integrity of fiscal forecasts, information, and accounts (IMF, 2001). Participation, in appropriate ways, improves the quality of budgetary decisions and provides an essential reality check for their implementation. Predictability, transparency, and participation, in turn, are the essential ingredients of accountability, which is the key to good budgeting (and good government in general). Accountability entails both the obligation to render accounts of how the budgetary resources have been used and the possibility of significant consequences for satisfactory or unsatisfactory performance (Shah, 2008). Recently, lack of transparency and accountability has become a serious problem in the public budget allocation and utilization. As a result the budget process which includes the revenue phase, to planning and execution, to audit and ex-post oversight was designed (McGee and Gavent, 2010).

According to the report of the auditor general of Ethiopia, most public higher education institutions are frequently stated as prime government institutions for excess/under budget use and unlawful and/or improper utilization of the budget during the stated fiscal year. For example, in the year 2013/2014 budget, from only 99 public organizations over 2.576 Billion Ethiopian Birr was returned back to the treasury having not been utilized.
More than 782 million Ethiopian Birr was also returned back from four public universities. On the other hand, about 235 million birr was over utilized in 37 public organizations and also higher education institutions have a lion share; for instance, more than Ethiopian Birr 85 million was over utilized in only 4 public universities (Federal Auditor General report, 2013/2014). Obviously, such improper budget utilization in public universities significantly hinders mission and affects the economic development of the country. To minimize the revealed improper budget utilization, identification of major internal factors will help proper budget utilization in public universities. As to the researcher knowledge and available literature, there are no adequate empirical studies about intrinsic (internal) factors affecting budget utilization in higher public universities in Ethiopia. Therefore, this study was aimed to identify the major internal factors that significantly affecting budget utilization in selected four Ethiopian public Universities.

**Conceptual Framework**

As outlined in figure below, the variables include in the left-hand side affect dependent variable in budget utilization in the public higher education institutions. It is presumed that the forecasted independent variables affect budget utilization in the Ethiopian public higher education institution.

![Conceptual Framework](image)

**Figure 1: Conceptual framework adapted from the reviewed literatures by researcher (2015)**

**RESEARCH METHODOLOGY**

**Research Design**

This study used cross-sectional survey approach. The research design is mainly descriptive. A cross-sectional study was used to determine the interrelationship between the variables under consideration among three universities in the study. This permitted us to make statistical inference on the broader population and generalize the findings to real-life situations and thereby increase the external validity of the study. This design enabled the researcher to collect the quantitative data, where; the researchers will explain the factors that affecting budget utilization in the study public universities. Hence, quantitative data were collected using questionnaires.

**Types and Sources of Data**

Based on the objective of the study, both primary and secondary data were collected. Primary data were collected directly from respondents such as, University planning and program experts, finance and procurement department, school directors, department heads and internal audit experts. Secondary data were collected from Ministry of Finance and Economic Cooperation (MoFEC), federal auditor general office, from books, manuals, audited annual reports, proclamations, and regulations. In addition to this, nine employees were interviewed to obtain data cannot be explained in the structured questionnaires.

**Sampling Technique and Sample Size**

Currently, there are 33 public universities in Ethiopia. The Universities are categorized under three generations while, 10 universities are clustered under first generation, 12 universities classified under second generation and
11 universities under third generation. Ministries of education have organized all the universities into four major clusters. Among those south eastern cluster is where the current research focused on. The research has taken one university from each generation on the basis of the simple random sampling method. Stratification was made based on the clusters of universities. From each four stratum a random selection of proportionate samples were done. There are several approaches to determine the sample size. In this study, the following Slovin’s sampling formula was adopted using 95% confidence level.

$$n = \frac{N}{1 + N(e)^2}$$

Where: \(n\) = sample size,  
\(N\) = Population size = 282, and  
\(e\) = sampling error/level of precision = 5%

The above formula has followed two stages. The first step: Simple Random Sampling technique was emplyed, using the formula:

$$n = \frac{N}{1 + N(e)^2} = \frac{282}{1 + 282(0.05)^2} = 165.4 \approx 165$$

However, based on the three sampling techniques (Namely: Cluster sampling, stratified sampling and simple random sampling) used for this research, the researcher considers the design effect of at least 1.5 
To this effect, we applied correction formula to arrive at a representative sample size:

$$n = \frac{N}{1 + n/N} = \frac{282}{1 + 165/282} = 177.9 \approx 178$$

**Data Collection Methods**

The primary data was collected through open ended and closed ended questionnaire. The open questions require encouraging respondents to share as much information as possible in an unconstrained way while the closed-ended questionnaire involves “questions” that can be answered by simply checking a box from a pre-determined set of responses. The questionnaire was structured in such a way that it captures the respondents’ profile and data pertinent to study objectives.

Unstructured interviews were conducted by selecting stakeholders and experts such as university Finance and budget directorate directors and team leaders, project coordinators, internal auditors, anti-corruption experts, economists and accounting teachers from the Universities. As they have direct interaction with the public universities in the country as well as anti-corruption directors and experts and transformation office from selected universities. This is because they are the ones well experienced with budgeting procedures in the public universities. The data enumerators were administering the primary data collection by distributing the questionnaires. Secondary data were collected from ministry of finance and Economic Cooperation and Federal Auditor General. In addition, secondary data were collected from other related reference books and statistical bulletin prepared by different organizations.

**Data Analysis Methods**

The data collected was analyzed using descriptive statistics. To these effects, depending on the nature of basic research questions and data collected, descriptive statistics namely percentage, frequencies, mean and standard deviation were used to analyze the data collected by questionnaire. For the qualitative data analysis, the data collected through interview was organized and followed by coding, and then by categorizing based on their similarities and differences. Finally, the categorized data were analyzed, interpreted, concluded and presented qualitatively through paraphrasing and narrative discussion of the participants’ opinions.

**RESULTS AND DISCUSSION**

**Trends in Budget Allocation**

The Ethiopian government has been allocating a huge amount of resources to higher education institutions. The GTP one annual progress report has indicated that in the past few years alone, the government allocated 10 to 20 percent of the national budget to the education sector (MoFED 2012). From the allocated budget to the sector, higher education situations (HEIs) have received a significant amount. For example, Jimma University has received about 1.65 billion birr in 2007 E.C Budget year. On the other hand, Gambela University has received about 50 million Birr in the same fiscal year. However, it should be noted that the adjusted budget for Jimma and Gambela universities were about 1.7 billion, and 37 million respectively. This implies that there was effective unitization of Budget in Jimma University. Gambela University has underutilized its allocated budget. In general, the secondary data obtained from MoFECCE show that there is a significant improvement of budget allocation for public universities of Ethiopia. The figure 1 below shows that the total approved budget for public universities of Ethiopia in the 2007 E.C budget year have a change of 121.7% when compared with 2004 E.C budget year.

Figure 1: Approved budget for all public universities of Ethiopia from 2004-2007 E.C
The result obtained from secondary data has shown the mean average budget allocated to Dilla, Bule Hora and Wolaita Sodo universities are 560.4, 449.8 and 456.2 million Birr respectively in 2007 E.C Budget year. The figure 2 below show that the allocated budget for public universities in the study has been increasing from time to time. The figure showed that among the three universities Dilla University was the one with the highest budget allocated by the federal government from universities included in the universities thought the study years. This should not be surprised as Dilla University was categories under First Generation University and has more intake capacity. In 2007 E.C the budget allocated to Bule Hora and Wolaita Sodo universities was almost similar. This is could be because of two reasons. The first reason is that project implementation of the Bule Hora University has continuously increased due to massive expansion of projects. On the other hand project implementation in Wolaita Sodo has showed stagnant. This could be because of delays in implementation of the projects due to various reasons. The second reason could be the fact that Bule Hora University was a new university, which may be an opportunity to expand new projects. See the detail in figure 2 below.

**Figure 2: The growth of budget allocation among the sample universities**

Source: MoFECE, 2015

Budget utilization Practice in public universities

Respondents’ perception on budget utilization and the related problems were assessed in the three universities. About 40% of the respondents agreed that their respective university has been utilizing the approved budget according to its pre-determined plan. However, 12.9% of the respondents reported they strongly disagree about the proper utilization of their allocated budget. Of the total respondents, 32.6% of disagree with the tradition of over utilization of the approved budget, implying that the university has basically underutilize approved budget.
However, significant numbers of the respondents were skeptical whether their university has a tradition of overspending the resources. The table below also revealed that about 42.7% of the respondents generally agree that their three universities have the tendencies of over utilizations of their allocated budget, which is against the rule and regulations of financial administrations of the country. In the same way about 114 (64%) of the respondents confirmed that there were problems of matching proposed activity plans with the available budget. Of the total 178 respondents included in the survey some 95 respondents (53%) agree that there was a tendency requesting budgets without proper planning in the study universities. In the same way, about 35% of the respondents replied that their respective university in general lack reliable estimation in planning and requesting the budget for the proposed activities.

Respondents were also requested whether their university has the experiences of preparing the budget based on the demand rising from the functional units of the university. The result showed that nearly about 40% of the employees have a negative attitude that the approved budget in their university is not in line with the intended programs. This implies that the universities are not effectively implementing the principles of the program budget. According to the Ministry of Finance and Economic Cooperation of Ethiopia (MoFECE) a program budget preparation and allocation of the resources is a mandatory duty of all federal public government institutions. This result was triangulated by key informant interview. The KIIs conducted with finance directors of the study universities also confirm that the aforementioned problems have actually prevailing in their university. According to the data obtained from few directors the delay in projects and submitting budget requests without plan were found to be the main challenges of their university.

The data revealed that, there was mismatching that there was lack of matching the university activity plans with the available budget allocated by MoFECE. The result vividly showed that these universities functional unites such as departments, schools and directorates in universities often request their annual budget without considering the approved total university budget. This result is in line with the Suggestion of Abdu M. (2014) there is a problem of linking the work plan with expenditure budget preparation and the practical implementation. The secondary data obtained from federal auditor general of Ethiopia also confirms the above responses of the respondents in the study universities.

Table 1: Over utilized and underutilized budget from 2004-2006 E.C by selected universities.

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Year</th>
<th>Name Of Universities</th>
<th>Wolaita Sodo University</th>
<th>Bule Hora University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Utilized Budget</td>
<td>2004</td>
<td>-</td>
<td>22,225,409.00</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>15,889,248.00</td>
<td>16,973,966.85</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>19,422,282.30</td>
<td>3,550,917.75</td>
<td>-</td>
</tr>
<tr>
<td>Under Utilized Budget</td>
<td>2004</td>
<td>32,565,036.97</td>
<td>33,766,685.00</td>
<td>19,797,98.47</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>19,618,407.31</td>
<td>6,512,909.86</td>
<td>19,618,407.31</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>-</td>
<td>20,201,287.85</td>
<td>5,102,333.00</td>
</tr>
</tbody>
</table>

Source: Federal Auditor General of Ethiopia, 2015

The table 1 above shows that, Wolaita Sodo University continuously over utilized and underutilized than adjusted budget for the past three Ethiopian fiscal budget years. While Bule Hora University is better performed by over utilized budget than the remaining two universities included in this study.

The reason for lack of improper budget planning and utilization was assessed. The findings showed that Dilla University, Wolaita Sodo University and Bule Hora University have no adequately revise their initial proposed physical activity plan based on the approved and available budget. For instance, of the total respondents’ about 81 respondents (45%) agree that their universities lack the experiences of revising their initial plans based on the available university budget. The study further analyzes whether lack of adequate knowledge on preparing the plan and program budget was the cause of the above problems. The majority (56%) of the respondents replied that the employees in the study universities lack the necessary skill and knowledge of understanding the basic concepts of program budgeting. According to the employees’ response, lack of adequate number of human resources in their universities was the second most important challenge faced by these universities. With regard to this question, nearly about 45% of the respondents disagree with the statement if their universities have adequate number of budgeting and finance related experts. The respondents also mentioned that the concerned bodies were not adequately allowed to in budget planning and resource allocation process.

Organizational factors affecting budget utilization

This study has tried to analyze the effect of organizational factors affecting budget utilization in public universities. The result showed that among the organizational factors, absence of continuing and systematic evaluation of budget performance at different organizational structure, delay in approval of project proposal and the absence of full involvement of the line managers in planning and budgeting process were found to be the most significant factors which affect the budget utilization in public universities with a mean value of 4.07, 3.93 and 3.84 respectively. As it can be seen from Table below, one could understand that the respondents have on average
agreed that lack of transparency and accountability have affected utilization of budgets in public universities. The descriptive statistics reveal that the above statements have a mean value of 3.7 implying that lack of transparency and accountability was one of the major internal factors affecting budget utilization in the study public universities. Moreover, the respondents have on average stated that the Delay in approval of project proposal by universities has affected utilization of budgets in their universities. The value of the descriptive statistics 3.93 in the table indicates that the above statements found to affect the budget utilization in the study public universities. Secondary data obtained from Federal Auditor general of Ethiopia also support the above idea of the respondents. According to federal auditor general report to parliament in 2007 E.C., among total budget not utilized and returned to treasury by federal public organizations of Ethiopia at the end of 2013/2014 EFY more than 1.5 billion Ethiopian Birr was capital budget which allocated for the implementation of different projects. This shows that the delay of the projects due to different factors was one major internal factor that leads to the underutilization of the approved budget in public universities of Ethiopia. The respondents were further asked to give their opinion on whether the absence of the evaluation of budget performance at different level in their universities affects budget utilization or not. In relation to this question, almost all of the respondents about 146 respondents’ equivalent to 82% agreed that with this statement. This implies that absences of the periodic monitoring of budget performance in study universities were highly affecting the budget utilization which has a significant mean value of 4.07. Experiences obtained from the three universities revealed that these universities undertake budget performance at the merely at the end of the budget year. Arora (2010) describe that, among the main limitation of budget control, Budgeting cannot take place of management, but is only a tool of management. “The budget should be regarded not as a master, but as a servant.” Sometimes it is believed that the introduction of a budget program is alone sufficient to ensure its success. Execution of a budget will not occur automatically. It is necessary that the entire organization must participate enthusiastically in the program for the realization of the budgetary goals. The respondents’ opinion was also assessed about a lack of the top management commitment to budget utilization. Of the total 178 respondents included in the survey some 80 respondents (45%) agree that lack of the top management commitment has affected budget utilization in the study universities. Similarly, the majority respondents (74%) agree that the absence of full involvement of the line managers in planning and budgeting process affects the budget utilization in their respective institutions. Of the total 178 respondents 75 (45%) employees have agreed that tendency of corruption and rent seeking has contributed a negative effect on the budget management and utilization in the study universities whereas about 29.2 % of them are neither agree nor disagree with the above statement. Table 2: Organizational factors affecting budget utilization

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Agree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Disagree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of transparency and accountability has affected utilization of budgets</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
<tr>
<td>Delay in approval of project proposal by universities has affected utilization of budgets</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
<tr>
<td>Absence of the evaluation of budget performance at different level affects budget utilization.</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
<tr>
<td>Absence of full involvement of the line managers in planning and budgeting process.</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
<tr>
<td>Tendency of corruption</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
<tr>
<td>Lack of ICT</td>
<td>N 48</td>
<td>34</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>3.17</td>
</tr>
</tbody>
</table>

Source: Survey data (2015)

Information communication technology (ICT) was one of the most crucial instruments for effective and efficient utilization of the resources. Lack of ICT affects budget utilization in the study public universities. The respondents obtain from the survey have an average shown a tendency of agreeing with the statements. The descriptive statistics for the above statement show that a mean value of 3.17 indicating that most respondents agreed that ICT has affected the budget utilization in their respective institutions. However, its effect was varied from one university to another university. According to the data obtained from the respondents and KIIs, the effect

2 It is available on report of Federal Auditor general of Ethiopia report to parliament about the progress of 2006 E.C budget of federal government organizations.
is high with the new generation university like Bule Hora University which the infrastructure is under construction. The Figure 6 below also shows that, the role of ICT of Dilla University is less significant with the mean value of 2.87 as compared to Wolaita Sodo and Bule Hora universities which have the mean value of 3.1 and 3.56 respectively.

Figure 3: The effect of ICT on each University

Source: primary data compiled from questionnaires, 2015

Organizational structure induced factors such as lack of effective budget monitoring, lack of a decentralized budget administration system, absence of clear hierarchy in the administration of budgets, structural relationship between different department and lack of effective communication are some of the main factors that affect public budget utilization in Ethiopia. The study tried to measure the construct of these factors and its influence on budget utilization of public universities.

Table 3: Structural Factors affect budget utilization

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of effective budget monitoring.</td>
<td>3.91</td>
</tr>
<tr>
<td>Lack of decentralized budget administration system.</td>
<td>4.19</td>
</tr>
<tr>
<td>A lack of clear hierarchy in the administration of budgets affects the budget utilization.</td>
<td>3.81</td>
</tr>
<tr>
<td>The need to involve the auditor general office in major projects affects the budget utilization.</td>
<td>2.78</td>
</tr>
<tr>
<td>The structural relationship between different departments affects budget utilization.</td>
<td>3.49</td>
</tr>
<tr>
<td>A lack of effective communication to all staff on the progress of the budget implementation</td>
<td>3.94</td>
</tr>
</tbody>
</table>

Source: Researcher’s computation using SPSS (2015)

As indicated in chapter two of this thesis, Wilson J. (2000) reported that the University of New Hampshire, after three years of researching the feasibility of a decentralized budgeting structure, implemented its own version of decentralized budgeting known as Responsibility Centre Management (RCM) in 2000. Table 3 above shows that the respondents have on average agreed with the statement, the lack of effective budget monitoring, and absence of decentralized budget administration system affect budget utilization in public universities. The descriptive statistics values reveal that both of the above statements have a total mean value of 3.91 and 4.19 respectively. This clearly indicates the existence of lack of effective budget monitoring and centralized budget administration systems strongly affect budget utilization in the study universities.

Moreover, the respondents have on average showed a tendency of agreeing with the statements, a lack of clear hierarchy in the administration of budgets, and the structural relationship between different department affect budget utilization of their respective universities. The descriptive statistics indicate that both of the above statements have a mean of 3.81, and 3.49 and of the total respondents 128 (72%) and 94 (52.8%) respondents completely agreed with the above statements respectively. This shows that both the above statements have a negative effect on budget utilization of the public universities. The result also reveals that respondents have on average stated their level of agreement with the statements, a lack of effective communication to all staff on the progress of the budget implementation affects budget utilization in the study universities. The descriptive statistics for the above statements show that the mean value of 3.94. This implies that lack effective communication between departments of administrative and academic wings adversely affect their planning and budget utilization. On average, 42% of the total respondents shown a tendency of disagreeing with the statements, the need to involve the auditor general office in major projects affects the budget utilization. The descriptive statistics for the above statements show that the mean value of 2.78. Of the total respondents, about 26% was neither agrees nor disagrees.
with the above statement.

Solabomi O. and Opeyemi K. (2013) argued that organizational culture constitutes an important organizing influence on budgetary slack. Organizational culture was found to have a significant relationship with budgetary slack through the partial mediating influence of participation. According to their finding, organizations with a flexible organizational culture were found to exhibit high budgetary participation and high budgetary slack while organizations with control type of culture were found to exhibit lower participation and low budgetary slack.

These factors include accountability of employees toward budget plan and implementation, responsiveness to government directives, delivery of services fairly and impartially and lack of focus on achieving results and managing performance variables briefly analyzed and discussed. The study tried to measure cultural factors and its influence on budget utilization of public universities. As such, the respondents were asked to give their level of agreement or disagreement with regards to the cultural factors on budget utilization of their respective universities. The responses of each respondent were then analyzed using descriptive statistics.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees being accountable for action</td>
<td>N 23 27 55 51 22</td>
<td>% 12.9 15.2 30.9 28.7 12.4</td>
<td></td>
<td></td>
<td></td>
<td>3.12</td>
</tr>
<tr>
<td>Responding to government directive</td>
<td>N 16 30 58 42 32</td>
<td>% 9.0 16.9 32.6 23.6 18.0</td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
</tr>
<tr>
<td>Delivery of services fairly and impartially</td>
<td>N 21 31 56 44 26</td>
<td>% 11.8 17.4 31.5 24.7 14.6</td>
<td></td>
<td></td>
<td></td>
<td>3.13</td>
</tr>
<tr>
<td>Lack of focus on achieving results and managing performance</td>
<td>N 12 25 47 67 27</td>
<td>% 6.7 14.0 26.4 37.6 15.2</td>
<td></td>
<td></td>
<td></td>
<td>3.40</td>
</tr>
</tbody>
</table>

Source: Researcher's computation (2015)

Table 4 above shows that the respondents have on average agreed with the statement, employees being accountable for action, and responsiveness to a government directive affect budget utilization in public universities. The descriptive statistics reveal that for both of the above statements, out of total respondents, 73 (41%) and 74 (42%) of them are completely agreed with the above statement. Whereas, nearly about 31% and 33% of the total respondents was neither agree nor disagree with the above statements respectively. Moreover, the respondents have on average shown a tendency of agreeing with the statements, delivery of services fairly and impartially, and lack of focus on achieving results and managing performance affect budget utilization of their respective universities. The descriptive statistics indicate that both of the above statements have a mean of 3.13, and 3.40 and of the total respondents 70 (39%) and 94 (52.8%) respondents completely agreed with the above statements respectively. This shows that both the above statements have moderately a negative effect on budget utilization of the public universities.

Behavioral factors are also among the internal factors which affects budget plan and its utilization in public organizations. These factors include lack of accountability on the part of employees, inadequate knowledge of people toward program Budget, failure to present information on budget progress to facilitate scrutiny by relevant government agencies and lack of clear performance indicators to measure the actual results are for the purpose of this study briefly discussed one by one. The study tried to measure the construct of behavioral factors and its influence on budget utilization of public universities. As such, the respondents were asked to give their level of agreement or disagreement with regards to the behavioral factors on budget utilization of their respective universities.
Table 5: Behavioral factors affecting budget utilization

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate knowledge of people toward program Budget</td>
<td>N</td>
<td>13</td>
<td>30</td>
<td>86</td>
<td>49</td>
<td>3.96</td>
</tr>
<tr>
<td>Failure to present information on budget progress to facilitate scrutiny</td>
<td>N</td>
<td>5</td>
<td>15</td>
<td>47</td>
<td>72</td>
<td>3.70</td>
</tr>
<tr>
<td>A lack of clear performance indicators to measure the actual results</td>
<td>N</td>
<td>5</td>
<td>29</td>
<td>42</td>
<td>69</td>
<td>3.54</td>
</tr>
</tbody>
</table>

Source: Researcher's computation using SPSS (2015)

Table 5 above shows that the majority of the respondents agreed with the statement, inadequate knowledge of people toward program budget affects budget plan and utilization. The descriptive statistics reveal that the above statements, out of total respondents, 135 (76%) are fully agreed with the above statement, whereas, only about 7% of the total respondents disagree with the above statements. This shows that, inadequate knowledge of employees in the study university towards program budget significantly affecting budget plan and utilization of public universities.

This result is consistent with Fenta Y. and Abebe M. (2012) that the implementation of program budgeting to a certain extent gets confused. According to their conclusion, the confusions also arose from defining and establishing outputs and objectives, linking plan with budget, setting performance indicators and targets, defining unit cost for targets to arrive at total cost. Moreover, there exists a conceptual misunderstanding relating to the concept of output, recurrent activities, efficiency and effectiveness. Moreover, the respondents have on average shown a tendency of agreeing with the statements, failure to present information on budget progress to facilitate scrutiny by relevant government agencies, and a lack of clear performance indicators to measure the actual results affect budget utilization of their respective universities. The descriptive statistics indicate that both of the above statements have a mean of 3.70, and 3.54 and of the total respondents 111 (62%) and 102 (57%) respondents completely agreed with the above statements respectively. This shows that both the above statements have moderately a negative effect on budget utilization of the public universities.

The last but not the least internal factors which was used for this research was training and education related variables. This study has tried to analyze the effect of training and education related factors affecting budget utilization in public universities. The result in table 6 below show that among the training and education related factors, lack of adequate training on budget and plan, lack of specialization or skill on the part of the budget officers and lack of proper training to employees on the functionality and implementation of the budgets were found to be the most significant factors which affect the budget utilization in public universities with a mean value of 3.85, 3.50 and 3.65 respectively.

Table 6: Training and education related factors

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of adequate training on budget and plan</td>
<td>N</td>
<td>2</td>
<td>19</td>
<td>27</td>
<td>86</td>
<td>44</td>
</tr>
<tr>
<td>Lack of specialization or skill on the part of the budget officers</td>
<td>N</td>
<td>4</td>
<td>31</td>
<td>45</td>
<td>68</td>
<td>30</td>
</tr>
<tr>
<td>Lack of proper training to employees on the functioning and implementation of the budgets</td>
<td>N</td>
<td>2</td>
<td>16</td>
<td>57</td>
<td>71</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Researcher's computation using SPSS (2015)

As it can be seen from Table 6 above, one could understand that the respondents have on average agreed that lack of adequate training on budget and plan have affected utilization of budgets in public universities. The descriptive statistics reveal that the above statements have a mean of 3.85 implying that lack of adequate training on budget and plan was also one of the major internal factors affecting budget utilization in the study public universities. This consequence was dependable with inadequate knowledge of people toward program budget which discussed above. The result indicated that lack of adequate training to employees leads to inadequate knowledge of people toward program budget in the study universities.
In the same way, the respondents have on average stated that lack of specialization or skill on the part of the budget officers has affected utilization of budgets in their universities. The mean value of the descriptive statistics 3.50 in the table above indicates that the above statements found to moderately affect the budget utilization in the study public universities. The respondents were further asked to give their opinion on whether lack of proper training to employees on the functionality and implementation of the budgets affects budget utilization or not. In relation to this question, the majority of the respondents about 103 respondents’ equivalent to 58% agreed that with this statement. This implies that lack of proper training to employees on the functionality and implementation of the budgets in study universities were affecting the budget utilization which have a significant mean value of 3.65.

Conclusion
This article intends to identify internal factors affecting public budget utilization in the three selected universities in Ethiopia. They include, Bule Hora, Dilla and Wolayta Sodo universities. Underutilization and over utilization of public budget in these and other higher universities in Ethiopia was one of the major challenges of higher education in Ethiopia. This is a major motivation to carry out this study. Primary data were gathered from the head of the finance departments, planning heads and other experts who had deep knowledge and practical experience on budget planning, implementation and administration. Questionnaire was distributed to resource persons in the organization whose activity is directly related finance, budget and planning departments. The data from the resource persons such as directors and school heads were gathered through a scheduled interview. The study has demonstrated that the selected three universities are suffering from lack of experience in program budget preparation and implementation. The study found that a various internal factors affect budget utilization in the study universities. The study researcher concluded that the causes for mis-utilization of public budget are mainly due to lack incapacitated budget staffs in terms of skill and knowledge in each respective budget offices, lack of knowledge in the use of information (ICT) by management and the experts at each level, inadequate human resources, lack of continuous monitoring and evaluation, lack of commitment of top management, among others. Based on the result obtained and conclusion drawn from the study, due attention should be given by university managers during budget plan and implementation by capacitating the employees through training and involving all concerned bodies in the budget planning and implementation.

REFERENCES
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