




ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATES STUDIES
FACULTY OF BUSINESS

**ASSEMENT OF FUND MANAGEMENT PRACTICES:
A CASE STUDY OF ETHIOPIAN PHARMACUETICAL
SUPPLY AGENCY (EPSA)**

BY

WUBALAT ZINAYE FANTA

APPROVAL BY BOARD OF EXAMINERS

Dean, Graduate studies	Signature	Date
_____	_____	_____
Advisor	Signature	Date
<u>Abreham G. (Ass. Prof)</u>		<u>Sep. 10/2020</u>
Internal Examiner	Signature	Date
<u>Simon T. (Ass. Prof)</u>		<u>Sep. 10/2020</u>
External Examiner	Signature	Date
<u>Misrak Tesfaye (Ass.prof.)</u>		<u>Sep. 15/2020</u>



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATES STUDIES

**ASSEMENT OF FUND MANAGEMENT PRACTICES:
A CASE STUDY OF ETHIOPIAN PHARMACUETICAL SUPPLY
AENCY (EPSA)**

PREPARED BY: Wubalat Zinaye

ADVISOR: Abreham G(Ass.Prof)

Sep, 2020

ADDIS ABABA, ETHIOPIA

DECLARATIONS

I, hereby declare that the research entitled “Assessment of Fund Management and its Utilization: The Case of EPSA” is my original work and is my own effort and study. It has been done by me independently except for the guidance and suggestion from my research advisor. It is presented here, in partial fulfillment of the requirements for the degree of Master of Business Administration.

Declared by:

Name: Wubalat Zinaye

Signature _____

Date _____

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.



Advisor: Abreham G(Ass.Prof)

Date Sep. 10/2020

ACKNOWLEDGMENTS

First of all my gratitude goes to the Almighty God, the father of light whose light has guided my steps thus far. I want to express my gratitude to my advisor, Abreham G(Ass.Prof) for his continuous support, unreserved supervision, guidance and encouragement.

My thanks also go to the EPSA, top management, finance, forecasting and procurement practitioners, and other employee who participated in this study. Their keenness to take part in both the questionnaire and in-depth interviews contributed significantly to the success of this study.

My sincere thanks and appreciation also go to my family especially my husband Medhanie G/mariam who offered me love and enthusiasm and who have been sharing my worries and have been source of encouragement and support throughout my course of the Masters' Degree.

ABSTRACT

Donor funding play a critical role in procuring and distribution of health product in Ethiopia. However the streamlining of the fund regime to achieve effective donor utilization of fund still remains a challenge despite the imposition of finance condition by donor. This, therefore, puts into question the effectiveness of the donor financing conditions on the effective utilization of donor funds. Therefore, the general objective of the study was to assess fund management practices and its utilization of donor funds focusing on Ethiopian pharmaceutical supply agency. The study used descriptive survey research design and targeted 3 departments program and project management, forecasting and procurement department. 27 persons comprising fund management team members, accountants and participated in the study. Pre-tested questionnaires and interview were used for data collection and analysis. The findings revealed that the organization is not financially sustainable because it is highly depending on one source of financing which is foreign donation. The study recommends that the organization should device the strategy for fund sustainability by income diversification such as mobilizing local resources and involve in income generating activities (self-financing), emplace a system for continuous monitoring evaluation system for the proper utilization of fund and continue its fund utilization practice based on budget specification and as per financial grant agreement.

Key words; Fund Management and Utilization

ACRONYMS

EPSA	Ethiopian Pharmaceutical supply Agency
AIDS	Acquired Immune deficiency Syndrome
ART	Anti-Retroviral Treatment
EPA	Environmental Protection Agency
FHAPCO	Federal HIV/AIDS prevention and control office
SDG	Sustainable Development Goal
HIV	Human Immune deficiency Virus
GF	Global Fund
SFR	State Revolving Fund
SOE	Statement of Expenditure
FP	Family Planning
MOH	Ministry of Health
M&E	Monitoring & Evaluation
RDF	Revolving Drug Fund
PFSA	Pharmaceutical Fund and Supply Agency
NCGAS1	National Council on Governmental Accounting Statement No1,
USEPE	United States Environmental Protection Agency
GASB	Governmental Accounting Standards Board
USAID	United States Agency for International Development
US	United States
EPHARMECOR	Ethiopian Pharmaceutical and Medical Supplies Corporation

CONTENT	PAGE
CHAPTER ONE-----	1
1.1. Introduction -----	1
1.2. Back Ground of the Study-----	2
1.3. Back Ground of the Organization -----	2
1.4. Statement of the Problem-----	3
1.5. Objective of the Study-----	4
1.5.1. General Objective-----	4
1.5.2. Specific Objectives-----	5
1.6. Research Questionnaire-----	5
1.7. Scope f the study -----	5
1.8. Limitation of the Study -----	5
1.9. Significance of the study -----	6
1.10. Organization of the Paper-----	6
CHAPTER TWO -----	7
2. Review of Literature -----	7
2.1. Introduction -----	7
2.2. Overview of Fund Management-----	7
2.2.1. Principles of Fund Management-----	7
2.2.2. Fund Management Objectives-----	8
2.2.3. Fund Management Time Horizon-----	9
2.2.4. Fund Management Issues-----	9
2.3. Types of Funds and Classifications of Funds-----	10
2.4. Fund Resource utilization, Availability ,Administrative and Sustainability-----	11
2.4.1. Fund Resources Utilization-----	11
2.4.2. Availability of Funds-----	12
2.4.3. Administrative Resources-----	13
2.4.4. Sustainability Funding Levels-----	13
2.5. Budgeting, Budgetary Control and Budgeting Design -----	14
2.6. Accounting and Financial Reporting for State and Local Governments -----	15
2.6.1. Financial Accounting Techniques-----	15
2.6.2. Nature of Financial Reports-----	16
2.6.3. Periodic, Interim and Annual Financial Reports-----	18
2.7. Analytical Tools and Techniques of Fund Management and Utilization-----	19
2.8. Empirical Studies -----	20
2.9. Literature Gap -----	21
CHAPTER THREE -----	23
3. Research Methodology -----	23
3.1. Introduction -----	23

3.2. Research Design-----	23
3.3. Research Approach -----	23
3.4. Population of the study-----	24
3.5. Source of data -----	24
3.5.1. Primary Data -----	24
3.5.1.1. Questionnaire-----	25
3.5.1.2. Interview-----	26
3.5.2. Secondary Data-----	26
3.6. Data Analysis and presentation -----	26
CHAPTER FOUR-----	27
4. Data Analysis and Interpretation-----	27
4.1. Flow of Funds and Sources-----	27
4.1.1. Sources of Funds-----	27
4.1.2. Fund flow structure-----	28
4.2. Fund utilization -----	30
4.2.1. Fund utilization of Malaria and TB-----	31
4.2.2. Fund utilization HIV-----	32
4.2.3. SDG -----	32
4.3. Fund Accounting and Financial Reporting Systems-----	33
4.3.1. Fund Accounting System (Receipts and Disbursements)-----	33
4.3.2. Fund Accounting-----	33
4.3.3. Nature of Financial Reporting-----	33
4.4. Challenges of Fund management and utilization -----	35
4.5. Financial sustainability -----	37
4.6. Respondents Background and profile-----	37
CHAPTER FIVE-----	41
5. Summary Conclusions And Recommendation-----	41
5.1. Introduction -----	41
5.2. Summary -----	41
5.3. Conclusions -----	42
5.4. Recommendations -----	43
BIBILOGRAPHY-----	44
ANNEXES-----	46

Figures

Figure 1	Source of fund -----	31
Figure 2	Flow of fund -----	32
Figure 3	Fund utilization of Malaria NFM I -----	33
Figure 4	Fund utilization of Malaria, TB and RSHH -----	34
Figure 5	Fund utilization of HIV -----	35
Figure 6	Fund utilization of SDG -----	36
Figure 7	Response Rate -----	41

Tables

Table 4.3.1	Challenges of Submission SOE -----	38
Table 4.6.2	Demographic profile of respondents -----	42

CHAPTER ONE

1.1. Introduction

This chapter presents the background of the study, statement of the problem, research questions, its objectives, significance and scope of the study, definition of terms and organization of the study.

1.2. Background of the Study

Fund is established for responsibility purposes to demonstrate that financial resources are being used only for permitted purposes. Governments and not-for-profits organizations most commonly separate resources into funds to ensure that they adhere to the restrictions placed upon them by legislators, grantors, donors, or other outside parties it includes the most liquid and an easily accessed resource, which refers its utilization, must be managed continuously with attention (Engstrom and Copley, 2008).

Governmental and non-governmental organization uses fund as the means of planning, utilizing and controlling their scarce resources so as to achieve their goals efficiently and effectively. It provides a plan for the whole entity to work to and should lead to goal congruence, sets standards against which to measure actual performance enable the actual figures to be compared against the anticipated ones and a management by exception approach the trends to develop (Daniel, 2015). According to Gongera, (2005), fund is significant for fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources together with all related liabilities, net assets, and changes there in that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The major element for proper or successful utilization of resources is using the right financial management system and has a good accounting and reporting practice (Haji, 2013). For the public sector, the sources of budgets are internal revenue collection, treasury which is the Ethiopian Ministry of Finance & cooperation allocate to the organization for capital and recurrent budget, loans and Aids (Daniel, 2015).

Donation is supports the government budget to filling the selected sector of fiscal gap and to

increases the capacity of the government to meet its millennium development goals. The Aid has been channeled through various sectors (Alemayehu, 2011). Donation funds are monitored by various public financial management system of the government of Ethiopia and the fund administering entities such as the World Bank and other institutions. The implementer must understand that managing funds effectively is a critical step of the donor's process. Improper utilization of the funds discontinues, a lower new comer of funding is happened or donors may be asked to return aid funds (Woderyelesh, 2016). Fund Financed by donors has its own processes to release any cashes and other any in kind donations. Before releasing the donation fund, the financial management assessment conduct and the result of it determines the modality of the cash transfer. After releasing the cash transfer the donors conduct the periodical assessments of implementation and utilization the cash transfers audit it. So the implementer announced to practice proper cash management in an effective way of ensuring the continuity of the aid. Planned performance and successful utilization of cash and other resources ensures that organizations are in the position to achieve their objective and on the other hand, poor cash management practices can suffer failures of their objective (Gilbert, 2015).

Therefore, this study is focus on the assessments of fund management practices in Ethiopian Pharmaceutical Supply Agency. In general, this research tries to answer about sources of funds, Planning and controlling mechanism, and what look like the utilization and managing funds activity.

1.3. Back Ground of the Organization

The current Pharmaceuticals Fund and Supply Agency was first established in 1947 with a capital of 80 million birr under the name “the main Pharmacy.” The military regime then restructured “the main Pharmacy” in 1976. Organizations that carried out similar activities were merged to create a new organization called Ethiopian Pharmaceutical and Medical Supplies Corporation (EPHARMECOR).

The main task of EPHARMECOR was to distribute human, animal and plant pharmaceuticals and medical supplies it manufactured and imported from abroad. However, the steady plunge in the corporation's capital and the subsequent weakened supply necessitated another restructuring which came during the period of the transitional government in 1994. Accordingly, the transitional government allocated a huge budget to bridge the pharmaceutical gap and

restructured EPHARMECOR into a new organization called Pharmaceutical and Medical Supplies Importer and wholesale Distributor (PHARMED).

PHARMED had over 400 workers back then and distributed two-hundred eighty million birr worth of Pharmaceuticals and medical supplies primarily to governmental health institutions. Seeking to ensure the organization fulfill its mission optimally, it was restructured eight years later, in 2002, as a share company that distributes pharmaceuticals and medical supplies purchased locally and from overseas.

Taking the changes in the sector into consideration, PHARMED was once again re-established with reformed vision, mission and goals in 2007 under proclamation No. 553/2007 bearing the name “Pharmaceutical Fund and Supply Agency (PFSA).” PFSA is structured to sustainably supply basic pharmaceuticals used for treating the main health problems in the country along with medical equipment and to consider the purchasing capacity of the society in providing its services.

PFSA has once again changed its name at the beginning of the 2019 to “Ethiopian Pharmaceuticals Supply Agency (EPSA).” Despite the changes in organizational structure, naming and goal throughout its history, the institution’s primary activity has always been supplying pharmaceuticals and medical equipment mainly to governmental health institutions. Ethiopian Pharmaceuticals Supply Agency, EPSA, is legal entity established under the law of Federal Democratic Republic of Ethiopia Government to overcome the problems and assure uninterrupted supply of pharmaceuticals to the public at an affordable price. The Pharmaceuticals Fund and Supply Agency was established in September 2007.

1.4. Statement of the problem

Fund is fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein; which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations (Engstrom and Copley, 2008).

The Ethiopian government of health sectors planned a program of activity to achieve certain objectives. To attain these objectives resource has been required. These resources could be

obtained from different domestic and foreign sources. Foreign sources are Aid and loans, foreign aid need negotiations and signing of financing agreement between the recipient and donors. The agreed and signed resources are expected to be utilized effectively and efficiently to achieve objectives if not utilized properly and timely the objectives will not be achieved. So too has an accurate utilization of fund, there will be proper planning, good budgeting, strong internal controls and fund flow, well strength accounting, financial reporting and auditing arrangements are required (Dejene, 2018).

Utilization of aid funds is a challenge to both the donor as well as the implementers; therefore there is need for institutions that are responsible for the management and control of these funds to achieve the purpose of the donation fund (Daniel, 2015). According to Alemayehu, (2011), ineffective utilization of donor funds has been a major issue among the donor community. This leads to suspension of the donor funding and as the result projects/programs will be delayed or terminated without achieving intended results.

Different researchers are study on utilization aspects of donor's fund. For instance, (Dejene, (2018) studied on "Assessment of donor fund utilization in Ethiopia: the case of productive safety net program", (Daniel,(2015) "Determinants of Donor Fund Utilization: The Case of PSCAP in Oromia", (Haji and Francis, 2013) "Factors Influencing Effective Utilization of Donor Funds with reference to UNHCR and USAID" and (Afande, 2013) had conducted a study on "Factors affecting use of donor aid by international non-governmental organizations in Kenya".

In all these studies, the implementation and utilization of funds and factors of fund on the nongovernmental organization are addressed but in the governmental organization is not study and also the research methodology was a descriptive survey and quantitative approach they used but in this study qualitative approach apply and uses a descriptive survey on governmental organization is uses.

Therefore, this study assesses fund management practice of EPSA.

1.5. Objective of the Study

1.5.1. General Objective

The main objective of this research is to assess the fund management practice and its utilization in Ethiopian Pharmaceutical Supply Agency.

1.5.2. Specific Objectives

1. To identify problem of unused fund or returned fund
2. To identify problems in utilization and management of funds.
3. To identify the problem of reimbursement from donors.
4. To identify the formal mechanism to coordination funds management
5. To assess the importance of fund management in utilization of funds
6. To assess the challenge of fund management and utilization.
7. To assess the trends of fund management practice

1.6. Research Questions

This study is conducted to answer the following questions;

1. How EPSA coordinating of funds management?
2. What are the major challenges of fund management practice and the utilization of funds?
3. Do the managerial factors have significant effect on EPSA fund utilization?

1.7. Scope of the Study

EPSA has two sources of funds namely Revolving Drug Fund which is the sources are get from internal revenue and the other sources is donor fund it gets from different principal Recipients. So this study is covers fund management practice on the head office level. In addition, the study is asses the practice what look likes so the time span uses current period 2018-2020.

1.8. Limitation of the study

This study has its own limitations which are encountered at various stages. The primary limitation of the study is limited studies on fund management and its utilization, lack of well-established and consolidated expenditure reports of donor funds. Due to pandemic COVID -19, employees were not working in the office and not willing to be interviewed. In addition, some respondents were not willing to give relevant information related to the study. The other limitations are the absence of enough time to prepare the material and the absence of other research material which are conducted on the agency.

1.9. Significance of the Study

The finding of this research will contribute primarily to EPSA in brief the strengths and weakness of implementing the fund management practice, providing recent information on the major factors affecting the effectiveness and efficiency of fund management activity since the proper fund management reduces unintentional errors and the opportunity for misuse of funds. Second, it also tries to identify factors that hinder the collection of Model - 19 from Hubs, Referral Governmental Hospitals and different Health Bureaus on time because large amount of unsettled balance can delay the subsequent tranche to be released by donors. Thirdly, finding and recommendation that emerged from the study will serve as additional sources to generate interest of further research study in the fund management and utilizations. Finally, donors use this finding providing data and information for decision making.

1.10. Organization of the paper

The rest section of this research comprises four chapters. In the second chapter deal literature review of the study, this is overview of fund management, fund and types of fund, nature of fund and rationale for using fund accounting, disbursement methods of funds by donors and foreign aid. The third chapter deals with research methodology, consists research design, research approach sources of data and data analysis. Chapter four deals analysis and interpretation and the final chapter summarizes the study of findings and gives recommendations and suggestions.

CHAPTER TWO

2. Review of Related Literature

2.1. Introduction

The study focuses on “the assessment of fund management practice”, in this chapter sources such as journals, books and theses related to the research topic were reviewed. Basically clarifies the concepts and definition relevant to the study. The review is organized according to the specific objectives in order to ensure relevance to the research problem. It also enables a conceptual framework to be developed. This chapter specifically presents: an overview of fund management which is principle, objectives, time horizon and issue of fund management, types and classification of fund, nature of fund, rationale for using fund accounting resources utilization, availability, administrative and sustainability of funds, budgeting and budget control, accounting and financial reporting, analytical tools and techniques of fund management and utilization, financial management on fund and techniques will be discusses.

2.2. Overview of Fund Management

2.2.1. Principles of Fund Management

According to the United States Environmental Protection Agency (USEPE), a basic approach to fund management should include developing a plan (establishing short and long term goals), program management, and evaluation.

In strategic planning, program managers essentially develop a long-term business plan for their program. To accomplish this, they should set out to determine what kinds of environmental and financial needs must address. This information should be used to establish short and long-term financing goals are established.

Program management encompasses the setting or adjusting of policies and the day-to-day management of the fund. Critical issues such as the level of interest rate subsidy to offer, selection of projects to receive assistance, timely commitment of new and recycled funds to projects, investment of idle funds, and decisions to issue debt must be evaluated in financially responsible manner to ensure that funds are used effectively. Continuous program evaluation or assessment provides a check on whether or not current policies are helping to meet the goals of the fund (US environmental protection Agency, 2017).

According to Canadian Labour Congress, the Labour Fund for HIV/AIDS is guided by the following principles: the fund supports specially HIV/AIDS projects from worker organizations which target workers and their families, the fund forces primarily on requests from organizations from the poorest and most affected regions in the world, the fund is committed to 'quality-funding', the fund is financed through partnerships which require contributions and participation from a range of 'funding partners', and the fund provides its funding partners with reports and audited statements regularly (US environmental protection Agency, 2017)

According to IFSL, the UK is one of the largest markets in the world for fund management along with the US and Japan. It has a strong international orientation and attracts significant overseas funds. London is the leading international center for fund management. The international orientation of the UK's fund management industry is reflected in the presence of a broad range of UK and foreign owned firms, in the significant investment in overseas securities, and in the management of overseas client's assets London is central to the UK's strong international position. Edinburgh and Glasgow are also important international countries for fund management (Financial Service in London, 2015).

According to the National Council on Governmental Accounting Statement No1 (NCGAS1), entitled governmental accounting and financial reporting principles, a fund is defined as: "...a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and change there in, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation." (US Department of Housing and Urban Development, 2014)

To understand the nature of funds, the meaning of fund should be clear. It can be defined from the total resources point of view as a fund transaction is one which involves an external entity, whether the transaction is on a cash or credit basis, and whether long or short term assets and liabilities are involved. The nature of fund can also be related with fund flow statement and cash flow statement.

2.2.2. Objectives of Fund Management

According to the US State Revolving Fund (SRF), fund management program has several goals. The first is that the capital contributed to the program is used efficiently and maintained in

perpetuity. Another goal is that states use SRF funds to achieve the greatest environmental results. Working within these goals, states have two focused objectives in managing their SRF programs. The first is to ensure that financial assistance is provided to projects that will produce the most desirable environmental and public health benefits. The second objective is to achieve sound financial performance while providing the financial assistance (US environmental protection Agency, 2017)

All of these fund management objectives must be balanced to achieve an SFR's desired result. The balancing objectives for an SRF program can be thought of as trying to reach an optimal solution to make the most money available, consistent with demand for funds; commit money quickly to meet project needs; offer attractive financial terms; and maintain the purchasing power of the funds being managed. For each SRF program, the optimal solution will depend on state specific factors such as the demand for financial assistance, availability and financial benefit of other assistance programs, state funding priorities, current market conditions, and legislative support (US environmental protection Agency, 2017)

2.2.3. Time Horizon of Fund Management

According to the US Environmental protection Agency (EPA), time is a critical element when considering fund management. Financial management is a process that takes place overtime and consists of a series of financial actions and decisions that have both short- term and long-term implications. Due to time value of money and financial actions, fund management must be considered across the dimension of time to balance what can be accomplished in the present versus the future.

2.2.4. Fund Management Issues

According to the United States EPA, effective fund management is not only the result of a single action or decision that results in a successful program. Instead, program success depends on how a series of fund management questions are identified, answered, and revisited overtime. Important questions include are fund resources being utilized effectively? Does the fund have sound a management? Is sufficient project assistance being made available? Dose the fund has sufficient administrative resources? What is the sustainable funding level from the program? And so on.

The SRF fund management handbook is designed to take a three pronged approach to discussing

fund management issues. First, it addresses each of these fund management issues individually. Second, recognizing there is considerable overlap in the issues, the conclusion of each individual issue discussion identifies the relationship between the current fund management issue and other related fund management issues. Finally, as each issue is addressed, the discussion is accompanied by pertinent case studies of how states have faced and answered by these fund management issues. An underlying requirement of any discussion of fund management is the availability of reliable financial information, confirmed through the audit process, to provide the basis for financial analysis of a fund. The use of independent audits of program funds provides assurance to fund management that policy decisions are based on reliable financial information (US environmental protection Agency, 2017)

2.3. Types of Funds and Classifications of Funds

According to City Business Series of IFSL, institutional funds, over seat clients, and private clients considered as types of funds. Institutional funds in the UK have the largest share and they consist of insurance funds, pension funds unit and investment trusts. In recent years, the UK has consolidated its position as one of the most important centers for the management of funds on behalf of foreign clients. Private clients remain a significant niche in the UK market.

A nation that has a centre for fund management can have certain advantages. According to city business series, the UK has the following advantages due to fund management centre: highly sophisticated and innovative management styles, techniques and strategies; skilled labour force and high quality professional and support services; wide ranging client base: private and institutional, UK and overseas; highly liquid market with the opportunity to trade in large blocks of shares; history of openness with relatively easy access to markets; liberalized operating environment combined with protection against abuses; competitive infrastructure in telecommunications services and air line links; and perception of a proportionate approach to its regulatory environment which facilitates innovation (Financial Service in London, 2015).

Currently, there are a number of fund types that classify according to their national status and the interest of the fund providers (donors) in every nation. Besides, as the nature of the donor's objective differed, the nature of fund types and classifications can also be differed. Some type of funds can be related with business investments (like pension fund, mutual fund, unit trust fund, investment trust fund), sanitation and water, infrastructural (such as road fund), poverty reduction,

emergency, HIV/AIDS, and so on.

According to Fund Management City Business Series (UK), institutional funds (insurance funds, pension funds, unit and investment trusts), overseas clients and private clients are some types of funds. (Ibid) Based on Columbia University Financial Accounting System, there are two major types of funds: unrestricted current funds and restricted current funds. There are eight different fund types which are categorized in to three different activities, according to US Department of Housing and Urban Development: Governmental (general, Special revenue, capital project, and Debt service funds), Proprietary (Enterprise and internal service funds) and fiduciary (trust and agency funds).

2.4. Fund Resource Utilization, Availability, Administrative and Sustainability

2.4.1. Fund Resources Utilization

According to IFSL City Business Series, the main sources of funds are pension funds, insurance companies and mutual funds are accounted for around a third of conventional assets under management of the global fund management industry. Other funds were from private wealth and alternative sources such as hedge funds, exchange traded funds, private equity, venture capital, structured finance and real estate. Institutional clients generate the majority of funds. There are substantial variations, however, between countries in the institutional to retail ratio. In countries with more developed private banking or mutual fund sectors, such as the UK, Germany, Italy and Switzerland, the retail sector was the source of most funds. On the other hand in the US, France and Japan where these sectors were not as large or where the pensions market was more developed the majority of fund was from institutional clients (Financial Service in London, 2015).

There are four principal sources of revenue for local authority services: government grants; national non-domestic rates; community charges; and sales, fees, and charges paid by service users. Possible sources of funds by considering changes between two balance sheets which will be related to assets (decrease), liabilities (increase) or proprietorship (increase). For example, release of funds from current assets and long term assets; and in flow from short term borrowing long-term borrowing, trading operations, and owner(s) are the possible sources of funds. Besides, they describe a more possible uses of funds which can be related to increase in assets, decrease in

liabilities and proprietorship. Out flow to increase long – and short –term assets, outflow of funds to reduce short-and long-term liabilities, out low of funds incurred in trading or servicing operations, and out flow of funds to owners.

Based on Management Sciences for Health, HIV/AIDS programs usually involve three basic types of resource transfers: funds transferred either directly to an implementing partner or through another organization; commodities and associated support services; and technical assistance. According to SRF fund management handbook, regardless of the level of capitalization or the availability of additional capital through different sources, each SRF has a pool of financial resources at its disposal. An important question to ask is, "Are those resources being used at efficiently as possible?"

This question is best examined by analyzing balance sheet assets to see the hour resources are being utilized. For example, SRF assets consist of five main components: Cash and Short-Term Investments, including loan repayments, Debt Service Reserve Investments, Loans outstanding; Undrawn Federal Grants, less amounts designed for set- asides; and Undrawn State Match Amounts.

The utilization of funds and commitments to new projects should account for a programs need to maintain reasonable working capital in the program and to account for large scale projects that will require disbursements over a relatively long time frame (i.e. three or more years). Programs that are experiencing low usage rates of available assets (i.e. maintaining excess cash balances and undrawn grant/match amounts) should move aggressively to ensure that funds are put to their intended use over the near-term.

According to SRF fund management hand book, the issue "Fund Resource Utilization" directly relates to loan terms availability of funds for investment, use of funds produced by leveraging, ability to leverage or borrow for match, and long-term sustainable funding levels US environmental protection Agency, 2017).

2.4.2. Availability of Funds

According to EPA, excess demand for the SRF will manifest itself in several ways. The first is the general interest level in the program for traditional and other types of projects. Indicators include high number of inquiries about the program, requests for program information, strong attendance at SRF public meetings and large number of assistance applications. A second indicator is a low

dropout rate for applicants approved for assistance. The projects that receive assistance commitments usually proceed with the project to avoid losing the funding. A third measure of demand is the diversity of potential applicants interested in the program. Collectively, high demand for the program can be attributed to many factors, including: strong enforcement, favorable SRF loan terms, lack of alternative programs, or general economic conditions. The causes of the high demand may help direct the appropriate response to make more SRF funds available.

As there are direct issues for "fund Resource Utilization", there are also direct issues for "Availability of Funds". The issue "Availability of Fund" directly relates to: loan terms investment results, need for leveraging, impact of borrowing for match, and long-term sustainable funding (US environmental protection Agency, 2017)

2.4.3. Administrative Resources

According to SRF fund management handbook, "Does the fund have sufficient administrative resources?" is a common question posed to SRFs to determine if a fund can not only revolve financially in perpetuity, but that it has the administrative resources to provide for operating the program in perpetuity.

Currently available administrative resources should be matched year-to-year with estimated administrative costs. The short-fall between available funds and projected costs is the amount of additional administrative funding that will be required. Opportunities to reduce operating costs while not diminishing the effectiveness of the program, should be considered along with any review of projected administrative costs. Based on this handbook, the issue "Administrative Resources" directly relates to: administrative fee portion of loan terms and total cost to the borrower; ability to manage leveraging or borrowing for match, and achieving sustainable funding levels (US environmental protection Agency, 2017)

2.4.4. Sustainability Funding Levels

According to the SRF Fund Management Handbook, fund managers can estimate what the sustainable funding level will be over time based on current and anticipated operating assumptions (using financial planning). Funding levels are usually expressed in today's dollars to account for inflation.

The sustainable funding for a program is frequently used in conjunction with promoting the program and appealing for additional investment in the program. It can also be used as a point of

reference to identify how additional funding for the program or other program changes will impact annual funding levels. An important aspect of evaluating sustainable funding level is to reconcile funding levels with the current demand or need for fun dings. The goal should be develop an approach for achieving sustainable funding levels that match the demand for funds. For example, Cash Flow Modeling is a valuable tool for evaluating potential sustainable funding levels that can be achieved and then comparing funding levels to funding need.

According to this handbook, the issue "Sustainable Funding Levels" directly relates to: loan terms; investment earnings; availability of funds; loan portfolio management; availability of administrative resources; ability to leverage or borrow for match; and use of set-asides and transfers US environmental protection Agency, 2017)

2.5. Budgeting, Budgetary Control and Budgeting Design

According to Rayburn, (2001) budgeting is a means of coordinating the combined intelligence of an entire organization into a plan of action based on past performance and governed by a rational judgment of factors that will influence the course of business in the future.

Planning for the future may be in terms of period planning and/ or in terms of project planning. All of the financial plans of the business organization whether they are period plans or project plan constitute the budget. A budget is binding on the administrators of a governmental unit. Consequently, a distinctive characteristics of governmental accounting resulting from the need to demonstrate compliance with laws governing the sources of revenues available to governmental units and laws governing the utilization of those revenues, is the formal recording of the legally approved budget in the accounts of funds operated on an annual basis. Briefly, budgetary accounts are opened as of the beginning of each fiscal year and closed as of the end of each fiscal year; therefore, they have no balances at year end. During the year, however, the budgetary accounts a fund are reintegrated with its proprietary (balance sheet and operating statement) accounts. Furthermore, Hoyle also described, "Financing is an important part of the governmental environment, particularly for governmental types of activities. For those activities, the budget is the primary method of directing and controlling the financial process. "In a chronological sense, the first significant accounting procedure encountered in a state or locality is the recording of budgetary entries. To enhance accountability, government officials normally are required to adopt an annual budget for each separate activity to anticipate the inflow of financial resources and

establish approved expenditure levels.

In its “Objectives of Financial Reporting”, the GASB indicates that the budget serves several important purposes: expresses public policy, serves as an expression of financial intent, provides control and offers a means of evaluating performance. The GASB even state that “many believe the budget is the most significant financial document produced by a government unit. “To enhance the importance of the information conveyed by budget figures, each government must report comparison between the original budget, the final budget, and actual figures for the period as required supplemental information presented after the notes to its financial statements.

According to Rayburn, (2001) a budget is a look in to the future, a plan of expected financial activities. Therefore, budget preparation begins with organization goals. The length of time covered by a budget is the budget period; usually this period is one year. Some organizations also prepare a long-range budget of five years or more special project and plant and equipment purchase. However, the annual budget is the one that is used to compare current performance with budget plans. An annual budget normally is prepared for an organization’s fiscal year. The annual budget commonly is divided in to quarterly and monthly budgets. Such a budget subdivisions provide many opportunities to evaluate how actual operations are comparing with budgeted operations. A budget must be prepared in sufficient time to be communicated to the appropriate managers because gathering data, making analysis, making decisions, preparing and approving the budget, and communicating the budget takes time. The budget should be based on data from organization records of past operations, current general economic information, consultation with staff members, and reasonable judgments.

2.6. Accounting and Financial Reporting

2.6.1. Financial Accounting Techniques

Accounting to Jones and Pendlebury, (1996) different public sector organizations adopt different accounting practical. The main ones are: budgetary accounting, cash accounting, accruals accounting, commitment accounting and fund accounting. These five are not mutually exclusive. That is one organization might adopt budgetary accounting, cash accounting and/or fund accounting simultaneously. It is also possible for one organization to adopt all five simultaneously. **Budgetary accounting** refers to the practice of many public sector organization and particularly governments keep and present their operating accounts in the same format and

alongside their budgets. The main purpose of this practice is to emphasize the budget's role in the cycle of planning – control – accountability.

Cash accounting system recognizes only cash inflows and cash outflows. The resulting final accounts are summarized cash books. There are no balance sheets because there are no assets and liabilities in the books other than cash balances.

According to the **accrual accounting system**, revenues and costs are accrued (that is, recognized as they are earned or incurred, not as money is received or paid), matched with one another so far as their relationships can be established or justifiably assumed, and dealt with in the profit and loss account of the period to which they relate, provide that where the accruals concept is inconsistent with the prudence concept, the latter prevails.

Commitment accounting is used in conjunction with either cash accounting or accrual accounting. Because it does not make sense to use it in accounting for employees' costs, it only usually applies to a small part of an organization's budget. As a consequence, it is often a sub – system of the main accounting system. Nevertheless, it can be very important, especially to budget – holders.

Fund accounting refers to the method of accounting that reports in terms of funds rather than in terms of organizations. The practical effects of adopting fund accounting depend up on the extent to which different funds are utilized and the form and extent to which the individual fund accounts are consolidated in to one operating statement and one balance sheet.

According to Hay, (2001) the GASB adopted 13 accounting and financial reporting principles for state and local governments: accounting and reporting capabilities; fund accounting system; types of funds; number of funds; reporting capital assets; valuation of capital assets; depreciation of capital assets; reporting long – term liabilities; measurement focus and basis of accounting in the basic financial statements; budgeting, budgetary control and budgetary reporting; transfer, revenue, expenditure and expense account classification; common terminology and classification; and annual financial reports.

2.6.2. Nature of Financial Reports

Accounting to Premchand, (1995) reports prepared by the government for internal and external use are tacitly governed by eight principles: legitimacy, understandability, reliability, relevance, comparability, timeliness, consistency and usefulness.

Legitimacy – reports should be appropriate for the intended users and prepared according to specific standards for their form and content.

Understandability – reports should be understandable to the user. But, because there is no one typical user with defined and immutable characteristics, principle should be primarily viewed as an exhortation to be clear and simple.

Reliability – financial reports are expected to be objective and organizations in the public and private sectors would like, indeed expect, the information to serve their needs. The characteristics of reliable information are somewhat difficult to enumerate and explain. But, by distinguishing facts from estimates, taking large coverage of data, and considering users preference, that would nullify the intent of the report.

Relevance – information is provided in response to an explicitly recognized need. Financial reports should identify the users and their requirements in order to have relevance.

Comparability - the data reported should provide a frame of reference for comparing organization with similar functions so that the cost of providing similar services can be estimated. Providing comparable data is yet another manifestation of being responsive to user needs.

Timeliness - the process of the judiciary and the information provision machinery have common feature that is delay can invalidate their existence. If information is supplied long after the extent of which it is intended the message to users is that compliance is perfunctory.

Consistency - the reports should be consistent over time in terms of coverage (nature of the entity of reporting) classification and the accounting basis consistency does not mean rejection of needed and feasible improvements. Consistency facilitates the preparation and use of data leads to a mutually acceptable framework.

Usefulness - to be useful both inside and outside an agency reports should contribute to an understanding of the current and future activities of the agency's resources and uses of funds and the diligence shown in the use of funds.

According to Engstrom, (2004) financial reports of state and local governments are used primarily to compare actual financial results with the legally adopted budget assess financial condition and results of operations assets in determining compliance with financial-related laws rules and regulation; and assist in evaluating efficiency and effectiveness. GASB concepts statements stress that accounting and reporting standards for state and local governmental units should meet the

financial information needs of many diverse groups; citizen groups legislative and oversight officials and investors and creditors. The concepts statements also make clear that reporting standards for governments recognize that decisions made by these groups involve political and social decisions as well as economic ones. Accordingly, governmental financial reporting standards are much more inclusive than FASB standards which consider the needs of only investors and creditors concerned with economic decisions.

2.6.3. Periodic, Interim and Annual Financial Reports

Accordingly to many most governmental financial reports are concerned with general purpose external financial reporting the needs of administrator's, legislators, and other users not properly classifiable as "external" financial reporting. To fulfill their need the following financial reports should be included periodic interim and annual financial reports. Personnel concerned with the day to day operations and activities accounted for by governmental funds and groups should be familiar with much of the data processed by the accounting information system because it results from the events and transaction with which they are involved it is generally agreed that periodic financial reports are useful to be reported and distributed.

Administrators of a governmental unit have the greatest need for interim financial reports, although, members of the legislative branch of the governmental unit may also find them of considerable use. Other users of interim reports are news media and residents who are particularly concerned with aspects of the financial management of the unit. According to Hay, a complete interim financial report should at least include the following statements and Schedules during the fiscal year: Statements of actual and Estimated Revenue; Statement of Actual and Estimated Expenditure; Comparative Statement of Revenue and Expense; Combined Statement of Cash Receipts, Disbursements and Balance – All Funds; and Forecast of Cash Position – All Funds. Complete interim reports should be prepared and distributed at regular intervals throughout a fiscal period, generally monthly, although small governmental units have little financial activity may find a bimonthly or quarterly period satisfactory (Kattelus and Wilson,2001).

According to Engstrom, (2004) state and local governments are encouraged to prepare a Comprehensive Annual Financial Reports (CAFR). It should be prepared and published, covering all Funds and Activities of the primary government and providing an overview of all component

units of the reporting entity. A comprehensive annual financial report should include: introductory section, management's discussion and analysis (MD and A), basic financial statements (government – wide financial statements, fund financial statements, notes to financial statements), require supplementary information other than MD and A, combining and individual fund statements, schedules, narrative explanations and statistical sections.

2.7 Analytical Tools and Techniques of Fund Management and Utilization

To evaluate the performance of fund management and its utilization, whether the organization is profit oriented or service oriented, organizations have certain financial tools and/or techniques. According to SRF fund management hand book, the main tools and techniques are: cash flow modeling and financial planning/projection, role of auditing/accounting in financial management, present value, grant equivalency, investment return, balance sheet analysis, loan portfolio analysis, key financial measures, and financial indicators (US environmental protection Agency, 2017). The purpose and the preparation of the statement of cash flows, analysis of financial statements, and accounting for the effects of changing prices constitute the final part of a business. These tools evaluate the performance of the business effectiveness and efficiency.

To evaluate the performance of fund management and utilization, whether the organization is profit oriented or service oriented, organizations are expected to have certain financial tools and/or techniques. According to the United State Environmental Protection Agency (EPA) fund management handbook, the main tools/techniques are: Cash Flow Modeling and financial planning/projection, role of Auditing/Accounting in Financial Management, present value, Grant Equivalency, Investment Return, Balance Sheet Analysis, Loan Portfolio Analysis, Key Financial Measures and Financial Indicators (US environmental protection Agency, 2017).

According to GASB'S study, there are three primary groups of users of governmental financial Reports: Citizen Groups; legislative and over sight officials; and investors and creditors. Citizen groups use financial report to evaluate efficiency and effectiveness, compare results of the current year with previous years, assess financial operations and financial conditions, determine compliance with the budget, and advocate certain programs or actions. Legislative and over sight officials use govern mental financial reports to evaluate executive branch funding and spending proposals and monitor fund activity and financial position and analyze fund balances.

Finally, investors and creditors use reports to ascertain the ability of government to rely its debt and they considered to be investor, bond rotors, bond insurers and underwriters.

2.8. Empirical study

Studies conducted elsewhere in Africa established that the lack of training of project team leaders on project management has led to low project completion rates, which is one of the fundamental measures of project management (Rogers, 1990).

The study concluded by Gaturu (2014) showed that the relationship between regularity of monitoring projects and timeliness of completion of projects was significant with majority of the donor-funded organizations having an established Monitoring & Evaluation (M&E) unit to ensure that projects adhere to their timelines.

Gwadoya (2012) found that there was a shared need for proper understanding of M&E practices in donor funded projects. This is an indication that there was lack of shared understanding of M&E practices in donor funded projects among the various teams.

Mensah, (2008) with the research topic, Assessing financial management and procurement capabilities in donor funded projects with the motive of finding whether financial management and procurement capacities exist in the District Assemblies, found that the District Assemblies lack qualified personnel in the area of financial management and procurement which has affected the implementation of donor – funded projects and disbursement.

Adan Haji (2013), with the research topic “Factors Influencing Effective Utilization of Donor Funding “ found out that Financial management is one of the key paradigms that affect how funds are utilized by any organization. Good practice in financial management is important for the effective utilization of funds in every project.(Belay 2008), with the research topic “Fund Management and Its Utilization in Tigray HIV/AIDS Prevention and Control Office” found that even though the majority of the implementing sector organizations know the financial grant agreement, few sectors do not know the grant agreement. Being the respondents are from the finance unit of each organization, implementing without the necessary information (that is, without the grant agreement-that specifies each program versus its cost breakdown) can create a problem in the fund management, proper fund utilization, and timely request and utilization report (Ouma 2012), with the research topic” Factors Affecting the Effective Implementation of Donor Funded Projects in Kenya: a case of World Bank Funded Projects in Kenya”, in his study

indicated that there are various factors that affect effectiveness of World Bank funded projects. These include: inadequate funding; wrong timing in funds disbursement, lack of/or inadequate human resource capacity (Knowledge and skills).

(Arndt 2000) and (Afande 2013) argued that the officers in the donor funds projects chain may lack the formal training in foreign aid management, budgeting and accounting. These weak skills may lead to poor understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor. This may be affected by the quality and timeliness of the liquidation documents complicate the donor fund release, with obvious implications on levels of donor aid effectiveness.

(Mosley 2000) in his findings argument those problems of economic governance and ineffective utilization of development assistance have ranged from lack of coordination between various government agencies; poor monitoring of foreign funded projects. The effectiveness of donor funded projects is determined by both technical and managerial capacity of the human resources of the implementing agencies. In addition, appropriate supportive infrastructure is a necessity issue.

(Yator 2012), with the research topic “Utilization of Donor Funding and its Effects on Economic Development of the Intended Beneficiaries in Kenya” In his study further found out that Problems contributed to the underutilization of fund by a combination of factors such as, delays in releasing of the funding by the donors, delays in mobilization of resources by the implementing NGOs themselves.

2.9 Literature Gap

Fund management practice has not been studied in the government organizations at large and particularly in EPSA. Different researchers are made on utilization aspects of donor’s fund. For instance, (Dejene, (2018) studied on “Assessment of donor fund utilization in Ethiopia: the case of productive safety net program”, (Daniel,(2015) “Determinants of Donor Fund Utilization: The Case of PSCAP in Oromia”, (Haji and Francis, 2013) “Factors Influencing Effective Utilization of Donor Funds with reference to UNHCR and USAID” and (Afande, 2013) had conducted a study on “Factors affecting use of donor aid by international non-governmental organizations in Kenya”. In all these studies, the implementation and utilization of funds and factors of fund on the

nongovernmental organization are addressed so different sectors are involved in the implementation of the fund and the organizational structure of the controller of the government is not included in their study and also the research methodology was a descriptive survey and quantitative approach they used but in this study qualitative approach apply and uses a descriptive survey design on governmental organization is uses.

CHAPTER THREE

3. Research Methodology

3.1. Introduction

This section presents an overview of the methods to use in the research. Areas cover includes the research design, research approach which is the population and sample, the sources of data which is collect and the data analysis.

3.2. Research Design

According to Mouton (1996), the research design serves to "plan, structure and execute" the research to maximize the "validity of the findings". It gives directions from the underlying philosophical assumptions to research design, and data collection. According to Yin (2003) a research design is an action plan for getting from here to there, where 'here' may be defined as the initial set of questions to be answered and 'there' is some set of answers. The study will implicate to evaluate the role of fund management practice in EPSA. Consequently, this research will be design to achieve the objective set out by the researcher.

A descriptive survey way of research method is design for this study because it enables the researcher to reflect out the current information about the assessment of fund management it specifies, describes or reports the nature of a particular situation or phenomenon and usually it allows the collection of data in order to answer questions concerning the current situation of the subject under study and it helps in determining the way of things.

3.3. Research Approach

This study adopted qualitative approach. As per Catherine (2002) qualitative research explores, attitudes, behavior and experiences. It attempts to get an in-depth opinion from participants. This type of research generates statistics through the use of scale survey research, using methods such as questionnaires or structured interviews. This is because information concerning the current status of the phenomena to describe "what exists" with respect to variables or Conditions in a situation and their relationship was obtained (Kothari, 1990).This research was designed and based on two main sources: the primary data and secondary data. The secondary data were collected from annual/ periodic report, budget document, research papers, agreements documents, finance reports. These secondary sources of information were mainly used to support the primary data. The

primary data Collection method used structured questionnaires to collect information related to fund management and the challenges of managing the fund. The questions are open and closed ended. The selection of the concerned bodies is based on department involvement in utilization of the fund.

3.4. Population of study

In research methods, population is the entire aggregation of items from which samples can be drawn (Yin, 2009). A population can be defined as the complete set of subject that can be studied: people, object, animals, plants; organizations from which a sample may be obtained (Shoa 1999).

The total population of EPSA was extracted from updated register human resource department. In EPSA there are 26 departments (23 not all included in the study). Based on the intended objectives, the study was conducted on program and project, forecasting and procurement department. The criterion for selecting these departments to be included in the research was the direct involvement of department in utilization of the fund. totay 27 samples are selected. The distribution looks like as follows:

Table 1.1 Number of department included in the Research

Ser. No	departments	Involved in HIV/AIDS Program	Include in the research
1	program and project	23	23
2	forecasting	10	2
3	procurement department	20	2
	Total	53	27

3.5. Source of Data

3.5.1. Primary data

In this study both primary and secondary data were used to get information about the fund management practices and utilization practice of EPSA.

Prior to collection of primary data, a pilot survey was conducted with a sample size of respondents, in order to insure applicability of the instrument. According to the result and

comment of the employee, the sample size of RDF department was excluded from the research since it is government fund and all the program staff was included in the research .Moreover, interview one manager and three case team leader were interviewed and 4 key informant employees were included in the interview.

Data can be collected from the population using the following data collection technique or instruments questionnaires or interview, each is described below.

3.5.1.1. Questionnaire

A series question that easy to understand and convenient to answer but can be described the intended practices or behaviors were formulated in to a questionnaire. Shoa, (1991) defines a questionnaire as a formal set of questions or statements designed to gather information from respondents that accomplish research objectives. In this respect the questionnaire when answered by EPSA staff would be able to tell as about the practices of that particularly organization the way they manage their resources.

The questionnaire may have either structured, semi structured or unstructured questions. The structured questions are convenient easy and take less time to answer because option are available to respondents from which they tick options that best describes their practices, opinions or attitudes. The disadvantage is that they restrict the respondent in choice. The available options from which they have to select may not be exhaustive to describe the situation of the respondent. The unstructured questions are not restrictive to the respondents.

The questions are open and elicit answers from the respondent without limiting them to determine options and they may be best describing the situations at hand. The disadvantage is that they take a lot more time from respondent to fill and they require the respondent to recall certain information without the benefit of predetermined options.

For the purpose of the study, both structured and closed ended questionnaire were designed and distributed to randomly selected employees of EPSA. The main content of questionnaires are source of fund, fund management tools, prompt fund utilization and unsettled amount of each programs. Prior to collection of primary data, a pilot survey was conducted with the sample size of respondents, in order to insure applicability of the instrument. According to the result of the respondent and comment of the respondents, questionnaire were distributed to key informant of 27 employees .The total 25 questionnaire were received back and 25 completely filled and retained

to use in the final analysis.

3.5.1.2. Interview

Interview as opposed to questionnaires require more in-depth answers and takes longer and more resources to carry out .it requires setting up an appointments at the convenient of both the researcher and respondents and t takes longer period of time to get as much information you could get from the questioner(shoa, 1999).The questions of the interview as with the questionnaire may either be structured, semi-structured or unstructured ,the interview may either be face to face or a telephone interview.

For the purpose of the study, unstructured semi structure and in-depth interview were conducted with both finance, procurement and forecasting officers. Interviews were asked questions about the major challenges in utilizing the received amount and factors that result long outstanding balance in EPSA. Out of 2 directors planned to be interviewed, two of them were interviewed. Seven key informants were included in the interview.

3.5.2. Secondary data

Secondary data were collected from financial report documents, Audit document, statement of expenditure report (SOE) and other related reports. The relevant data on the source of fund, amount of grant agreed, received and application of the fund for each sources were also collected from EPSA finance office.

3.6. Data Analysis and Presentation

The questionnaire filled were further edited and verified before data entry. The edited data was entered in to software called SPSS (statistically package for social science).The entered data were first cleaned, verified, processed and analyzed. In the process of explaining and presenting the output of financial data-pie chart, cross tabulation, percentage were among major statistical method employed for data interpretation. On the other hand qualitative data generated from different source were cautiously summarized and included under each chapter and topic by citing and instrument used.

CHAPTER FOUR

4. Data Analysis and Discussion

This chapter describes the main issues of the actual findings which are based on the organization's strategic management documents, accounting and financial records, budgeting records and processes, and main intervention areas. Besides, it will be identified the sources of funds, a flow of fund, its accounting and financial management system, nature of financial reporting, number of fund providers involved in HIV/AIDS. Furthermore, the paper consists of the actual performance of fund management and utilization of EPSA. Finally, this research identifies the challenges fund management and its utilization.

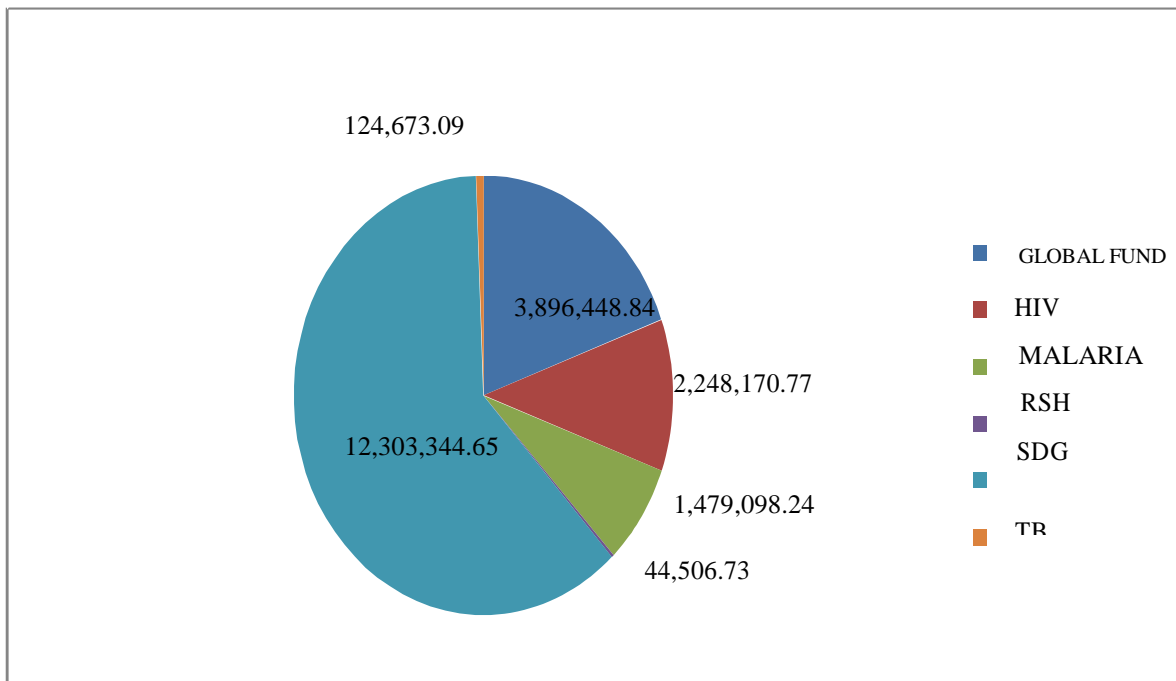
4.1. Flow of funds and source of fund

According to the financial manual, source of fund for EPSA are from both internal and external sources. EPSA receive fund from HIV AIDS Prevention and Control for procuring and distribution of HIVAIDS related Products. In addition to this, EPSA receive fund from Ministry of Health for procuring and distribution of TB, Malaria, Family health and other related health Products.

4.1.1. Budgeting/source of EPSA

Budgeting is a system to identify activities necessary to achieve the program objective and express these activities in financial terms. Budget is a document of financial plan for a specific purpose. Budget besides being an instrument for specifying revenue measure and distribution of resources, the budget is also employed as a mechanism to compare actual expenditure with the budget and asset the performance of budgetary unit. EPSA enter in to grant agreement with HAPCO for HIV program. The grant agreement states the amount of funds to be received over a period of time. In this, study only received funds are taken as approved budget not agreed amount. Revolving Drug Fund (RDF) - primary mandate is to maintain the fund for purchase and delivery of Essential Pharmaceuticals needed by health facilities.

Sources of funds in Birr per one Thousand



Source: SOE report of EPSA

In recent years, source of fund in EPSA was reported to have increased from sharply 541 million birr in 2010 E.C to 2.4 Billion birr in 2012 (up to month of December 2012 E.C). SDG- Majority of the fund 3.1 billion was transferred to EPSA before 2010 E.C.SDG fund was also allocating a large amount of fund (44%), 32% Global fund, 21% Malaria, 1% RSSH, and 2% TB(refer Appendix 1).

Thus clear that purchasing of HIV, TB, MALARIA Family Health and other related Health drugs is predominantly supported by donor and in the medium term future. This is an indication that implementation of these programs are highly dependent on donor funds. It is the fact that over dependence on the external source for these programs is a long term problems that needs to be address, particularly if the donor(s) pull out (sustainability issue).

4.1.2. Fund Flow Structure

The flow of funds is structured with in the financial manual of the office. Even if federal HAPCO

and MOH is responsible body for the overall HIV/AIDS, TB, MALARIA Programs regions are also responsible for the projects in their location. EPSA is collected Fund from MOH and HAPCO.

Fund receipt and expenditure statements and physical reports are submitted to the appropriate funding agencies for settlement of advances. In other words, EPSA that are funded by MOH and HAPCO should submit the fund receipt and statement of expenditure to MOH and HAPCO. HAPCO and MOH also submit the statement of expenditure (SOE) for its fund providers separately by summarizing the implementers' SOE for reimbursements to the funding agencies.

The flow of fund is administered as stated above while approval for funding is based on budget.

The flow of fund to EPSA looks like as follows:

Flow of Fund to EPSA

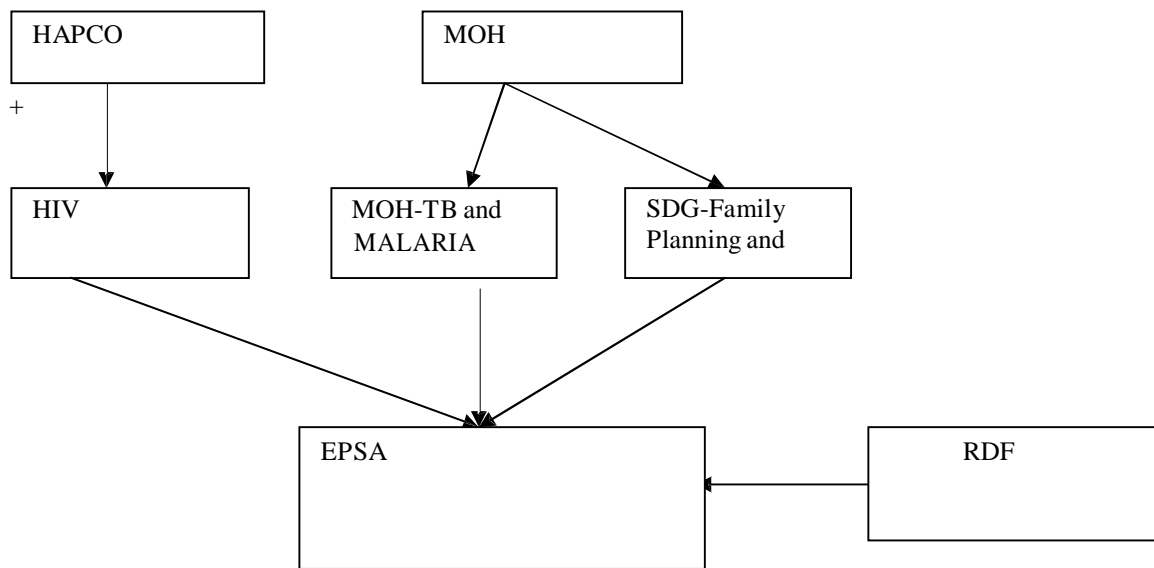
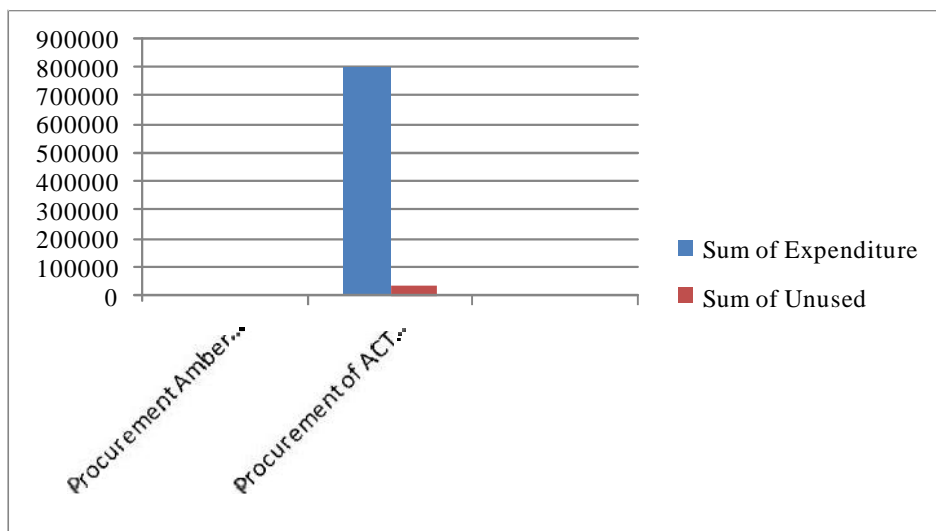


Fig.2Flow of funds

4.2 Fund Utilization

The Global Fund (GF) is an international financing organization, designed to accelerate the end of AIDS, tuberculosis and malaria epidemics by providing support to countries in the response to the three diseases. HAPCO enters into contractual agreement With the Global Fund as a principal recipient for implementation of HIV AIDS Program and on the other hand Ministry of Health enters into contractual agreement With the Global Fund as a principal recipient to Fight Tuberculosis and Malaria.

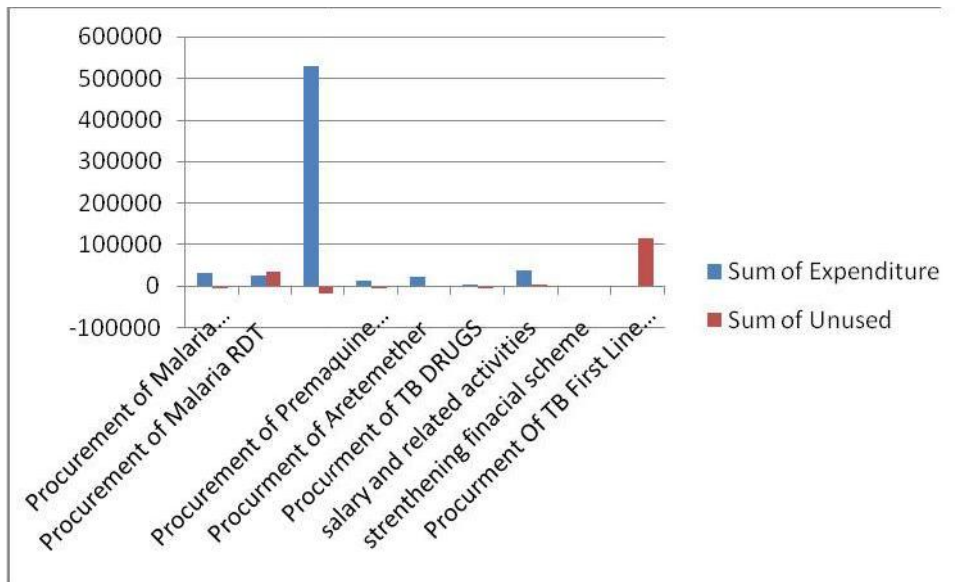
Fund Utilization of Malaria NFM I year 2 closing



SOURCE-SOE Report of EPSA

Figure 3 provides information on the expenditures and the unsettled balance as of Sep, 2019. As first and third activities were not procured on the project duration period and in the second activity was not procured and settled fully. The total unsettled amount of 35 million was reimbursed back to Ministry of Health due to project termination period.(refer Appendix 2)

4.2.1. Fund utilization and unsettled amount of MALARIA, TB and RSHH

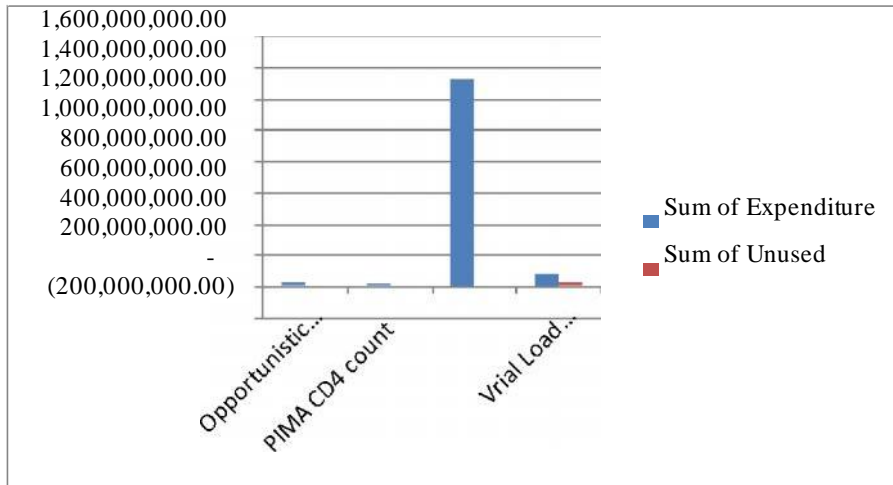


SOURCE-SOE Report of EPSA

Figure4 provides information on cumulative Expenditure of TB, Malaria and RSHH program. Expenditure of TB, Malaria and RSHH program for different activities increased from 475 million up to 625 Million birr.

Fund utilization rate of TB, Malaria and RSHH is calculated based on the money spent over money received. According to this formula, fund utilization rate of TB, Malaria and RSHH program reaches 97%, 3% and 85% respectively. The unsettled amount is determined by deducting from 100%. The unsettled balance of TB, Malaria and RSHH is 3%, 97%, and 15%. According to the in-depth interview, Amount of money for procuring of TB program was received one month before the end of the research period (received on October 2020). The Global Fund is absorbed on time. (Appendix 3)

4.2.2. Fund utilization of HIV Program



SOURCE: EPSA SOE REPORT

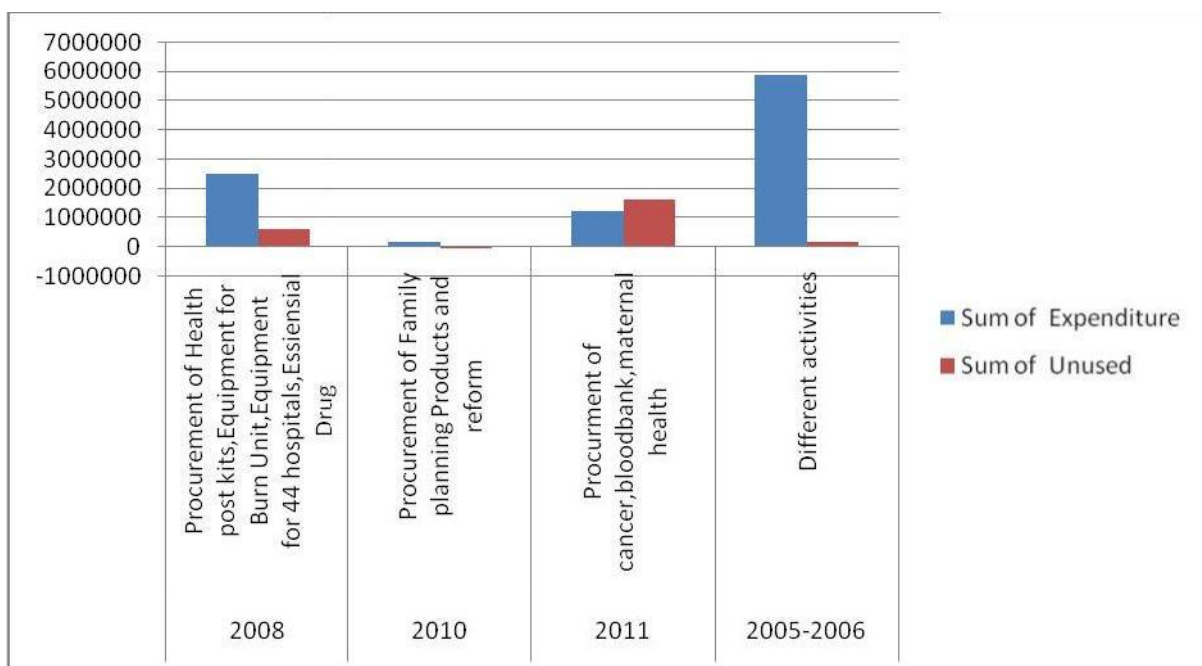
Out of four EPSA HIV program activities listed above in the Figure 5, majority of the expenditure spent for procurement of ARV, followed by VIRAL LOAD, OI & PIMA respectively. 99% of HIV Program was expended. However based on the in depth interview and analysis of source document, the unsettled balance in dollar is 2 million and in birr are 18 million not the same due to exchange rate issue. (Refer Appendix 5)

4.2.3. SDG

The Sustainable Development Goals Fund (SDG Fund) is an international multi-donor and multi-agency development mechanism created in 2014 by the United Nations to support sustainable development activities through integrated and multidimensional joint programs. Its main objective is to bring together UN agencies, national governments, academia, civil society and business to address the challenges of poverty, promote the 2030 Agenda for Sustainable Development and achieve SDGs.

Ministry of Health centers in to contractual agreement with donors and there by coordinate the implementation to meet the sustainable development goal. MOH transfer fund to EPSA to facilitate SDG procurement related activities to implement the program.

Fund utilization of SDG program



Source: EPSA statement of expenditure report

Figure 6 provides information on cumulative Expenditure of SDG program. Expenditure of SDG program for different activities increased from 459 million up to 1.4 billion birr. Fund utilization rate of SDG is calculated based on the money spent over money received.

According to this formula, fund utilization rate of SDG program reaches 82%. The unsettled amount is determined by deducting from 100%. The unsettled balance of SDG is 16%.

According to the in-depth interview, out of the unsettled amount of 595 million birr, unsettled amount 176 million birr was budget of 2005-2006 E.C and unsettled amount of 611 million budget of year 2007-2008. The remaining amount of unsettled balance was for the year 2010-2012. The projects delay to take off, researcher observe that making the money stay unused for a long time. That is the major problem.

Unused funds remain for longer than necessary after program end date. These also affect the next disbursement fund from funding agency. The SDG Fund is not absorbed on time because of poor follow up and monitoring of the long outstanding balances. (refer Appendix 1 and 6)

4.3. Accounting system, Fund Accounting and Financial Reporting systems

4.3.1. Accounting system

EPSA has been following the international public sector Accounting Standards in recording and reporting of financial transactions of its fund. EPSA establish and maintain accounting systems and financial record to accurately account for fund received from internal and external sources. To match the revenue and expenditure of the office, it uses modified cash basis of a double entry accounting systems.

As it is modified cash basis, collections are treated as revenue when actually collected and expenditures are recognized when actual payments are made.

According to the interview with project finance head question was how EPSA is able to control the different fund it solicits for HIV, TB, Malaria and SDG source of fund and the accounting system it follows to manage the fund. The response revealed that EPSA follows a modified cash basis accounting for all donor funds. But for the RDF fund the EPSA uses accrual basis of Accounting.

4.3.2 Receipts and procurement

EPSA is as a coordination office for procuring pharmaceutical, Medical supplies, Medical equipment, chemical and reagents. The HAPCO transfer fund to EPSA so that EPSA procure pharmaceutical, Medical supplies, Medical equipment and chemical and reagents HIV related products and distribute these health products to regions.

On the other hand the MOH transfer fund to EPSA so that EPSA procure pharmaceutical, Medical supplies, Medical equipment and chemical and reagents TB, MALARIA and SDG related health products and distribute these health products to regions.

4.3.3 Nature of the financial report

A complete cycle of business operation is usually assured to occur every twelve month. However, for effective control by management, monthly statement of expenditure prepared and interim financial report are prepared and summarized all financial transaction of the organization related to activities of the EPSA.

EPSA is required to prepared and submitted monthly statement of expenditure HIVADS

Prevention and Control office as well as Ministry of Health as per formats agreed. In addition to this, distribution of pharmaceutical and stock status report is required to be submitted on quarterly basis.

EPSA Produce financial report and submit to various interested parties such as board of directors, HAPCO ,Auditors and MOH .These report generally includes statement of expenditure, status report, trial balance, bank reconciliations report, application and uses of fund and statement of receipt and expenditure.

Tale 4.3.1 Challenges of Submission statement of expenditure

Question	Choice	No of respondent	percentage
Challenges of submitting SOE	Delay Procurement	10	40%
	Late GRNF Notification	3	12%
	Clearing issue modjo and airline etc.	8	32%
	Late reporting	1	4%
	All	3	12%

The above table shows majority of the respondent 40% replayed that delay of procurement and followed by clearing problem (32%).The 12% of the respondent late raise GRNF(good receipt notification form) challenge to report SOE on time.

4.4 Challenges of effective and efficient fund management

Regarding the main factors that influence effective and efficient fund management, according to in-depth interview participant’s view under majority of the respondents have supported that Weak contract management, Weak Inter–departmental communication, Lack of Continuous fund utilization control and delay in release of funds are the major factor, more than 84% of the respondents said these factors influence efficient and effective fund management of the organization.

Lack of Continuous fund utilization control in some EPSA aligned with procurement and contract management department; Supplier failure to deliver the goods based on agreement creates difficulty to control and managing resources.

This implies, EPSA have different internal and external factors that impairs its effective and efficient fund management practice. Interview's view on factors that influence effective and efficient fund management

Internal factors

- **Weak contract management**

SDG and Global funds are available for purchase of pharmaceutical, medical supplies laboratory reagent and equipment. Negotiations may be carried out with the selected supplier regarding payment terms, supplementary terms and conditions, delivery, amendment, etc. Contract amendment includes extension of time to complete the contract, sometimes not in line with project completion time. This made the organization purchasing and receiving of items after closing grants and funding agency didn't accept the expenditure rather requisite for reimbursement of funds.

- **Weak Inter –departmental communication**

There is a need to have a proper plan, a better communication and coordination among different departments, a regular follow up and follow through, an emphasis on completion of tasks on time and with quality.

- **Continuous monitoring & evaluation system**

Significant delays in grant closure remain which were caused by lack of routine monitoring and accountability for grant closures. For example, no regular reporting is performed on grants due to be closed, which would ensure smoother and more systematic follow-up of delays. This also indicates a gap weak follow up of the funding agency.

- **Not Timely fund utilization and utilization report submission**

There are weak controls ensuring that all funds have been received had expended before grants are closed. There is no systematic tracking to ensure that the no cash refunds made to funding agency. This is an indication of weak management attention.

External factors

- **Delay in release of funds**

Delay in transfer of funds to EPSA it postpones the implementations of the project. In case of local purchase, suppliers needs advance payment of 30% to start production and deliver the product to the organization. In SDG funds, due to existence long outstanding balance, there is a delay in transfer of fund from funding agency.

- **Supplier failure to deliver the goods based on agreement**

When the organization receives a request from a supplier to modify a contract, it should review the request in order to analyses its impact on the schedule of completion, price, quantity and quality. But this kind of control is not in a place.

4.5 Fund Sustainability

About the financial sustainability of the organization, researcher measure the sources of funds based on Foreign Donation & Local resource. As per the in depth interview, EPSA(HAPCO and MOH) is not in good position of fund sustainability because it is highly dependent on foreign donation EPSA(HAPCO and MOH) devise deferent strategy to sustain its funds by mobilizing local resources, involving fund raising activities and activities income generating activities (self financing).

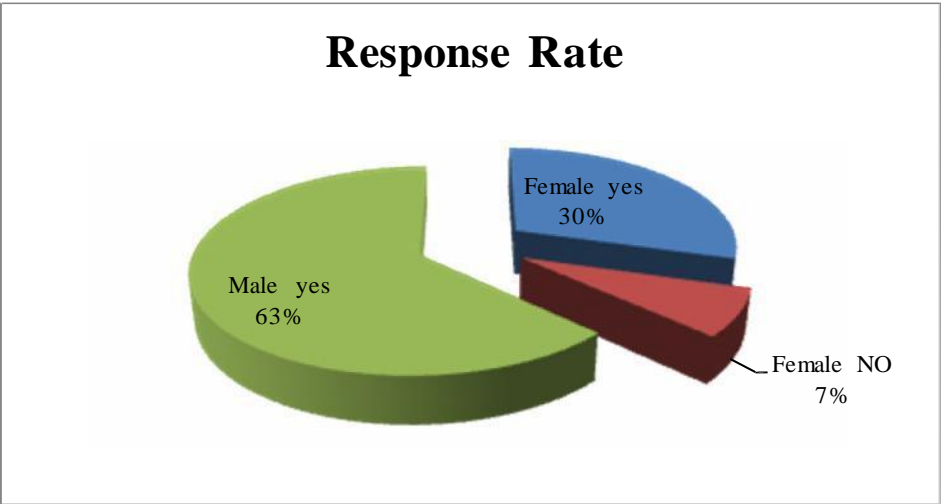
4.6 Respondent Background and profiles

This section looked at the response rate of the respondent, profile of the respondent which includes the sex, education level, nature of employment, work position as well as duration for which they have been carrying out HIV, TB and Malaria projects.

4.6.1Response rate

Questionnaires were mailed to 27 employees of EPSA. After allowing for mail to reach the respondents, phone call was made to the employee to persuade them to participate in the survey.

This was necessary in order to increase the respondent rate to an acceptable rate.



Twenty seven questioners were distributed to and out of 27 employees, 25 were completed received back and the 25 were completely filled and retained for use in the final paper.

The demographic respondent of the profile is presented in the below

4.6.2 Gender Distribution

From the table 2, out of twenty-five (25) respondents, fifteen (60%) were males and ten (40%) being females. Two out of the total twenty seven targeted respondents did not respond at all. There appeared to be more males as compared to females although, focus of the study was not to find the number of males and females in EPSA. The table also shows a high response rate concerning the questionnaire administered which could probably be the good personal relationship the Researcher has with the respondents.

Demographic profile of respondents

Profile choice	Description	No of respondent	% of respondent
employment nature	Contract	6	24%
	Regular	19	76%
	Grand Total	25	100%
Work position	Directorate Director	2	8%
	Junior Accountant	6	24%
	Senior Accountant	11	44%
	Team leader	3	12%
	Technical Expert	3	12%
	Grand Total	25	1
Sex	Female	10	40%
	Male	15	60%
	Grand Total	25	100%
Education level	ACCA	3	12%
	Degree	9	36%
	Master	13	52%
	Grand Total	25	100%
Experience	a) 1-3	2	8%
	b) 3-5	2	8%
	D) more than 8yrs	21	84%
	Grand Total	25	100%

Source: Human resource department of EPSA

4.6.3. Education

The study revealed as shown in Table: that one (9) person (36%) were degree holders whilst three (3) have professional Accounting background and ten (13) People (52%) were Master degree holders. In all, two people did not answer this question.

Almost all of the total respondents had tertiary education. It was therefore, not surprising that they were able to do critical and independent thinking and make informed decisions. This reflected the thought provoking answers and suggestions given. This in a way partly addresses the objective of finding out whether the Assembly has the needed qualification and skill to manage

donor funds.

4.6.4. Experience

Table shows that 84% of the respondents have handled their current position for at more than 8 years hence all other things being equal, reflecting in-depth experience in their current positions.

4.7. Summary

According the data analysis and discussion, in last two and half years, EPSA had received money, procured health products and settled large amount of money to for HIV, TB, Malaria and SDG supported Activities. Furthermore, the analysis indentified that the EPSA has satisfactory fund utilization in these two and half years/.

EPSA had received, Procured heath products, and settled a large amount of money Furthermore, the analysis identifies that EPSA have effective and efficient HIV/AIDS fund management and utilization in these 2 and half years.

Besides, we can understand that Global fund, SDG are the major leading sources of fund for the last 2 and half years, they have also best performance in fund utilization (excluding unsettled balance brought forward of SDG. However, EPSA have challenges in the implementation of HIV/AIDS,TB, Malaria and SDG fund management and its utilization. EPSA have different internal and external factors that impairs its effective and efficient fund management practice .The internal factor are Weak contract management, Weak Inter–departmental communication, Lack of Continuous fund utilization control and external factors delay in release of funds, regiment shift, supplier failure to deliver based on agreement.

CHAPTER FIVE

5. Summaries, Conclusion and Recommendation

5.1. Introduction

Having come this far from understanding the fund management practice source of financing, disbursement, utilization rate and acknowledge the challenge and issues related to fund management practice. This chapter present major findings of the analysis made in previous chapter. Recommendations have been made to address the issue and challenges that emerged from the analysis. This chapter ends with the concluding remarks of the study.

5.2. Summaries

1. Lack of strict follow-up on long outstanding balance

The unsettled amounts of SDG program are large amount which affect next disbursement made by MOH as well as the implementation of the program. There is still unsettled amount of 176 million birr which have been received in the year 2005 and 2006. In addition to this from the amount of money received in the year, 2007 and 2008, 611 million is still outstanding balance.

2. Late disbursement

HAPCO and MOH delay in transfer of fund to EPSA on time. Since EPSA raise disbursement request based on the purchase order approved. After the approval of the purchase order, supplier expects payment immediately. This results delay in receiving the goods and utilization of the fund.

3. Reimbursement of fund

Some of the items were not procured on the project duration period and in the 2nd activity was not procured and settled fully. The total unsettled amount of 35 million was reimbursed back to Ministry of Health due to project termination period.

4. Exchange rate issue

In HIV fund, the unsettled amount of USD is 2 million whereas this unsettled balance is reported as 18 million birr. This kind of report leads to underutilization of the grant.

5. Unutilized and lack of coordinated follow up

Under spending of the donor fund affects donor confidence and adversely affect the delivery of each program under the study. It is very difficult to justify requirement of more funds when EPSA

failed to procure what have been allocated for a given period of time. There is still a gap in coordination and utilization of donor fund to facilitate tracking.

6. Donor dependence

EPSA was seen to be highly dependent on donor funds. This over dependence on external funding for national TB, HIV, MALARIA and SD response is a long term problem that needs to be addressed, particularly when donor(s) pull out.

7. Contract management issue

In the contract management, suppliers unable to deliver based on the agreement and request for extension of Letter of credit. Extending the letter of credit date became an issue when it bypasses the donor agreed deadline.

5.3. Conclusion

EPSA is responsible for procuring of pharmaceuticals, medical supplies, medical equipment and chemical reagent and distribute these products to the community through its branches. To procure and distribute these products, EPSA mobilize resource from HAPCO and MOH.

According to the data analysis and discussion, it is possible to conclude using the following points about EPSA fund management and utilization.

HAPCO enters into contractual agreement With the Global Fund as a principal recipient for implementation of HIV AIDS Program and on the other hand Ministry of Health enters into contractual agreement With the Global Fund as a principal recipient to Fight Tuberculosis and Malaria. Ministry of Health centers in to contractual agreement with donors and there by coordinate the implementation to meet the sustainable development goal. MOH transfer fund to EPSA to facilitate SDG procurement related activities to implement the program. The major funding sources are HAPCO and MOH.

The fund management and its utilization practice has a vital benefit for EPSA, because it can enable them to know the main factors that hindered effective and efficient fund management and utilization practice which needs to be reduced.

In EPSA, the fund utilization has good fund utilization trends over the last three and half years. Hence, this study attempted to address the issue of fund management and its utilization of EPSA.

The identified gap leads to the formation of general objective in the study. That means the fund

management and its utilization practice in EPSA. Therefore, the study tried to show the major factors that affects the effective and efficient fund management and its utilization practice in EPSA.

5.4. Recommendation

The recommendations that are put forward in the study are based on the data analysis. The recommendations are as follows

1. Ensure financial sustainability

Funds that are received from donors for a specific purpose are known as restricted funds. FHAPCO and MOH should devise deferent strategy to sustain its funds by mobilizing local resources, involving fund raising activities and activities income generating activities (self-financing).

2. Follow up of project execution

Follow up of project execution is necessary to assess whether budget allocations match project objectives originally planned, and whether significant variances between the original budget and actual expenditures need to be adjusted for the remaining time period

3. Coordinated follow up

The improvement of the budget management systems and expenditure planning should be seen as a part of an integrated strategy of better use of the resources of the agency. This creates conducive environment for utilization performance and provides greater transparency, accountability and flexibility.

The status of unsettled balance should be prepared in line with contract management department. Status report should include received amount of each purchase order, settled amount, remaining, and reason of why not received and when it will be received fully.

BIBLIOGRAPHY

- A.N.Mosich (1989): Intermediate Accounting, Revised 6th Edition, McGraw-Hill, New York.
- A.Premchand (1995): Effective Government Accounting, IMF, Washington D.C.
- Copley and Engstrom (2004): Essentials of Accounting for Governmental and Not-for profit Organizations. 7th Edition, McGraw-Hill, Boston.
- D.Henley, et al, (1992): Public Sector Accounting and Financial Control, 4th edition, Chapman and Hall, London.
- Department of Housing and Urban Development, (1999): Volume 1, Issue 1, United States.
- Dufty and Monrol, (1982): Introductory Accounting principles and practices, 2nd edition, Longman Cheshire PLT, London. Government and Nonprofit Entities, 12th Edition, McGraw Hill, New York.
- Belay, H. (2008): *Fund Management and its utilization in Tigray HAPCO*, (Research Paper) Addis Ababa University, Addis Ababa, Ethiopia.
- CRDA, (2004), Compilation of good practices of selected NGOs. HIV/AIDS Forum Christian Relief and Development Association, Addis Ababa, Ethiopia.
- Danbaki, C (2012), Funds Utilization and its Impact on Research Institute Libraries.
- The Manager Ebrahim, A. (2004), *Seeking NGO-DONOR partnership for greater effectiveness and accountability*, Virginia: Inter-American Development Bank (IDB).
- Edwards, M. & Hulme, D (1995). *Non-Governmental Organizations: Performance and Accountability*. Beyond the Magic Bullet. London: Earth scan.
- Falk, S. (1994), When Budgeting, Focus on Value: Nine Strategies for Value Basing. Public Management.
- Fowler, A. (1995), *Assessing NGO performance: Difficulties, dilemmas and a way ahead*. In M. Edwards & Hulme, D. (Eds.), *Beyond the magic bullet: NGO performance and accountability in the post-Cold War world*. London: Earth scan, and West Hartford. Kumarian Press.
- Financial Administration Act (2003) Act 654, part v, section 40-44
- Hornigren C. T., Sundem, G. L., Stratton, W. O., Burgstahler, D. & Schatzberg, J. (1999). *Introduction to Management Accounting*. (11th Ed.). New Jersey: Prentice Hall-K
- Hendrickse, R. F. (2008) *Governance and financial sustainability of NGOs in South Africa*, PhD Dissertation University of the Western Cape.
- Irving Tenner and Edward S. Lynn, (2006): *Municipal and Government Accounting*, 4th Edition, Parentice-Hall.

Torsvik, G. (2005). "Foreign economic aid: should donors cooperate?" *Journal of Development Economics* 77, 503 -515.

Kothari, C. (2004). *Research Methodology, Methods and Techniques (2nd ed)*. New Delhi: New Age International Ltd.

Annexes

Appendix 1 Total REVENUE RECEIVED FROM DONOR

PER1/1000birr

SOURCE OF FUND	SOURCE OF FUND	PROGRAM	BEFORE	Fund Received in 2010	Fund Received in 2011	Fund Received in 2012	Total
GLOBAL FUND	NFMII	TB				124,673.09	124,673.09
GLOBAL FUND	NFMII	MALARIA			543,523.90	99,052.82	642,576.72
GLOBAL FUND	NFMI	MALARIA		495,463.33	341,058.20		836,521.53
GLOBAL FUND	NFMI	RSSH		19,200.78	17,958.13	7,347.82	44,506.73
SDG	SDG	SDG				26,339.36	26,339.36
GLOBAL FUND	NFMII	HIV			1,477,834.69	770,336.08	2,248,170.77
SDG	SDG-2007	SDG	1,466,319.00				1,466,319.00
SDG	SDG-2008	SDG	1,641,209.79				1,641,209.79
SDG	SDG-2010	SDG		27,222.20	140,424.94		167,647.14
SDG	SDG-2011/12	SDG			1,413,918.13	1,436,238.90	2,850,157.04

Appendix 2 Total EXPENDITURE

SOURCE OF FUND	SOURCE OF FUND	PROGRAM	BEFORE	1000 2010	1000 2011	1000 2012	Total
GLOBAL FUND	NFMII	TB				9,813.68	9,813.68
GLOBAL FUND	NFMII	MALARIA			260,650.39	609,303.53	869,953.91
GLOBAL FUND	NFMI	MALARIA					-
GLOBAL FUND	NFMI	TB		456,423.72	344,931.57		801,355.29
GLOBAL FUND	NFMI	RSSH		19,200.78	17,958.13	6,066.60	43,225.51
GLOBAL FUND	SDG	SDG				26,339.36	26,339.36
GLOBAL FUND	NFMII	HIV			440,126.11	1,459,097.09	1,899,223.20
SDG	SDG-2007	SDG	1,029,325.11	100,035.33	810.27	37,134.35	1,167,305.06
SDG	SDG-2008	SDG	544,244.32	334,328.95	208,728.17	241,642.17	1,328,943.61
SDG	SDG-2010	SDG		25,482.42	140,424.94		165,907.36
SDG	SDG-2011/12	SDG			110,615.85	1,122,603.33	1,233,219.19

**Appendix 3 Fund Utilization Report of Global Fund Grant
MALARIA NFM I**

<i>PROGRAM</i>	<i>Activities</i>	<i>Transferred in Birr</i>	<i>SoE yet to date / Cummulative</i>	<i>unsetteled Balance</i>	<i>%COMPLETION</i>
Malaria	Procurement Amber Bottle-Malaria,and microscope	1,373.48	-	1,373.48	0%
	Procurement of ACT Premaquine,andbendiocarb	835,905.21	802,112.45	33,792.76	96%
	Procurement of chemical for malaria	616.32	616.32	-	100%
	Total	837,895.01	802,728.77	35,166.24	0.96

Appendix 4 Fund Utilization Report of Global Fund Grants MALARIA AND TB,RSHH

<i>Programs</i>	<i>Activities</i>	<i>Received Amount</i>	<i>Expenditure</i>	<i>Unused</i>	<i>%</i>
Malaria	Procurement of Malaria Comodites (ACT)	31,219.26	31,115.07	104.19	100%
	Procurement of Moseqito bed net	512,304.64	528,214.64	(15,910.00)	103%
	Procurement of Premaquine Phosphate	13,876.16	13,870.71	5.45	100%
	Procurement of Malaria RDT	62,291.84	26,257.17	36,034.66	42%
	Procurment of Aretemether	22,884.82	22,541.68	343.14	99%
		642,576.72	621,999.28	20,577.44	97%
TB	Procurment of TB DRUGS	9,925.03	4,227.68	111.34	43%

	Procurment Of First Line Medicines	114,748.07	-	114,748.07	0%
		124,673.09	4,227.68	114,859.41	3%
RSHH	salary and related activities	44,506.73	38,440.14	6,066.60	86%
	strengthening financial scheme	1,794.28	911.34	882.94	51%
		46,301.01	39,351.47	6,949.54	85%

Appendix 5 Fund Utilization Report of SDG Family planning, medical equipment

<i>Programs</i>	<i>Activities</i>	<i>year of budget transfer</i>	<i>Received Amount</i>	<i>Expenditure</i>	<i>Unused</i>	<i>%</i>
SDG	Procurement of Health post kits, Equipment for Burn Unit, Equipment for 44 hospitals, Essential Drug	2008	3,107,528,787.73	2,496,248,671.17	611,280,116.56	80%
	Procurement of Family planning Products and reform	2010	167,647,140.73	183,053,861.11	(15,406,720.38)	109%
	Procurement of cancer, blood bank, maternal health	2011	2,850,157,037.82	1,233,219,186.75	1,616,937,851.07	43%
	Different activities	2005-2006	3,944,212,546.29	5,883,341,854.40	176,672,358.18	149%
			10,069,545,512.57	9,795,863,573.43	2,389,483,605.43	

Appendix B
Interview schedule
Saint Mary's University School of
Graduating Studies Department of
Business Administration

Questionnaire to EPSA

I am undertaking a research project in partial fulfillment of the requirement for Master of Business Administration in Accounting and Finance. The purpose of this research is to assess the fund management practice in EPSA .I will be very grateful if you can take some time off your busy schedule to complete this questionnaire. Be assured that this research is solely for academic purposes. The information provided will be treated as confidential and the identity of respondents will be kept unspecified.

Thank You for your time & cooperation

1. What are the internal and external sources of funds in your organization (Please tick more than one if you have several donors)

a. Global fund

b. World bank Fund

c. Pooled fund

d. CDC

e. UNDAF

f. IGAD

g. Treasury

h. Internal Revenue

2. In which program does each donor involving?

a. Prevention

b. Treatment

c. Care and support

d. Other specify -----

3. What types of replenishment system does your organization put in practice?-----

4. Is the replenishment system similar among the donors?

a. Yes

b. No

5. If your answer to Q#4 is No, state the difference? -----

6. What accounting system is adopted for each source of funds?

a. Modified cash basis

Accrual basis

c. Cash basis

7. What do you say about the fund and program (project) sustainability in the organization? -----

8. Which of the following funds are currently inactive?

a. Global fund

b. World bank Fund

c. Pooled fund (DFID)

- d. CDC
- e. UNDAF(UNDAP)
- f. IGAD
- g. Others

9. What is the reason for Withdrawal of Donor?

- a. Under Performance
- b. Donor fund raising issue

c. Other specify -----

10. What are the main tools of fund management in your office?

- a. Conducting pre-grant assessment
- b. Appraising action plan (budget)
- c. Entering financial grant agreement
- d. Providing training to implementing sectors
- e. Taking continuous monitoring & evaluation

f. Other specify -----

11. What accounts for the delays in the settlement of unsettled of the Fund in the hand of beneficiaries?

a. Implementation capacity issue

b. Dalliance disbursement of fund

c. Funds are not demand driven

d. reporting Problem

e. Others specify -----

12. The possible tools for proper fund utilization in your organization are (Use an "X" mark and use one or more than one choice):

a. Utilization based on agreement b.

Timely fund utilization

c. Continuous fund utilization control

d. Timely submission of utilization report

e. Continuous monitoring & evaluation system

13. What is the prerequisite set by Donor to disburse the next round?

a. Verification of SOE

b. Fixed asset registration c.

Audited report

d. Other specify -----

14. What would you recommend for the improvement of the disbursement and utilization of the fund? -----

15. Does the organization have financial reporting to management, the governing board, and donors?

a. Yes

b. No

16. If your answer is Yes to Q#16 how often a.

Monthly

b. Quarterly

c. Semi Annually

Annually

17. Is financial reports can be utilized to track resources, monitor programme spending against budget allocation and assess the cost effectiveness of programmes ?

a. Yes

b. Not relevant

c. currently on progress

18. How do you rank the HIV/AIDS fund utilization in your organization?

- a. Good
- b. Very good c.
- Excellent
- d. Satisfactory

19. In the above question, you have graded (ranked) your organization. What are the main criteria in ranking your organization?-----

20. Does it have any difference of approved budget and received amount?

- a. Yes
- b. No
- c. Difficult

21. If the expected answer for # 28 is “Yes,” the possible reasons for variation between approved budgets (project) and received amount is/are

- a. Delayed budget (project) release b.
- Delayed settlement by SOE
- c. No request on time d.
- Poor fund utilization
- e. Give little attention to the program

f. Tight procedures & regulations of the fund g.



Budget year is over



Appendix B
Interview schedule
Saint Mary's University School of
Graduating Studies Department of
Business Administration

Interview

This interview question is part of the study's , to assess fund management & its utilization of EPSA. You are urged to respond the information requested here as accurately as possible. It will only take a few minutes. Hence, researcher greatly appreciates your willingness to take time to answer the following interview questions. Please give your frank and unreserved opinion. The information that researcher get will be used for professional and academic purpose only and it will be strictly kept confidential as well only the analyzed results will be released.

I thank you in advance for your anticipated cooperation.

Interviewee's Department -----

1. What is your position in the organization?

2. How many years of experience do you have in the organization?

3. What are the sources of fund in EPSA?

4. How do EPSA manage its Funds?

.....

5. How do EPSA utilize its Funds?

.....

6 what are the factor affecting the fund management and utilization of fund

.....

4. How do EPSA manage its fund?

5. How do EPSA utilize its fund?

6. What are the factors that influence effective and efficient fund management?

