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Original Research Article

Responsibility accounting in Ugandan public universities: Agency relation consideration

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This paper examined agency relations consideration on responsibility accounting at academic departments in Ugandan public universities. Responsibility accounting is vested in costs and revenue performance. This paper focuses on the effects of agency relations consideration on efficient control of costs and/ or revenues. Cross sectional survey that includes both quantitative and qualitative approaches to test the hypothesis was employed. Results reveal that there is effect of agency relation consideration on responsibility accounting from academic departments to faculty and high authority. Costs and/or revenues are discussed and agreed on at the respective departments acclaimed as efficiency evaluation through departmental budget committee to higher authority. In practice, agency relations consideration acclaimed as conditions for efficient cost or revenues control at academic departments in public universities. This is perhaps the first study that focuses on the testing effect of agency relation consideration on responsibility accounting at academic departments in public universities in Africa.

Key words: Responsibility accounting, agency relation, academic departments, public universities, Uganda.

INTRODUCTION

Responsibility accounting is centered on "economic models" of decision-making (Scapens, 1991) and their adoption promises increased efficiency and effectiveness of organizational performance (Baker, 2003; Williamson, 1975; Johnson and Kaplan, 1987) from agency relationships. By agency relationship, we refer to fiduciary relation which results from the manifestation of consent by one person (principal) to another that the other person(agent) shall perform on his behalf and is subject to his control and consent by the other to perform. However post-contractual problems emerge after the principal and agent engage in the relationship. The major issues are how the principal should evaluate and reward the agent's performance so as to motivate his or her behaviour in a manner consistent with the principal's goals and what information strategy to be employed to make such evaluation (Eisenhardt, 1989).

However, responsibility accounting as a tool for controlling and tracing cost or revenues to individual managers, involve assessing controllable and non-controllable factors. But determining the controllable and non-controllable factors in practice or in real life are dynamic and complex Evans et al. (2012). Larmande and Ponssard (2007) argue that, in eliminating external factors, the application of the controllability principle still remains problematic in practice. One raises a question, what should a manager be made responsible for (Beven and Messener, 2008)? In search of determining what managers should be made responsible for, a few researchers have used principal-agent modelling to establish controllability and informativeness(Beven and Messener, 2008). The results show that empirical studies on responsibility accounting have not been espoused in accounting and control literature. Therefore, this study provides an opportunity of control from the agent over the principal. The insights about the relationship between the shareholders and management are particularly important in demonstrating the role of responsibility accounting as a key information provider. Since, responsibility accounting reports start from lowest level of the hierarchy and continues to high level (Safa, 2012).This suggests that reporting is the result of the separation of ownership from management action. We can, therefore, argue that responsibility reporting practices is a result of the agency relations consideration and serves the control needed to verify the agent's performance in responsibility accounting.

Some theorists, researchers and observers contend that evolution in the contemporary financial environment has created conflicts between shareholders and their agents, wherein shareholders' interests are no longer always accorded preference (Morck, 1989). Others, however, contend that economic agency is an efficient form of organization, because a corporation has no "owners in a meaningful sense" (Fama, 1988) .We can suggest that the correct view likely lies at some point between these two views. Although, economists tend to use agency theory to study problems related to motivating and controlling cooperative action.

In the field of higher education in 1980s and 1990s agency theory was relatively unknown. However, the 2000s have witnessed a rapid growth in studies which have applied agency theory specifically for examinations of the government-higher education institution relationship (Kivisto, 2007). MecLendon (2003) examined various approaches and models with the intention of finding prospective research directions for the study of politics of higher education in the U.S. context. One of the models that he used was agency theory. He analyzed the relationship between state executive and legislatures (principals) and state higher education boards (agents) and proposed various questions to be examined in future. Furthermore, he shifted the level of his analysis to the board- university relationships where he raised the problem of multiple principals: whom do you follow in a university setting. Another topic that McLendon suggested for examination was "whether and to extent the politics- bureaucracy relationship in the higher education arena is inherently more conflict-prone than the relationship between elected and non-elected officials in other public agency setting" Accordingly, finding of this would identify potentially significant implications of both policy adoption and implemention behaviour. Generally, McLendon views agency theory as a potential and positive research tool which can provide a useful conceptual lens for the proper functioning of higher education institutions.

However, an empirical study by Liefner (2003) analyzed forms of resource allocation in university systems and their effects on the performance in higher education institutions. Agency theory was employed in a part of Liefner's analysis. From a theoretical point of view, he made virtually the first systematic attempt to define who are the possible principals and agents in the context of higher education. To this effect, principals can be a ministry of education, the management board of a university, a president, dean, or department head while agents are those actors who receive assignments, funds, and salaries from higher education principals. Therefore, a number of higher education managers, for example heads of department, are simultaneously principals and agents whereas most of the professors, researchers, and lecturers can be viewed primarily as agents (Kivisto, 2007).

For public universities in Uganda, decision-making authority areas are undertaken at the departmental level, faculty or institute or school or college, at the finance management committee level, the finance committee of council to council level (MFP&D, 2009).This depicts an aspect of agency relations. Since heads of academic department and faculty Deans are voter controllers on behalf of the accounting officer, supervise the operations and transactions in their departments/faculties. They are personally responsible for ensuring that all financial commitments of the departments or faculties are within the commitment limits of cash received and available, in line with approved budgets linked to work plans and procurement plans (KYU financial management manual, 2013) as performance measures for performance evaluation in their position of responsibilities. Hence, the purpose of this study was to examine agency relations consideration in responsibility accounting in Ugandan public universities.

Literature review

In responsibility accounting, the debate as to the scope of appropriateness of responsibility continues to rage. Bevan and Messner (2008) identify that much of the debate revolve around the controllability principle which states that managers should be made responsible only for those activities, objectives or outcomes with which they have influence or control. Responsibility accounting offers two broad imperatives: First, a manager is best evaluated based on what he controls. Second, responsibility follows hierarchical arrangements (Demski and Sappington, 1989). Responsibility accounting assumes that managers should be accountable for their own action, the actions of their subordinates, and any activities performed in their responsibility centers (Safa, 2012). People inside the organization should be held accountable and responsible for their own actions and the actions of those under their charge. This demonstrates aspect agency relations within an organization's hierarchy.

In Modern Corporation where share ownership is widely held, managerial actions tend to depart from those required to maximize the shareholders return (Berle and Means, 1932). This may result in agency loss. An agency loss is the extent to which returns to the principals fall below what they would be if the principals exercised direct control of the corporation (Donaldson and Davis, 1991). Agency, in law, refers to a situation where a person authorizes another to act on his or her behalf (Nemmers, 1990). With respect to corporate control, the agency refers to management's representation of the Board of Director in the conduct of a firm's business, and to the representation of stockholders in the corporation by the Board of Directors in the conduct of the firm's business (Allchian and Woodward, 1988). So far, agency relations are one of the strategies that may be considered in the minimising agency loss. This may be accomplished through communications, which provide an opportunity of control from the agents over the principals (Reichelstein, 1992). Communication among corporate management and shareholders is also an important part of an agency. Among other things, agency theory holds that a conflict may exist between objectives of maximizing shareholders wealth and maximizing management compensation (Barnea, Haugen, and Senbet, 1981). To this effect management at times possesses valuable information which is not made available to shareholders. It is at this point that agency relation consideration may come into play where managerial actions depart from those required to maximize the shareholders return (Berle and Means, 1932).

Most scholars have used agency theory in explaining responsibility accounting (Arya et al., 1998; Demski and Sappington, 1989).The theory highlights the way accounting information can be used by owners to control managers and employees (Drury, 1996) and is centred on "economic models" of decision-making (Scapens, 1991) and their adoption promises increased efficiency and effectiveness of organizational performance (Baker, 2003; Williamson, 1975;, Johnson and Kaplan, 1987). However, Economists use agency theory to study problems related to motivating and controlling cooperative action. Agency theory argues that shareholder interest can be protected through the provision of information from the board of directors and executive management. We can argue that responsibility accounting and agency theory relies on the existence of contracts; these contracts rely on the core of the relationship between agents and principals that demonstrate an aspect of agency relations.

According to Needhama and Drasfield (1997) responsibility accounting is all about breaking an organization down into a series of "control centres where managers take the responsibility for managing the budget relating to their particular control center. They are accountable to those who delegated them the authority to act on their behalf. This suggests that the agent- principal relationship exist. Therefore, it can be argued that responsibility accounting measures the performance that results from the decision rights assigned to the responsibility centre manager. Each supervisory area is charged only with costs or revenues for which is responsibility and over which it has control (Nawaiseh et al., 2014). Noreen, Brewer and Garrison (2008) argue that responsibility accounting links lower level managers' decision making authority with accountability for the outcomes of those decisions.

Agency theory's core role is the risk associated with agency problem. We refer to the agency problem as the existence of informational asymmetries and goal conflicts. Responsibility accounting attempts to reduce this risk by providing information about agents in action through reporting. The report may provide information about the future behaviour of agents in an attempt to reduce risk associated with the agency problem. Yi Davey and Eggleton (2011) argue that agency theory is based on the concept of separation of ownership and management. This separation requires that information be shared freely and openly between the agents (employees and principals (employers). This may provide opportunities for agents to always be clear on the principals' priorities and the principals are made aware of the agents' decisions and actions. In our context, responsibility accounting attempts to address these concerns since it follows hierarchical patterns.

As already noted, agency theory provides some useful theoretical insights in explaining responsibility accounting. First, it highlights the way accounting information can be used by owners to control managers and employees (Drury, 2004).

Second, agency theory based research has adopted an economic perspective (Kren, 2005; Yuan, 2004). This has opened a new avenue for understanding issues of agency relations consideration in responsibility accounting, especially in public sector organizations. However, it seems that previous research has not been conducive. On the basis of the fragmented nature of studies which have been conducted it is very difficult to form a picture about the insights and understanding agency theory could provide with respect to agency relations consideration in responsibility accounting. It seems that substantial part of the dynamics of agency theory have not yet been described thoroughly. Little attention has focused on defining and operationalizing some of the most concepts of agency theory. The systematic discussion about the strengths and weakness of utilizing the theory in responsibility accounting in the context of public sector organization seems to be missing. Despite the recent growth of scholarly interest in the theory, and despite the valuable contribution in introducing the theory to the field of higher education, it seems that the possibilities for utilizing agency theory as a framework for examining agency relations consideration in relation responsibility accounting has not been sufficiently examined. We can hypothesize that "there is agency relations consideration in responsibility accounting".

The finding of the hypothesis determines the substance of the theoretical and empirical insights agency theory can evoke, as well as, highlighting the way accounting information can be used by owners to control managers and employee (Drury 2004) and based on the economic perspective (Kren, 2005; Yuan, 2004). This hypothesis requires that the concepts of agency theory are given both theoretical and operational definitions in the context of agency relations consideration in responsibility accounting. The purpose of the theoretical definition is to give an exact meaning to the terms and concepts used in agency theory. The operational definition shows how well the concept of agency theory are linked to theoretical and empirical contexts of agency relations consideration in responsibility accounting in public sector organizations.

METHODOLOGY

Research Design

The study employed a cross-sectional survey design. Multiple sources of evidence were considered and used in order to facilitate the development of a 'converging line of inquiry,' by which the process of triangulation is ensured (Yin, 2003). This triangulation provides the opportunity for achievement of construct validity. This is because the multiple sources of evidence essentially provide multiple measures of the same phenomena (Yin, 2003) on the role of agency relations consideration in responsibility accounting at academic departments in Ugandan public universities.

The Population and Sample Size

The study sample population consisted of two hundred and two (202) heads of academic departments from 48 faculties of five public universities (see appendix A). It was drawn basing on Krejcie and Morgan (1970) sample size determination table. The public universities were: Makerere, Kyambogo, Gulu, Mbarara and Busitema. The study unit of analysis was academic departments and unit of inquiry was heads of academic department in the public universities. The heads of academic department were chosen because they are the categories of officials that occupy major administrative areas where financial performance measures are conducted within a university hierarchy based on budget estimates. Heads of academic department constitute the main respondents. Deans of faculties were purposively sampled as key informants.

The heads of academic department were selected by a way of systematic sampling in order to avoid being biased. Deans were purposively sampled to provide qualitative data. Purposive selection was very useful when there is need to construct the historical reality, describe a phenomenon or develop understanding about something of which little or nothing is known (Leedy, 1997).

Measurement of Study Variables

Responsibility accounting was measured using 20 items developed basing on the ideas of Simon et al. (1954) within a continuum of decentralization and centralization. Respondents were asked to indicate their opinions on items they have control or authority to influence on financial activities within the university financial control hierarchy. Responsibility accounting was based on 6-point Likert scale which ranged from 6 (extremely true) to 1 (extremely untrue. Agency relation was measured using 10 items adapted from an instrument developed by Martinez and Kennerley (2005) cited in Kagaari (2010). Each respondent was asked to indicate the extent of agreement or disagreement on the items provided on the questionnaire on the relationship between academic departments and university higher level units on operational costs and or revenues. All values had discrete values of 1, 2, 3, 4, 5, or 6. The six point Likert scale was adopted in anticipation of respondents' Likelihood to score the midpoint.

Validation and Reliability of Research Instruments

A pre-test was conducted to check for validity and reliability so as to minimize on the vagueness of the results to be generated. Validity was measured based on factor analysis that confirms the dimensions of the concept that has been operationally defined, to ensure that the results were appropriate. The content validity index (CVI) measures the relevancy of the study variables. Agency relation and responsibility accounting yielded a content validity index of 0.85 and 0.75 respectively. Since the CVI were above 0.6, then questions in the instrument measured the study variables. Reliability (internal consistency and stability) of the instrument was tested using Cronbach's α coefficients (Cronbach, 1946). Cronbach alpha values for agency relation and responsibility accounting were all over 0.7, suggesting adequate internal consistency.

Exploratory Factor Analysis

A principal component analysis was used to extract a set of factors. These factors were rotated to a final solution using varimax, which produced uncorrelated factors. Consistent with the overall research hypothesis, the study found respective components of the variables. The results revealed that the data were fit for data analysis and that the relationships among the variables were significant. All measurement items had communalities of over 0.60. The exploratory factor analysis of the agency relation produced two factors of authority (42.603 percent), report (16.034 percent) while responsibility accounting produced four of: feedback (44.086 percent), control (8.710 percent), and decision making (8.148 percent), and planning (6.678 percent)(see appendix B and C). These components accounted for 59% of the variance in agency relation and 67% of the variance in responsibility accounting. Generally, these factors were interpreted and named by looking at the list of questionnaire items and worked out what each question item had in common, took into account items with the highest correlation coefficients under each factor (see appendix B and C).

Common methods biases were addressed by collecting data from at least three heads of academic department from each faculty and sourcing most of the data relating to the dependent variable from faculty deans. This approach is supported by Podsakoff et al. (2003). Potential effects of response pattern biases were reduced by taking into negatively worded items on the questionnaires. The logic is that negatively worded items are like cognitive "speed bumps" that require respondents to engage in a more controlled, as opposed to automatically cognitive

Table 1. Correlation Analysis

Predictor variables	M	SD	1	2
1 Agency relation (AR)	3.65	1.067	1	
2 Responsibility accounting (RA)	3.98	.984	.482**	1
** Correlation is significant at the 0.01 level (2-tailed).				

Source: Primary data.

Table 2: Predicting responsibility accounting
Regression Model

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.380	.218		10.939	.000
	Agency relation	.445	.057	.482	7.774	.000

R=.484 R Square=.232 Adjusted R Square=.228 Std. Error of the estimate=.886

[a].Dependent Variable: Responsibility accounting

processing (Hinkin, 1995)

Data Management and Analysis

Data for this study were checked for data entry errors, out-of range values, missing values, presence of outliers, and assumptions of parametric data. Little's missing completely at random (MCAR) test and multiple imputations were conducted to establish the presence and the extent of missing values. Both tests revealed that there were no missing values. The rating scale was a six-point Likert scale. All values had discrete values of 1, 2, 3, 4, 5, or 6. This scale is practical and interesting, does not have a midpoint and in that sense forces a choice (Worthen et al. cited in Kagaari, 2010). The six point Likert scale was adopted in anticipation of respondents' Likelihood to score the midpoint. Munene (personal communication, March 3, 2013) claimed that this was a common problem in Uganda. The data screening exercise aimed at establishing the distribution of data to assess whether the assumptions of parametric data were tenable. Specific assumptions tested were normality of the distribution of data; homogeneity of variance; linearity of the data independence of errors; and multicollinearity. Collinearity diagnostic tests conducted and results revealed that tolerance factor was below 0.2 signifying that the items were distinct for the constructs under measurement (Field, 2009).

RESULTS

Quantitative data were collected from 202 heads of academic department in five (5) public universities 74 from Makerere, 41 Kyambogo, 30 Gulu, 26 Mbarara and 31 Busitema. The majority of departments was from Makerere with 33.7%; followed by Kyambogo with 22.5%, Gulu with 16.9% and Mbarara with 14.6% and Busitema with the least 12.4%. Since, all public universities have been represented it gives a wide coverage of responses. The experience as head of the academic department in years: less than 2 years was 57(28.2%), 2-5years 95 (47%), 6-10 years 47(24.3%), and above10 years 1(5%). The majority of the respondents 145(71.8%) were male while the rest 57(28.2%) were female.

Table 1 reveals a significant positive correlation between agency relation and responsibility accounting ($r=0.482$, $p<0.01$) thereby supporting the hypothesis that there is agency relation consideration in responsibility accounting. This result is supported with results of appendix B and C. The components of agency relation are among the components of responsibility accounting. This suggests that there are agency relations in responsibility accounting. However, the relationship between agency relation and responsibility accounting can be interpreted as moderate.

Table 2 shows the predictive potential of agency relation the same. The regression results equal to correlation results.

Qualitative evidence revealed that:

"Heads of academic departments submit their budgets to faculty budget committee for discussion and eventually merged into faculty budget for presentation and discussion, to university finance committee for consideration and recommendation for presentation to the university council for approval (University Deans)"

The qualitative data results suggest that there is an agency relation consideration in responsibility accounting in Uganda public universities. There is a departmental budget committee charged with budget preparation for the department. Budgets are discussed, agreed upon and recommended for consideration by the faculty budget committee. The faculty budget committee receives, reviews, and amalgamates departmental budgets into the faculty budget for recommendations to the finance committee accompanied with the faculty budget committees' minutes. Budget committees at different levels of management are in place to promote transparency and build a strong bond between one supervisory level to another for control and information flow.

Responses from faculty Deans:

"There are regular budget performance reports to show how well votes or budgets have been managed from one control area to another within university hierarchy.

The qualitative data results revealed that evaluation of financial performance from department to faculty level is conducted through performance report or responsibility report (periodic budget report). The aim is not to place blame. Instead it is to evaluate the performance and provide feedback so that future operations can be improved through prioritizing.

DISCUSSION AND CONCLUSIONS

Results support the hypothesis which states that there is agency relations consideration in responsibility accounting. The results reveal that the relationship between agency relations and responsibility accounting are significant and positive (β=.482, p≤.05). This finding indicates that positive changes in agency relations connect responsibility accounting in public universities in Uganda. Agency relations consideration seems to be an important tool for growth of responsibility accounting. To this effect respondents reveal that: departmental budgets are discussed, agreed and recommended for consideration by the faculty budget committee. Faculty budget committee receives, reviews, amalgamates departmental budgets into the faculty budget for recommendations to finance committee accompanied with minutes (Faculty deans)".

Therefore, this study point out that, one of the strategies considered in maintaining agency relations in public universities is through control and providing communication from one supervisory level to another. These are all the aspects of the agency relations which are found in responsibility accounting. Reporting or providing feedback signifies that the relationship from one management level to another is maintained which suggest that agency relations is considered. This is in support of Reichelsteins (1992) assertion that reporting is as a result of the separation of ownership from management actions.

Basing on agency theory, agency relations are an important tool for consultations and making decision acclaimed as conditions that promote transparency and efficient cost and/ or revenue performance. Agency relations exist from departments, faculties/colleges to university management in Ugandan public universities. This promotes efficient control of costs and revenues from one management level to another without doubts. There is information sharing and information flow from an academic department, faculty to the university authority in a public university in Uganda.

There is mutual consent and decisions are reached after consultations. Budgets prepared at academic departments are considered, priorities discussed and recommended for approvals. Adjustments are made according to the priorities of the university. The approved budgets act as control measures to heads of academic departments for performance evaluation. These build a strong bond of relationship between and among a variety of official positions that follow hierarchical patterns from departments, faculties/colleges to the university authority in public universities in Uganda.

Firms tend to substitute various mechanisms depending on contracting environment This nexus varies dramatically from one firm to another, what is optimal for one need not being optimal for another (Himmelberg, Hubbard & Palia, 1999)? Within this context, Agrawal and Knoeber (1996) argue that if one specific mechanism is utilized to a lesser degree, others may be used more, resulting in equally good decision making and performance. Denis (2001) says that there are two conditions for an effective governance mechanism. Firstly, the device should narrow the gap between managers' and shareholders' interest. Secondly, the mechanism should have a significant impact on corporate performance. Finally, Denis further notes that where firms have no governance mechanism, there is no meaning relationship between any individual mechanism and performance.. We can argue that reporting practice is a result of the agency relations and serves as the control needed to verify the agents' performance in responsibility accounting.

We can conclude that agency relationship is considered in responsibility accounting at academic departments in Ugandan public universities. Costs and revenues are discussed, consulted, accumulated and reported upwards from the departments and faculties to the university authority.

This conclusion is supported by the presence of definite hierarchy of authority areas (departments and faculties), the presence of systematic preparation of budgets by each authority area and delegation of authority. Therefore, Agency theory contributes to Information that is regarded as a commodity that has a cost and can be purchased. This gives an important role to formal information systems, like those used in budgeting, and to informal information systems, like those used in supervision (Eisenhardt, 1989). Eisenhardt further urges that the result is a dynamic view of information that is unique in organization theory. Communication is necessary as it carries information necessary for organizational functioning and conveys the feelings and sentiments of people who work in the organization (Prasad, 2007). In agency theory, uncertainty is viewed as it is in economics, accounting, and finance in terms of risk-reward trade-offs-and not just as a hindrance to planning. Finally, the theory contributes by emphasizing a political view of organizations. Organizations are viewed as collectives of self-interested people with partially conflicting goals. Therefore this study contributes to consultations as conditions for efficient costs and/or revenues performance Ugandan public universities. This also confirms that agency relations are one of drivers of responsibility accounting at public universities in Uganda.

Implications

On the basis of the results of this study, the findings suggest issues that need to be examined by practitioners and researchers seriously. Agency relations consideration and responsibility accounting rely on the existence of contracts. These contracts rely on the core of the relationship between the agents and the principals. Therefore, agency theory's role is the risk associated with the relationship whereas responsibility accounting reduces risk by providing information about the agents in action therefore; there is agency relations consideration in responsibility accounting. For, agency relations to be mutually beneficial in responsibility accounting there is need for communication. Information should be shared freely and openly. Heads of departments should always be clear on the priorities of the universities. The university should be aware of the decisions and actions of the heads of department and vice versa.

Limitations

The finding of this study is subject to some limitations that provide initiatives for future research. Some of the possible causes are: Firstly, the study relied on self-report measures, so common method biases could affect the relationships between and among the study variables. Secondly, the present study is cross sectional; it is possible that the views held by individuals may change over the years and is confined to public universities in Uganda. Finally, although the constructs have been used for measuring agency relations and responsibility accounting has been defined as precisely as possible by drawing upon relevant literature and being validated by practitioners, the measurements used may not appropriately represent all the dimensions because some of the items used on the questionnaire were from developed country context. The implication is that the constructs used may not fully be measurable. Future studies could use the basic questions but implement in terms of longitudinal rather cross sectional design. The longitudinal study would need to correct changes in the data relative to the time element.

Conflict of interests

The author declare that he has no conflict of interests

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APPENDICES

Appendix A: Population and Sample Size

University	**Academic Departments**	
	Population	**Sample**
Gulu University	35	30
Mbarara University of Science & Technology	26	26
Kyambogo University	44	41
Makerere University	125	74
Busitema University	36	31
Totals	**256**	**202**

Source: Ministry of Finance, Planning and Economic development, 2009

Appendix B: Rotated Component Matrix for agency relation

	Component	
	Authority	Report
This university unit has authority to meet university financial objectives	.775	
This university unit identifies financial needs in consultation with higher-level units in this university when exercising authority entrusted.	.756	
This university unit follows the prescribed code of ethics and standards of the university when exercising its authority	.740	
Financial policies of this university clearly define authority to this university unit	.678	
The financial performance at this university unit is regularly monitored in this university	.676	
Financial procedures of this university clearly define authority to this university unit	.666	
University higher-level unit financial decisions are regularly reported to this university unit		.839
The financial performance report at higher level units is regularly monitored at this university unit		.791
This university unit reviews financial report taken at higher-level units comprehensively		.771
The compensation at higher level units is according to performance report in this university unit		.610
Total	4.260	1.643
% Variance (Eigen values)	42.603	16.430
Cumulative %	42.603	59.034

Appendix C: Rotated Component Matrix[a] for Responsibility Accounting

Item label	Component			
	Feedback	**Control**	**Decision Making**	**Planning**
This university unit communicates cost information upwards to higher-level units within the university hierarchy	.779			
This university unit has the authority to supervise a resource or service	.762			
This university unit compares budgeted costs with actual costs as a measure of financial performance	.756			
This university unit falls within the university cost control hierarchy	.624			
This university unit is accountable for its operating cost.	.584			
This university unit controls purchases of instructional materials through the procurement plan.		.792		
This university unit influences the office equipment repairs on the basis of the budget.		.747		
This university unit spends on office cleaning materials based on the budget		.692		
This university unit decides on instructional materials based on the budget.		.678		
This university unit purchases office cleaning materials through procurement plan.		.650		
This university unit usually makes decisions on its revenue items			.838	
This university unit makes decision on project revenues			.784	
This university unit proposes projects for donor funding			.751	
This university unit budgets for part time teaching services.				.839
This university unit budgets for seminars and workshops.				.792
This university unit operating cost is as a result of its action decision.				.502
Total % Variance (Eigen values) Cumulative %	7.495 44.086 44.086	1.481 8.710 52.796	1.385 8.148 60.944	1.135 6.678 67.622