

**INFLUENCE OF BOARD OF MANAGERMENTS' CORPORATE
GOVERNANCE PRACTICES ON FINANCIAL MANAGEMENT IN
PUBLIC SECONDARY SCHOOLS IN MOYALE SUB-COUNTY, KENYA**

Abdikadir Adan Kijiba

**A Research Project submitted for Partial Fulfillment of the Requirement for
the Degree of Master of Education in Corporate governance**

University of Nairobi

2018

DECLARATION

This research project is my original work and has not been presented for award of a degree in any other university.

.....
Abdikadir Adan Kijiba

E55/83685/2015

The research project has been submitted for examination with our approval as the university supervisors.

.....
Dr. Ursulla Okoth

Senior Lecturer

Department of Education Administration and Planning

University of Nairobi

.....
Dr. Susan Chepkonga

Lecturer

Department of Educational Administration and Planning

University of Nairobi

DEDICATION

This research document is dedicated to my wife Rukia Abdikadir for undying support and encouragement throughout my course.

ACKNOWLEDGEMENTS

My sincere appreciation to my supervisors Dr. Ursulla Okoth and Dr. Susan Chepkonga for the guidance and support while preparing this research project. Credit goes to my classmates who guided me where to acquire past information concerning the study. I am also grateful to the entire management of University of Nairobi for their cooperation towards providing library facilities where I accessed much information concerning the research study thank you all for your time; it was all through your endless support that I managed to complete my research project.

TABLE OF CONTENTS

Content	Page
Declaration.....	ii
Dedication.....	iii
Acknowledgements.....	iv
Table of contents.....	v
List of tables	viii
List of figures.....	ix
Acronyms and abbreviations	x
Abstract.....	xi

CHAPTER ONE

INTRODUCTION

1.1 Background to the study	1
1.2 Statement of the Problem.....	7
1.3 Purpose of the Study	8
1.4 Research Objective	8
1.5 Research questions.....	8
1.6 Significance of the Study.....	9
1.7 Limitation of the study.....	10
1.8 Delimitation of the study	10
1.9 Basic assumption of the study	10
1.10 Definition of Significant Terms.....	10
1.11 Organization of the study	12

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction.....	13
2.2 Board Composition and Financial Management	13

2.3 Board of Management skills and financial management.....	18
2.4 Corporate Leadership and Financial Management.....	22
2.5 Financial Record Keeping and Financial Management.....	25
2.6 Summary of Literature review and knowledge gap.....	27
2.7 Theoretical framework.....	28
2.8 Conceptual Framework.....	30

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.....	32
3.2 Research Design	32
3.3 Target population.....	32
3.4 Sampling and sampling procedures	33
3.5 Research Instruments.....	34
3.6 Validity of the research instrument.....	35
3.7 Reliability of the instrument	35
3.8 Data Collection Procedures	37
3.9 Data Processing and Analysis.....	37
3.10 Ethical considerations.....	38

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction.....	40
4.2 Response Rate.....	40
4.3 Demographic Data	40
4.4 Board composition and criteria of selection and financial management of secondary schools.....	43
4.5 Corporate leadership and financial management public secondary schools ...	55

4.6 Financial record keeping practice and financial management public secondary schools	60
4.7 Financial Management and financial management public secondary schools	66

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction.....	73
5.2 Summary of the Study	73
5.3 Summary of Findings	74
5.4 Conclusion	77
5.5 Recommendations.....	78
5.6 Suggestion for further Study.....	79
REFERENCES	80
Appendix I: Letter of Introduction	83
Appendix II: Interview Schedule for Principal.....	84
Appendix III: Questionnaires for B.O.M Members Including Principals	85
Appendix IV: Authorization Letter	89
Appendix V: Research Permit	90

LIST OF TABLES

Table	Page
Table 3. 1: Sample size	34
Table 3.2 : Reliability Tests	36
Table 4.1: Response rate	40
Table 4.2: Age of the Board of Management and Principals	41
Table 4.3: Working Experience of the Board of Management and Principals	42
Table 4.4: Highest Education Level of the Board of Management and Principals	43
Table 4.5 BOM Responses on Impact of the Board Composition	44
Table 4.6 Principals Responses on Impact of the Board Composition	47
Table 4.7: BOM Responses on Board Skills	50
Table 4.8: Principals Responses on Board Skills	53
Table 4.9: BOM Responses on Corporate Leadership	56
Table 4.10: Principals Responses on Corporate Leadership	58
Table 4.11: BOM Responses on Financial Record Keeping Practice	60
Table 4.12: Principals Responses on Financial Record Keeping	63
Table 4.13 BOM Response on Financial Management	66
Table 4.14: Coefficients of Variables	72

LIST OF FIGURES

Figure 2. 1: The influence of board of management of corporate governance practises on financial management	30
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ACRONYMS AND ABBREVIATIONS

BOG	Board of Governance
BOM	Board of Management
GoK	Government of Kenya
HSEB	High School Education Board
LEA	Local Education Authority
M&E	Monitoring and Evaluation
MOEST	Ministry of Education Science and Technology
OECD	Organisation for Economic Corporation and Development
SASA	South Africa Schools Act
SGB	School Governing Body
SMC	School management Councils
SMT	School Management Teams
TVET	Technical Industrial Vocational and Entrepreneurship Training
UNCTAD	United Nations Conference of Trade and Development

ABSTRACT

Education has always been one of the most vital sectors of a working government. It is the pillar of socio- economic development of the society and nation at large. Towards this end, the research sought to establish the influence of board of managements' corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya. The objectives of the study are to establish the impact of the board composition and criteria of selection on financial management of secondary schools in Moyale sub-county, Kenya. To establish the board skills on the financial management of public secondary schools in Moyale sub-county, Kenya. To assess the influence of corporate leadership on financial management public secondary schools in Moyale sub-county, Kenya. To assess the influence of financial record keeping on financial management public secondary schools in Moyale sub-county, Kenya. This area of study will add to the pool of knowledge on the under researched area of financial management in public schools. Research methodology showed the data collection, analysis and presentation. The study adopted cross sectional research design. Multiple regressions were applied to assess the influence of board of managements' corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya. The regression model treated corporate leadership, board composition, board skills and financial record keeping as the independent variable while the dependent variables was financial management. The findings of the study show that Majority of BOM who were 25 (40%) to a moderate extent indicated that budgeting was practiced to a moderate extent in schools, but they were not made available for public scrutiny. There was agreement to a great extent by 20 (33%) of the BOM that accounting knowledge is vital in order to improve financial management in schools since the school had employed accounting staff. Transformative leadership was to a little extent practiced in many public secondary schools in Moyale-sub county as indicated by 20 (32%) of the BOMs. To a no extent invoices stamped were recorded into the system correctly, and clearly marked for account code assignment as indicated by 22 (35%) of the respondents. The study concluded that there is a big problem with corporate leadership in many public secondary schools in Moyale-sub County as it is not greatly practiced. There was no transparency in budget making process in many public secondary schools in Moyale sub-county. Majority of board members had little accounting knowledge which affected financial management. Monitoring of how funds are allocated is an important aspect of financial management in public secondary schools. The study recommended that board of members should undergo training on corporate leadership. Budget making process in public primary schools should be a transparent process which should be open to public scrutiny. The board members appointed to the board should have good knowledge and experience in governance and financial management. There should be a monitoring committee in place to ensure that funds in public schools are well utilized. Further study was recommended for the study to establish the influence of board of managements' corporate governance practises on financial management in public Secondary schools in in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Education has always been one of the most vital sectors of a workers' government. It is the pillar of the socio-economic development of society and of the nation in general. Corporate governance is a concept that captures two important aspects, namely corporate and government. Corporate implies institutional or what belongs to the institution or to the companies. On the other hand, governance refers to the means by which an activity or a sample of activity is controlled and directed. Corporate governance is a form of structured association and administration in an organization that inculcates the contributions of all stakeholders (Kuria, 2012). Corporate governance aims to ensure the participation and participation of members in key aspects of decision making and institutional management.

Omondi and Nyenyi (2016) indicates that good corporate governance seeks to promote efficient, effective and sustainable societies that contribute to the well-being of society; responsible and responsible corporations; Legitimate companies that are managed with integrity, transparency and protection of the rights of the parties involved. Therefore, good governance practices require that the board of directors govern the company in such a way as to maximize the value of the shareholders and in the best interests of the company.

As countries try to adapt their education system to the needs of contemporary society, the role of administrators and schools of education is changing. Many nations have

moved towards decentralization, making schools more autonomous in decision making and holding them accountable for their actions (Organization for Economic and Development Society of the OECD, 2008)

According to Hermes (2012), in some countries such as England, Wales and Scotland, education is managed by local educational authorities (LEA) created under the Primary Education Act of 1870. In 2018, there are 152 LEAs in England and Wales who are responsible for education in their jurisdiction. The 1996 South African Schools Act (SASA) established a school governing body (SGB) that includes the principal, the elected representative of the parents, the teachers, the non-teaching staff and the student representative. Section 20 and Section 21 of the SASA Act identify two types of schools in which some are fully funded by the government and others receive partial assistance. The law of the SASA obliges the governing bodies of the school to take charge of the maintenance of school property, the purchase of textbooks, educational materials or equipment and payment for the service provided to the school. Abu and Audu (2016) revealed that most of the SBGs in South Africa lacked the skills to write budgets, write political and financial statements, control of finances and small initiatives and innovation, as well as responsibilities. The main reason was illiteracy and lack of training. Adayemi (2014) recommended the training of education managers as a remedy. In Kenya, as in many East African countries, the body responsible for the general administration of the learning institution is known as the Board of Directors.

Other countries in Africa have similar bodies (for material lists) are in charge of secondary school management tasks, for example, secondary school education

councils (HSEB) in Zambia, whose main function is to link high and low schools with the offices of the ministry The local civil administration. According to the World Bank Working Document (2008) in Senegal, school management councils (SMC) have been created for upper and lower secondary schools that supervise the material and activities that take place in secondary schools, from academic and administrative matters to financial. The school boards also ensure that the school complies with the health regulations and answers all the questions of the Ministry of Education and the Inspectorate.

In Kenya, the Ministry of Science and Technology Education (MOEST Edn ACT 2014) has clearly explained the requirement that an appropriate person be recruited as a member of the board of management in any public school. These are the following: One must have a minimum of a high school diploma, be an integral person and committed to serving the community voluntarily, the president must be at least a graduate.

The main mandate of the BOM is financial management, among other functions, such as the management of other educational resources such as staff, students, material and material resources and the management of study programs and education and promotion programs of relations between the school community (Alinezhad, Sarokolaei and Bahraini, 2013). Financial management is the process of planning and using the school fund efficiently and effectively and in accordance with the legislation and procedure. Prudent financial management tends to be a forerunner of a good institution, since the way school funds are managed largely determines the overall performance of the school (Amir and Zaidatol, 2013).

The Government of Kenya has promulgated the public law and the provision n. 3 of 2003, which regulates all aspects of the acquisition and disposal of non-reparable goods in the public sector of which public secondary schools belong. The final aim is to improve transparency and accountability of public resources. The tender committee and the procurement committee were formed in a prone institution (Republic of Kenya, 2003). School managers are considered financial and accounting controllers at school level, while Council members are responsible for policies (Andreou, Louca and Panayides, 2014). It has been observed that both lack mainly professional qualifications to be able to execute their mandate effectively and efficiently (Chetambe and Sakwa, 2013). Most of the scholastic economies lack the technical capacity to offer indications on the correct conservation of financial registers. The B.O.M members also lack the technical skills necessary to understand and interpret the financial reports they control when making decisions, especially during annual meetings (Dastgir and Honarmand, 2014). Next, it is important to keep in mind that the success of a school can be determined by the skills and experience of board members and corporate leadership in managing financial issues in public schools. The size and composition of the board of directors also influence the effects of school supervision activities to a greater extent.

Many nations have decentralized the management of financial resources for the school in an attempt to improve their management. This was eminent in a study conducted in France (Gopal and Chowdhury, 2014). In Kenya, the day of free secondary education started in 2013 and since then, a large amount of money has been disbursed for public high schools. Her, Ku and Jing (2012) have deduced that

every year there is always an increase in the amount of funds allocated to the education sector for free education. The official circulars of the ministry of education in the F.D.S.E showed an increase of Kenyan shillings from 12,650 in 2017 to 22,940 ksh in January 2018 per child per inhabitant. Close scrutiny of votes affects managerial behavior in the use of secondary funds for free days. This led to mismanagement and embezzlement (Irshad, Jinnah, Hasmi, Kauser and Nazir, 2015). Isaboke (2015) explains that the mismanagement of the available fund leads to the division of funds due to embezzlement of priority projects and embezzlement.

Justin and Wadike (2013) argue that management has increased investor confidence, generated more capital and increased organizational performance, using good corporate governance. While managers can use good corporate governance practices to maximize investments such as Kim, Kim, Byun and Chun (2013), it has been argued that executives' commitment to maximize investor returns can be questioned. According to agency theory, managers are employees and may be less worried about the outcome of a project or work, provided they get their salaries. This conflict of interest is well encapsulated in agency theory. Based on the theory, the interests of managers and investors are postulated as divergent. To solve the problem of the agency, Kioko (2014) has proposed the adoption of an effective corporate governance approach to decentralize powers and create a space for checks and balances to ensure that executives invest work towards positive results in a transparent and fair manner. Investors in community projects and in the public sector included; the national government, the governments of the counties and the donor agencies try to positively influence the life of the target community.

According to Maronga, Weda and Kengere (2013), efficiency in the use of school funds in infrastructure development, the equipment of the school library and laboratories, the recruitment of teachers and the creation of a favorable learning environment have impact positive on the academic performance of students in schools. Secondary schools are required to offer quality education with limited resources. Nyangau (2014) have found that mismanagement and embezzlement of finances in public schools have a direct influence on quality education as demonstrated by the results of KCSE.

Moyale sub-county is one of the sub-counties in the county of Marsabit. In 2015, only 4 out of 10 public secondary schools were punctual in presenting their books for the annual audit, 5 schools were delayed and 1 failed completely. In 2016, 7 secondary schools arrived on time, while 2 were delayed and 1 failed. In 2017, 6 high schools were presented on time, while 4 were presented late, while in 2018 only 7 schools submitted their books for an annual check in June. There have been complaints from stakeholders about financial mismanagement in several high schools (report from the county director's office, 2013). Reports in the county control office at this time indicate that many schools have delayed sending their monthly test balances to the audit office, many schools used to file their unsolved documents. In Moyale sub-district, principals have almost no formal managerial and formal leadership training, and many of them are appointed based on their years of service, apart from their leadership potential. Induction and support are generally limited and managers need to take a pragmatic approach to leadership. Despite poor management and leadership

training, principals often work in poorly equipped public schools, noting that Moyale is an arid area with subordinate staff that is not adequately trained in the finance department (Economists / Economists). A considerable number of boards of secondary schools in Moyale do not meet the minimum requirements set forth in the Act 2014.

1.2 Statement of the Problem

The members of the Board of Directors are required by the Basic Education Act of 2013 to verify and regulate the administration's expenses to ensure that all income received from the school is applied to the promotion of the school's objectives. According to basic education Act (2013), board of management shall administer and manage the resources of the institution; receive, collect and account for any funds accruing to the institution.

The study conducted by Obama, Eunice and Orodho (2015) and also the audit report conducted by Transparency International (2011) show inefficiencies in the financial management of most public secondary schools, thus reducing the quality of education. Although there are school boards and committees, public schools continue to experience governance problems such as; problems of determination of tariffs, payment times not respected, disturbances of students and staff, problems of well-being of staff, legal actions against board of directors, which could be attributed to corporate governance and institutional turbulence (Okiiya, Kisiangani and Oparanya (2015). With the continuous control of companies in uncontrolled and institutional turbulence, the financial performance of public schools has been influenced by the financial crisis of these institutions (Yesil and Kaya, 2013).

Despite clear evidence of poor corporate governance in public schools, most of the focus on the concept has focused on corporate corporations which leaves a major gap. Therefore, this study sought to investigate the influence of the corporate governance practices of the board of management on financial management of secondary schools in the sub-county of Moyale, Marsabit County, Kenya.

1.3 Purpose of the Study

The purpose of the study is to investigate the influence of board of managements' corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya.

1.4 Research Objective

- i. To establish the impact of the board composition and criteria of selection on financial management of secondary schools in Moyale sub-county, Kenya.
- ii. To establish the influence of board skills on the financial management of public secondary schools in Moyale sub-county, Kenya.
- iii. To assess the influence of corporate leadership on financial management public secondary schools in Moyale sub-county, Kenya.
- iv. To assess the influence of financial record keeping practice on financial management public secondary schools in Moyale sub-county, Kenya.

1.5 Research questions

The research questions of the study were;

- i) How does the board composition and criteria influence selection impact on financial management of secondary schools in Moyale sub-county, Kenya?

- ii) To what extent does board skills influence the financial management of public secondary schools in Moyale sub-county, Kenya?
- iii) How does board of managements' corporate leadership styles influence financial management public secondary schools in Moyale sub-county, Kenya?
- iv) To what extent does board of managements' skills on financial record keeping influence the financial management public secondary schools in Moyale sub-county, Kenya?

1.6 Significance of the Study

This study may be significant to the Ministry of Education, teacher training institutes and Board of Management, the head teachers aware on influence of board of managements' corporate governance practises on financial management in public Secondary schools in Kenya. The findings of this study may provide information on the role of BOM on financial management.

The findings serve as a springboard for policy makers to design, implement, monitor and evaluate policies meant to create safe schools and change 8 the inherent BOM practices that enhance financial management and attainment of education for all. The study may also be immensely contributed to the strategies that would help to cope with management 13 challenges faced by BoMs. The study will be of significance to accountants and bursars in public secondary schools as they will be enlightened on corporate governance practices in financial management. The study may contribute to the body of scholarly works on corporate governance practices. The data may be of value to future researchers in the similar area.

1.7 Limitation of the study

One of such limitations is the suspicion which some of the respondents may withhold some information for fear of victimization due to exposing sensitive issues particularly those touching on financial issues of the school. This however will be mitigated by assuring the respondents of confidentiality and explaining purpose of the study.

1.8 Delimitation of the study

Isaboke (2015) states that delimitation is the boundary. The study was delimited to the influence of board of managements' corporate governance practises on financial management in public secondary schools in Moyale sub-county in Kenya. The study was specifically target secondary school principals, and members of board of management.

1.9 Basic assumption of the study

The assumption is that the respondents such as the principals and members of the board of management are trustworthy so as the information they given is true.

1.10 Definition of Significant Terms

Board Composition- Board composition normally concerns issues related to board independence (including independence of board committees), diversity (firm and industry experience, functional backgrounds, etc) of boardmembers, and CEO duality.

Corporate Leadership- Corporate leadership is the top of school leadership structure. Corporate leadership creates a company-wide direction to be carried out by school employees.

Financial management: practices are defined as the practices performed by the accountant, financial director and other executives in the areas of budgeting, supply chain management, management and control of movable assets.

Financial Record Keeping- involves organizing formal documents that represent the transactions of the school, an individual or other organizations. Financial records held by most schools include cash flow, income statements, financial statements and company tax returns.

Governance: governance refers to the traditions and institutions through which the authority of an institution is exercised for the common good, which generally includes the process of selecting persons with authority and the capacity of those who are selected in the institution of administer with the greatest responsibility.

Public schools: they refer to schools that are frequented or maintained and, as such, have the right to receive financial assistance from the Ministry and staff of the Teaching Commission.

Responsibility: refers to a proactive process by which public officials inform and justify their action plans, their behaviour and their results, and are sanctioned accordingly.

Board Skills: A skill is the ability of an individuals to perform a task with a predetermined result often within a specific time frame. For this study, on-board abilities referred to the skills of board members.

1.11 Organization of the study

The study is organized in five chapters. Chapter one was consist of background to the study, statement of problem, purpose of study, objectives, research questions, significance of the study, limitations, delimitations, basic assumptions, definitions of significant terms and organization of the study. Chapter two focuses on literature review related to the study; establish the impact of the composition of the board and selection criteria in the financial management of secondary schools, establish the composition of the responsibilities of the board in the financial management of public secondary schools, evaluate the influence of corporate leadership in the financial management of public high schools and establish the impact of maintaining financial documents on the financial management of public schools in the sub-county of Moyale.

Chapter three comprises of research methodology that was employed in carrying out the study. This includes research design, target population, sample size and sampling procedure, research instruments, instruments validity and reliability, data collection procedure and data analysis techniques. Chapter four consist of data analysis, presentation and interpretations of data obtained from the respondents. Chapter five includes the summary, conclusions, recommendations and suggestion for further research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter is dedicated to the analysis of the literature on the influence of corporate governance practices of boards of directors in the financial management of public secondary schools. The objectives of the study are to: Establish the impact of the composition of the board and selection criteria in the financial management of secondary schools, establish the composition of the responsibilities of the board in the financial management of public secondary schools, evaluate the influence of corporate leadership in the financial management of public high schools and establish the impact of maintaining financial documents on the financial management of public schools in the sub-county of Moyale. Below is a summary of the literature review, the theoretical framework and the conceptual framework of the study.

2.2 Board Composition and Financial Management

In an education organization its financial administration activity means bringing all possible input from staff, parents, students and the community together to render the service of quality education (Hermes, 2012). In this respect, organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities (Adayemi, 2014).

Nyangau (2014) analyzed the effectiveness of BOMs in Kajiado District and noted political interferences, illiteracy and the manipulation of the BOMs by the Principals as being rampant. In a policy statement on BOMs for secondary schools dated 16/6/2004, the MoE observed that in the past some schools had nominated illiterate persons and had them appointed to the BOM. Such members had failed to advise and guide the schools, particularly on issues of quality education and proper financial resource management. Yesil and Kaya (2013) carried out a study in Meru Central District on BOM competence in financial management. The study found out that 43.3% of the BOM members reported that they were adequately prepared to handle financial management, while majority 56.7% indicated that they were incapable, mainly because they were not trained in financial management and low levels of education.

The composition of the board refers to the size of the board, the combination of executive and non-executive (independent) directors, and other desirable attributes, including gender diversity. When the board of directors adopts a clear vision of its responsibilities in the governance of the company, the directors can go on to discuss and agree on the most effective way to structure the board. The financial statements of executive and non-executive directors and the need for independent directors is another structural aspect to consider. The size of the board is the total number of directors in a board (Hermes, 2012). and is considered an important determinant of effective corporate governance. The size of the board has a significant impact on the quality of corporate governance and several academics observe that large boards can

be dysfunctional. Kuria (2012) believe that on-board edge proxies explain why smaller board sizes are better than large ones that can be joyous and create monitoring problems. Okiiya et al., (2015) found that corporate performance is positively correlated with small tables rather than large tables. The optimal size of the board of directors according to Abu and Audu (2016) includes both executive directors and non-executive directors. Adayemi (2014) reported the existence of a significant positive relationship between the number of non-executive directors and the financial performance of companies. In a study of companies in Singapore and Malaysia, Alinezhad et al.,(2013) found that the company's rating is higher when a board has five directors, a number considered relatively small in those markets. There is no consensus that a large or small card makes it better.

In Nigeria, Amir and Zaidatol (2013) have found that the company's performance is positively linked to small tables, unlike large ones. Omondi and Nyenyi (2016), both reported evidence to support a positive relationship between the size of the board of directors and leverage. They argued that large panels with higher monitoring capabilities were pursuing greater leverage to increase the value of the company. A study on banks in the European Union by Andreou et al., (2014) noted that the size of the board and the probability of financial difficulties are not negatively associated.

Larger supporters of the council, including Daily (1995) who argued that more directors could increase available experience and finance resources, while Chetambe and Sakwa, (2013) argue that council size expansion provides a larger group great of experts, information and quality of the board not obtained from other company personnel. On the contrary, the intrinsic difficulty in coordinating the contributions of

many members can be complex, making it difficult for them to effectively use their knowledge and skills. Dastgir and Honarmand (2014) found that when the dimensions of the board are very large, the disadvantages are similar; the lack of cohesion, the difficulties of coordination and splitting are more serious and become less frequent with the reduction of the size of the board of directors. On the contrary, very small boards cannot enjoy the benefits of a wider on-board experience, information and a pool of advice, and these benefits arise when the board gets bigger. To date, there are still wide views in an optimal size of the board. According to Gopal & Chowdhury (2014), a board of 8-11 people can be considered optimal since it is easier to make decisions regarding school finances. Her, Ku and Jing (2012) have suggested that a board of members of 9-13 is usually adequate for most institutions, but too small for large ones. Irshad et., (2015) found that an average of 16 directors (3 internal and 13 external directors) were appropriate for larger companies, although respondents in this study believed that 12 were the most effective dimensions of the board. The economic value of an appropriate board composition has been the subject of academic research for more than fifty years (Isaboke, 2015).

It has been argued that companies with large proportions of external directors in the company usually have fewer agency problems, therefore they show a better alignment between the interests of shareholders and those of the administration (Kim et al., (2013). Justin and Wadike (2013) argue that smaller boards have more resources than large ones in terms of obtaining a higher market valuation, better return on assets and greater sales profitability. It should be noted that larger boards invariably take more time in their decisions and often suffer the demerits associated with procrastination.

However, too little advice has also denied the organization the necessary diversity and concomitant synergy. Previous studies have placed the size of the board as one of the characteristics that influence the governance of an organization. The board of directors is a component of the governance structure and plays a key role in advising managers on an organization's business strategy and ensuring alignment with its vision and mission. Therefore, this section is set to analyze how the size of the board, the composition of the board, affects the financial management.

According to basic education act (2013), the Board of Management established under section 55 shall consist of the following members appointed by the County Education Board: six persons elected to represent parents of the pupils in the school or local community in the case of county secondary schools; one person nominated by the County Education Board; One representative of the teaching staff in the school elected by the teachers; three representatives of the sponsors of the school; one person to represent special interest groups in the community; and one person to represent special interest groups in the community; and a representative of the students' council who shall be an *ex officio* member.

Empirically, the evidence of the variety of BOM is very divided between theories of the agency and the administration, while others do not agree with both debates. Research anchored to management favoring different managers has established that when cards are made up of variety managers, they are more likely to resist hostile take-off (shark repellents) that protects the company from corporate raiders (Kioko, 2014). Maronga et al., (2013) found that boards of directors with a larger proportion

of directors were associated with greater work capacity, especially when the chairman of the board of directors was also the CEO (duality managing director). Correspondingly, Ndikwe and Owino (2016) concluded that a large number of filmmakers are in over-monitoring that represses the innovation and creativity of directors and the lack of entrepreneurial knowledge that makes decisions and discussions at the directory level more complicated (Nyangau, 2014). Based on the theoretical and empirical review, this study analyzes how the composition of the board of directors together with other corporate governance structures influences financial management.

2.3 Board of Management skills and financial management

In Kenya, the Government realized the importance of sound financial management in schools and set up the Kenya Education Staff Institute (KESI) in 1987 now Kenya Education Management Institute (KEMI) to train all educational managers and staff, a role it has not effectively performed (Sessional Paper No.1 2005). In 2012 KESI was transformed to Kenya Education Management Institute (KEMI) and is actively engaged in training of education managers (KESSP, 2005). Omondi and Nyenyi (2016) in a study to establish BoG effectiveness in resource management in Bureti district, observed that in order to build on the capacity and professionalism of BoGs, there is need to implement proactive approaches such as: Professional selection, In-servicing and Benchmarking. Kioko (2014) argues that training implies the provision of specific skills to the middle and the lower cadre of workers. All education managers regardless of their previous training or experience must be given further

training and development because competence never last due to changes in the world of work

Isaboke (2015) agrees that for members of the Board of Directors to be competent in financial management, they need constant exposure to training courses, seminars and workshops to improve their competitive behavior rather than relying solely on 'experience. Financial management capabilities, among other tasks of the Board of Directors, can lead to high performance. Workshops, seminars, service courses aimed at improving management in schools have been used at national level. This was done with the aim of improving school performance (Obama et a., 2015).

Okiiya et a., (2015) indicated that the Board of Directors can facilitate financial management by organizing joint meetings between staff members of their schools and other schools so that they can discuss innovations and how they have tried to implement it: organize on-going courses , workshops and seminars for the Board of Directors, which provide incentives for teachers to improve their morale and encourage them to implement the curriculum and encourage group work among teachers so that they can discuss their teaching techniques and assessment methods.

Short systematic courses should be organized in the service, in particular after each revision of the national development objective and priority in financial management in secondary schools (Yesil and Kaya, 2013). Like the in-service program, workshops and seminars help prepare all those involved in the implementation process by equipping them with financial management and familiarizing with how the administration has started and how it can be implemented. To meet the needs of work activities, people need certain skills. For the board of directors, skills are crucial

because the success of organizations depends on the quality of their leadership.

Unqualified leaders are unlikely to provide efficient and effective leadership.

The research by Abu and Audu (2016) concluded that managers need three essential skills to carry out their activities. According to him, council members need conceptual skills, cadres need human skills and lower level managers need technical skills. Managers must possess technical, human and conceptual skills if they are to fulfill their tasks effectively. These are significant skills of effective governance of any institution and can only be performed by a person who has the ability to perform SWOT analysis (Adayemi, 2014). The SWOT analysis evaluates specific strategies of strength, weakness, opportunities and threats of the institution. The board in secondary schools should analyze the internal strengths and weaknesses of the school as an institution and also detail both the opportunities and the external risks.

According to Alinezhad et al.,(2013), BoM's governance strategies should be based on the priority of maximizing opportunities and minimizing threats.

According to Amir and Zaidatol (2013) they stressed that different administrative skills must be considered for an organization to succeed. These include the ability to prioritize with limited financial resources, good communication skills to ensure that information is correctly communicated to board members without delay, to avoid distortions and to publish official messages ahead of time. The board of directors must acquire analytical skills to solve problems and make decisions, both of which are largely dependent on in-depth analysis and critical thinking (Andreou et al., 2014). According to the industry review report, the Ministry of Education reported that members of the board in secondary schools have inadequate managerial skills,

which results in poor implementation of government education policies and decision making (ROK, 2003).

According to Chetambe and Sakwa (2013), most school directors are not transparent and responsible for the problems of school resources, in particular the institution's finances, which lead to the misappropriation of school funds. Most of the secondary school board lacks competence in the management of available school resources, as members of the board are not adequately trained in management skills (Gopal and Chowdhury, 2014).

Dastgir and Honarmand (2014) argued that many boards of directors in schools are ineffective in the government, as they have no idea of their roles and duties as school administrators, as described in the Education Act. The Wangai report on BoM indicates that the recommendations on the appointment of BoM were not taken into consideration in Kenya (ROK, 2013).

The Institute for Educational Personnel of Kenya (KESI) was established by the government with the aim of providing managerial skills to managers of learning institutions (ROK, 2015). For Board members to be effective in government, financial management capabilities are unavoidable in order to analyse and interpret balance, budgetary flow and budget control. This guarantees the responsibility and transparency of school funds (Mullin, 2013). While problem solving skills are crucial for board members to understand the root cause of a problem that may prohibit good governance (Her, Ku and Jing, 2012).

2.4 Corporate Leadership and Financial Management

Business leadership is largely characterized by transformative leadership. Transformational leadership is the result of different ethical values rather divergent than transactional leadership (Irshad et al., 2015). Often considered to be among the most desirable by employees, people who show transformative leadership typically inspire staff through effective communication and create an environment of intellectual stimulation. However, these people are often thinkers of the blue sky and may require more detail-oriented managers to successfully implement their strategic visions. Transactional leadership focuses on organizing groups, establishing a clear chain of command and implementing a carrot and stick approach to management activities. It is considered transactional because the leaders offer an exchange; they reward good performances, while they punish bad practices. While this may be an effective way to complete short-term activities, employees are unlikely to achieve their creative potential under such conditions.

A more extreme version of transactional leadership, autocratic leaders have significant control over staff and rarely consider workers' suggestions or share power. "Staff rarely appreciates the rules with an iron fist, which can lead to high turnover and absenteeism". There may also be lack of creativity due to the strategic direction that comes from a single individual. This style of leadership is best suited to environments where jobs are fairly routine or require limited skills. It is also common in military organizations.

Most commonly used to describe economic environments, laissez-faire literally means "let them do" in French. This is usually translated as "let it be". Laissez-faire

leaders are characterized by their non-intervention approach, which allows employees to continue with activities as they see fit. This can be effective in creative jobs or in workplaces where employees have a lot of experience. However, it is important for leaders to monitor performance and effectively communicate expectations to avoid exceeding labor standards. The characteristics of this form of leadership include not taking the necessary decisions, delaying actions, ignoring responsibilities of leadership and even unused authority (Isaboke, 2015).

Democratic leadership is also known as participatory leadership, this style, as its name suggests means that leaders often request information from team members before making a final decision (Hermes 2012). "Workers generally report higher levels of job satisfaction in these environments and the company can benefit from better creativity". On the flip side, the democratic process is usually slower and may not work well in workplaces where rapid decision-making is crucial. There is a certain amount of overlap between charismatic and transformative leadership. Both styles depend to a large extent on the positive charm and personality of the leader in question. However, charismatic leadership is generally considered less favorable, in large part because the success of projects and initiatives is closely linked to the presence of the leader. While transformational leaders build trust in a team that remains as they advance, the elimination of a charismatic leader usually leaves a power vacuum.

In relation to company leadership, a study was conducted on the role played by the transformational leadership style to improve teachers' job satisfaction. The study was limited to research universities in Malaysia. The study agrees that leadership styles

adopted in higher education institutions play a fundamental role in achieving job satisfaction among teachers. The results of the study indicated that both the inspiring motivation and the idealized influence were the most used transformational leadership practices, especially by department heads. Furthermore, it was noted that transformational leadership improves professional satisfaction among teachers more than other styles of leadership.

A comparative study of public and private secondary schools in Kenya assessed transformational leadership and job satisfaction of teachers. The study investigated the link between the transformational leadership style of departmental leaders and the job satisfaction of employees in Ghana's public and private secondary schools. The results of the study indicated that there was a positive correlation between transformational leadership and job satisfaction of employees. Furthermore, it was noted that department heads did not differ in their transformational leadership practices in the two types of institutions.

In Kenya, a study was conducted on the effect of the leadership styles of the principals on the academic performance of the students. The study was conducted in public schools in Homa-Bay County, Kenya. The study has adopted a research project *ex post facto*. The study revealed that school principals employed leadership styles that were not consistent with student-centered learning and interactive learning. The results also indicated that there was a significant relationship between the leadership styles adopted by school principals and the students' academic performance, as perceived by teachers. Furthermore, it has been indicated that schools that have adopted more democratic and participatory leadership styles that

have fostered teamwork and team spirit have achieved much better results than those that had adopted autocratic leadership styles of a largely dictatorial nature.

2.5 Financial Record Keeping and Financial Management

Schools must prepare a balance sheet, an operating Statement, a profit and loss statement for any trading operations conducted by the school, a financial statement for any special programs and a financial commitment summary. Justin and Wadike (2013) found that the directors rated the material lists with high scores in terms of budget effectiveness and monitoring of high school spending. Kim et al., (2013) conducted a study in South Africa to study why the effectiveness of the cards differed from one school to another and from one district to another. The study revealed that 37% of parents in GBS were illiterate, which hindered their active participation in decision-making in councils. Some of the weaknesses identified in this research are that the researcher did not justify why he used intentional sampling. Planning is a vital component of effective financial management of the school (Kioko, 2014).

Nyangau (2014) an opinion supported by Omondi and Nyenyi (2016), the governing body of each public school must ensure that there are adequate policies and procedures for effective, efficient and economic management of the finances of the school and the governing body of the school It must also have systems to monitor and evaluate the correct implementation of policies and procedures and inform them. One could say that financial policy is one of the most important policies that a school government agency must implement.

Maronga et al., (2013) states that one of the main purposes of the school's financial policy is to establish a system of controls (checks and balances) to ensure that school finances are safeguarded and managed correctly. Ndikwe and Owino (2016). states that one of the main purposes of the school's financial policies is to establish a system of controls (checks and balances) to ensure that school finances are properly safeguarded and managed.

According to Okiiya et al., (2015), the school's funding policy should include, as a minimum requirement, the following: Liquidity management: including, among others, the safe storage of money; daily banking transactions received; adequate accounting records; Financial transactions supported by source documents and monthly reconciliation of the cash book with internal controls of the bank statement, which include: internal controls (verification of one person's work by another person); separation of functions; internal audits; Operational financial committees (FINCOM); Establishment of audit committees. Traces of control: the ability to verify each phase of each transaction. This study investigated the influence of the BOM education level on financial management in secondary schools.

Yesil and Kaya (2013) noted that the lack of administrative experience in financial management was responsible for a large amount of inefficiencies and inefficiencies commonly observed in the performance of many educational systems in Africa. The researcher recommended that the best way to improve the members of the Board of Directors in their financial management function is to consider strictly their administrative experience and levels of education during the selection process and also to offer regular seminars and seminars to raise awareness on educational policies

and provide them with financial management skills. Financial management capabilities, among other tasks of the Board of Directors, can lead to high performance. Workshops, seminars, service courses aimed at improving management in schools have been used at national level. This was done with the aim of improving school performance (Abu and Au du, 2016).

Justin and Wadik. (2013) in a study on BoG effectiveness in Londiani District, found out that majority of the sampled BoGs were very experienced in their work, while a few of them were newly appointed and had little experience in school leadership. Justin and Wadik. (2013) noted that some BoG members ratified and adopted budgets they were not conversant with, meaning that they could not fully monitor implementation.

2.6 Summary of Literature review and knowledge gap

From the literature review a number of knowledge gaps are seen. First of all, there are studies that relate training of head teachers to performance but fail to address the issue of extent of performance in such schools in relation to corporate governance. In addition, there are studies that dwell so much on the board size, external and internal directors as a pointer to good performance. However, the way such boards are put into place is ignored, that is, the appointment to the board. Moreover, some studies such as that of Adayemi (2014) asserts much about management role in educational roles but fail to bring into account the effect of such on performance. In fact, the aspect of educational outcomes is generalized and clearly mentioned as performance indicators in schools. Furthermore, the concept of incorporating respondents' characteristics was ignored when finding the effect of corporate governance on

performance. The relationship between school leadership and performance has not been brought out clearly to warrant the demotion of principals.

2.7 Theoretical framework

The study was premised on the Stewardship Theory as postulated by Amir and Zaidatol (2013). The stewardship theory states that if managers are left on their own, they was execute their roles as responsible stewards of the assets they control and to the interest of the stakeholders. This theory underscores the importance of stewardship in corporate leadership and corporate governance even in high school institutions. In relation to corporate leadership, it has been observed that leadership styles adopted in institutions of secondary education play a fundamental part in achieving job satisfaction among teachers. Review of regional studies has indicated that there existed a positive correlation between transformational leadership and employee job satisfaction. A study done in Kenya has revealed that there was a significant relationship between the leadership styles adopted by school heads and academic performance of students. The theory is based on the human relations perspective. In the context of the study, it takes charge of the internal relations in the public schools as motivated by the influence of the association between the Board of Management and the principals. The Boards of Management are charged with the responsibility of ensuring that the resources of the organization are protected and safeguarded. This fulfills the provisions of corporate governance tenets (Dastgir and Honarmand, 2014).

The premise of Boards of Management ensures that board members are selected on the basis of their expertise and previous wealth of experience. The theory has an

emphasis on provision of guidance and leadership which are key tenets of corporate governance. The theory identified with the provisions for the tenets employed by the individual schools gradually translating to the requisite good was which motivates improved academic performance. This may ensure that they get to realize good academic performance. In the event of having a Board of Management constituted in line with the dictates of the requisite provisions, the schools may enjoy the right leadership standards and have the same translate to good academic performance. Prudent financial management may ensure that the schools have the best as regards supplies of teaching and learning materials. Ideal monitoring of the teaching and learning carried out in the schools also ensures that the learners acquire the benefits associated with apt supervision.

2.8 Conceptual Framework

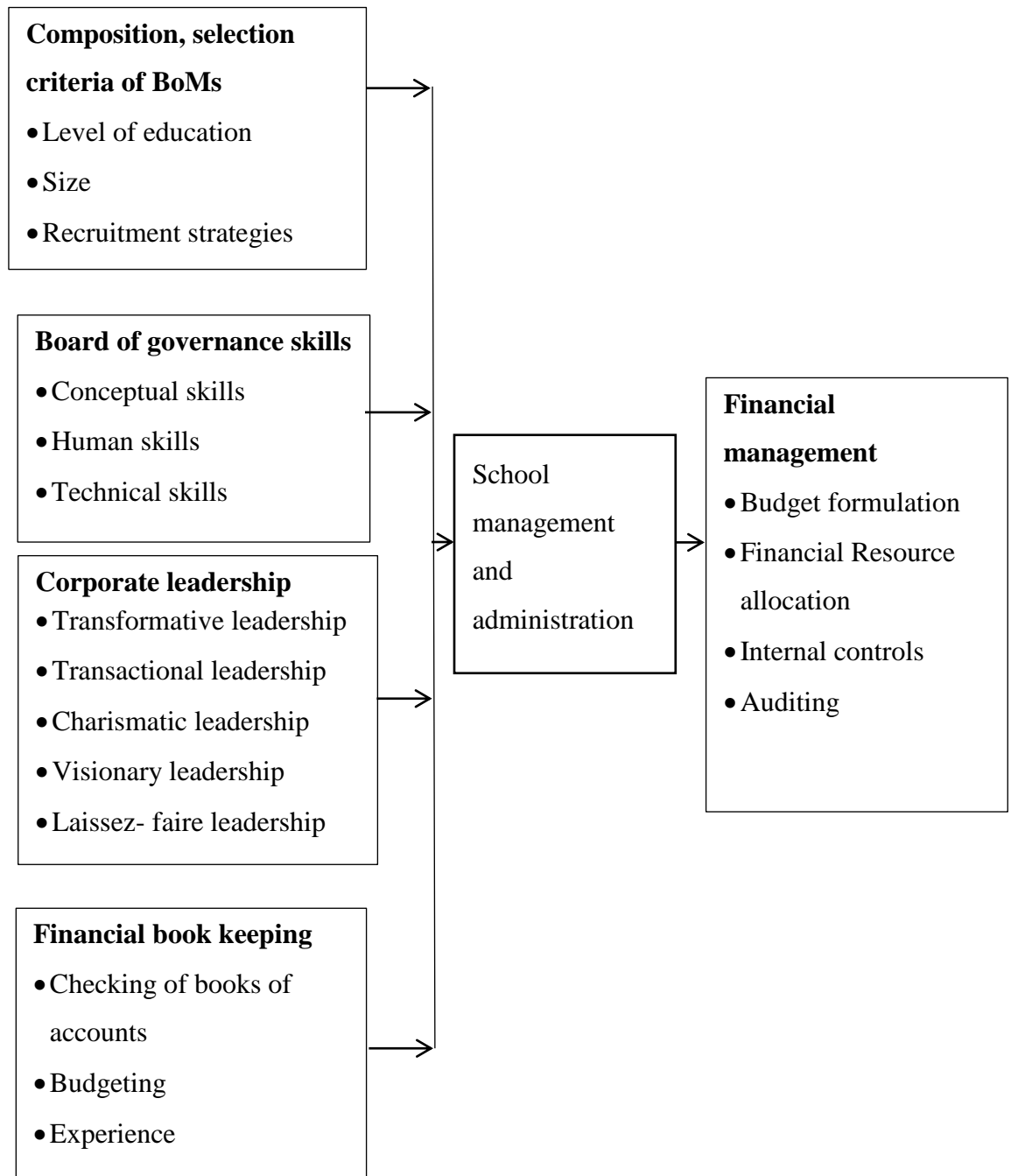


Figure 2. 1: The influence of board of management of corporate governance practises on financial management

The dependent variable of this study is financial performance in public secondary schools. Financial performance is influenced by the independent variables: corporate

governance practices of public secondary schools which is comprised of corporate leadership, board of management skills, board of management composition and selection criteria and financial book keeping skills of board of management members. In the school the management of a school entirely depends on the principal and the board of management and how effective they are was determine the financial performance of the institution hence through their competence, transparency, monitoring and effective checking of books of accounts

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section describes the research methodology used to carry out the study. It covers the following areas; introduction, research design, target population, sample size and sampling procedures, research instruments, validity of the instruments, reliability of instruments, data collection procedures and data analysis techniques and ethical considerations.

3.2 Research Design

A research design describes a blueprint for conducting a study. This study adopted a cross-sectional research design which is part of descriptive research design. The choice of this design is founded on the assertion that cross-sectional studies make comparisons at a single and specific point in time. Besides being snapshot in nature, cross-sectional studies are observational and record information regarding their subjects without manipulating the study environment.

3.3 Target population

Target population refers to the members of a group that share related character traits. Moreover, it describes the entire set of units for which the study data are to be used to be conclusions. The 10 principals and 150 board of management members of public secondary schools in Moyale sub-county in Kenya constitute the target population.

3.4 Sampling and sampling procedures

A sample is defined as a subset of the study population. It is observed that in the event that the study population exceeds 100, then sampling is necessitated as my total population is 165. In this study, a formula by Nassiuma was employed to determine the size of the sample as outlined below.

The sample size is derived from Yamane (1967) formula

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

Where **n** is the sample size, **N** is the population size and **e** is the margin of error (Yamane, 1967).

$$n = \frac{165}{1 + 165(0.1)^2}$$

$$n = 62$$

From the formula the sample size of was 62.

Stratified random sampling involved in dividing the population into strata's then taking a simple random sample in each group. Sample was drawn from each subgroup which comprised of five schools.

Table 3. 1: Sample size

Name of school	Principal	Board members
A	1	5
B	1	6
C	1	7
D	1	5
E	1	7
F	1	7
G	1	6
H	1	7
I	1	7
J	1	5
Totals	10	62

The sample size constituted 62 respondents. In order to ensure fair and equitable distribution of respondents across the two categories principals and across all school boards of managements in the Moyale sub-county, stratified random sampling technique was employed. The sampling technique was appropriate since the population was heterogeneous. The sample distribution of secondary schools in Moyale sub-county is as shown above.

3.5 Research Instruments

A research instrument refers to a tool that facilitates collection of data for a given research study. In survey studies like the present one, the use of questionnaires and interview in data collection is emphasized. In this respect, a structured questionnaire and interview guide which was self-administered was used to facilitate data

collection. Questions to be asked were 5 point Likert scale which give the respondents entire freedom of response,. The questionnaires was divided into two sections i.e Saction A was demographic questions and Section B which had 5 point likert scale questions on corporate leadership, board composition, Board skills, financial record keeping and financial management.

3.6 Validity of the research instrument

Validity testing is conducted with the aim of investigating whether or not the research instrument is able to facilitate collection of intended data. The researcher examined the content validity of the research instrument through consultation with the assigned university supervisor whose opinion was deemed sufficient to determine the instrument's validity. A pilot study was conducted to identify errors in the questionnaire. The questionnaire was sent to fifteen respondents and the reliability scores was calculated for these answers.

3.7 Reliability of the instrument

Reliability refers to the consistency of a measure of a concept. A research tool is considered reliable when study results are reproduced according to the same methodology. To be considered reliable, the measuring instrument must be error free and the results or observations must be replicable or repeatable. The consistency or reliability of the research tool is linked to three questions: the degree to which a size, repeatedly, stays the same, the steadiness of a dimension through the years and the measurement of similarity within certain period (Zikmund, 2010).

Reliability of a measuring tool is set up while determining the affiliation between the ratings obtained by means of exceptional administrations of the device. One of the most famous reliability information currently in use is Cronbach's alpha, on the way to be used inside the study measuring the internal consistency more than one questions of liker within the questionnaire that shape the scale to determining the cycle of reliability.

The Cronbach Alpha was used to test the reliability of the responses from the respondents. Reliability is the extent to which results are consistent over time and accurately represent the characteristics of the total population under study. A study is reliable if the results of a study can be reproduced under a similar methodology (Zikmund, 2010). Table 3.2 illustrates the findings of the study concerning the reliability of the analysis, in this study.

Table 3.2 : Reliability Tests

Category	Cronbach Alpha	No. of Items	Remarks
Board Composition	0.759	5	Accepted
Board Skills	0.742	7	Accepted
Corporate Leadership	0.974	7	Accepted
Financial Record Keeping	0.833	7	Accepted

Reliability of research instruments was measured by piloted questionnaires. The Cronbach Alpha which is a measure of internal consistency was then computed using SPSS version 24 software program. The coefficients for corporate leadership, board

composition, board skills and financial record keeping had a coefficient of 0.7 and above which is closer to 1 signifying that the instruments was reliable

3.8 Data Collection Procedures

The researcher collected data from the sampled respondents using a structured questionnaire and interview. However, prior to data collection, the necessary consent be obtained from the School of Education University of Nairobi. The research permit was from the National Commission of Science, Technology and Innovation (NACOSTI). Afterwards a copy was given to the Director of Education, Moyale sub-County who issue a clearance letter to visit schools under study. The researcher then visited schools to administer the questionnaires and interview guide to respondents. Questionnaires were collected immediately they were filled. The researchers interviewed the 10 principals then filled the interview guide. Secondary data was obtained from literature sources or data collected by other people for other purposes. Secondary data was collected by examining published literature, such as journal articles, published theses, textbooks, extracts from interviews and comments. The study used secondary data from the library records. These sources was examined to give an idea in the search for primary information. They offered information on the selection of variables, the development of tools and the discussion of results.

3.9 Data Processing and Analysis

After collecting the requisite data the next step is to process and analyze the data. This was aided by the use of the Statistical Package for Social Sciences (SPSS) Version 24 tool. Both quantitative and qualitative analysis methods were used to

analyze data. Data analysis constitutes descriptive statistics including frequencies, percentages, means and standard deviations. More so, the analysis encompasses inferential statistics in form of multiple regression analyses. The results of the analyses were presented in tables. The following multiple regression where beta coefficients was determined and the model was adopted.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y represents Financial Management

β_0 represents constant

X_1 , X_2 , X_3 and X_4 represent board composition, board skills, corporate leadership and financial record keeping respectively

β_1 , β_2 , β_3 and β_4 represent coefficients of determination of the independent variables

ε represents the error term

3.10 Ethical considerations

While researchers aim at producing new knowledge, they must ensure their respondents are protected from harm that may arise as a result of the researchers' activities. In this regard the following ethical principles were adopted by the researcher to ensure adherence to ethical and legal standards. A consent letter was gotten from the Sub-county education office and the findings and respondents identity was confidential. A research permit and authorization to conduct research in schools in Moyale sub-county was acquired, the respondents was informed that there are no physical, psychological risks or financial gain involved and their participation

in the study is voluntary and anyone has the freedom to decline any time they deemed fit and the data collected was free from any plagiarism.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data analysis, presentation and interpretation of the study based on the research objectives. The chapter starts with response rate, demographic data and influence of board of managements' corporate governance practises on financial management in public Secondary schools in the entire Marsabit sub-county

4.2 Response Rate

In regard to the response rate the analysis of the findings were as presented in Table 4.1.

Table 4.1: Response rate

Category	Sample	Number Returned	Percentage
Board of Members	62	62	100
Principals	10	10	100

Table 4.1 shows that, a total of 72 questionnaires were returned, which was 62 for board of members and 10 for principals representing 100% response rate which showed that the response was good.

4.3 Demographic Data

Demographic information provided data regarding research participants and was necessary for the determination of whether the individuals in a particular study were a representative sample of the target population and testing appropriateness of the respondent in answering the questions for generalization purposes.

4.2.1 Age of Board of Members

The study sought to determine the age composition of the respondents. The findings were presented as shown in Table 4.2.

Table 4.1: Age of the Board of Management and Principals

Category	BOMs		Principals	
	Frequency	Percent	Frequency	Percentage
20-25 years	5	8.0	0	0
31-35 years	42	68.0	2	20
36-40 years	10	16.0	3	30
Over 40 years	5	8.0	5	50
Total	62	100.0	10	100

Table 4.2 shows the age of the board of members and principals who participated in the study. Majority of the board of members who were (68%) were below 31-35 years, (16%) 36-40 years, (8%) above 40 years, and 8% (20-25) years. This indicated that majority of board of management members who participated in the study were mature people who provided reliable information on influence of board of managements' corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya.

The table shows that majority of principles who were 50% were in the age bracket of over 40 years, 30% (36-40) years, 20% (31-35) years, this shows that majority of principles in the secondary schools studied were above 40 years.

4.2.2 Working Experience of the Board of Management and Principals

The board members were asked about their working experience and the response was as shown in Table 4.3.

Table 4.3: Working Experience of the Board of Management and Principals

Category	BOMs		Principals	
	Frequency	Percentage	Frequency	Percentage
3 -5 years	44	71.0	2	20
6 -7 years	4	6.0	4	40
8 – 10 years	10	16.0	2	20
Above 10 years	4	6.0	1	10
Total	62	100.0	10	100

Table 4.3 shows the working experience of board of management members and principals who participated in the study. Majority of the board of management members who were 71% had working experience of 3-5 years, 16.0% 8.-10 years, 6% above 10 years and 7% 6-7 years. This shows that most board of management members had worked in the organization for more than 3 years.

The table shows that 40% of principals had working experience of 6-7 years, 20 % (3-5) years, 20 % (8-10) years and 10% above 10 years, this shows that majority of principals had worked for 6-7 years.

4.2.3 Highest Education Level of the Board of Management and Principals

The board members were asked about their highest level of education and the responses were presented in Table 4.4.

Table 4.4: Highest Education Level of the Board of Management and Principals

Category	BOMs		Principals	
	Frequency	Percentage	Frequency	Percentage
O – level	40	65	0	0
Certificate	20	32	0	0
Diploma	2	3	0	0
Degree	0	0	7	70
Masters	0	0	3	30
Total	62	100.0	10	100

Table 4.4 shows the highest level of education of BOM and principals. Majority of respondents who were 65% had O-level education, 32% certificate and 3% diploma education, this shows that majority of respondents were well educated and the helped to provide useful information on the influence of board of managements’ corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya.

The table shows the highest education level of principals who participated in the study, majority of principals who were 70% had attained a degree as compared to 30% who had masters level of education, this shows that principals were well educated.

4.4 Board composition and criteria of selection and financial management of secondary schools

This section shows the BOM and principal’s response on the impact of the board composition and criteria of selection on financial management of secondary schools.

Table 4.5 shows the BOM response on the effect of Board Composition on financial management in public secondary schools in in Moyale-sub County.

Table 4.5 BOM Responses on Impact of the Board Composition

Category	BOMs									
	No		Little		Moderate		Great		Very Great	
	Extent		Extent		Extent		Extent		Extent	
	f	1	f	2	f	3	f	4	f	5%
		%		%		%		%		
I am aware of budgeting practices in my School	12	19	19	31	25	40	4	6	2	4
As a board member, I oversee supply chain management, movable asset management and control	11	18	17	27	25	40	7	11	2	4
We prioritize on use of scarce resources to ensure effective stewardship over public money and assets	20	32	22	35	11	18	5	8	4	7
I am actively involved in planning and implementation of the financial plan, accounting and reporting on funds management.	16	26	20	32	12	19	9	15	5	8
We prioritize on use of scarce resources to ensure effective stewardship over public money and assets	19	31	21	34	10	16	7	11	5	8
As a board we review and ratify proposals submitted by management without being influenced	11	18	17	27	20	32	10	16	4	6
We have managed to detect problems and troubles before the school is exposed	15	24	17		13	21	9	15	8	13
				27						

Use a scale of 1 – 5 where 5 very great extent, 4 great extent, 3 moderate extent, 2 little extent and 1 No extent

On whether there are budgeting practices in my School was shown by 25 (40%) BOMs who indicated that budgeting was practiced to a moderate extent in schools, but they were not made available for public scrutiny. On whether board of members oversee supply chain management, movable asset management and control was indicated by 25 (40%) BOMs, this shows that the board members to a moderate extent influenced on supply chain management, movable asset management and control. The study findings disagrees with Hermes (2012) who argued that the size of the board is the total number of directors in a board and is considered an important determinant of effective corporate governance.

On whether board of members prioritize on use of scarce resources to ensure effective stewardship over public money and assets was shown by 22 (35%), this shows that to some little extent board of members prioritized on use of scarce resources to ensure effective stewardship over public money and assets. On whether board of members actively involved in planning and implementation of the financial plan accounting and reporting on funds management was indicated by 20 (32%), this shows that board of members to a little extent involved in planning and implementation of the financial plan accounting and reporting on funds management. The study finding disagrees with Adayemi (2014) who reported the existence of a significant positive relationship between the number of non-executive directors and the financial performance of companies.

On whether board of members prioritize on use of scarce resources to ensure effective stewardship over public money and assets was indicated by 21 (34%), this shows that board members had to little extent prioritized on the use of scarce resources to ensuring an effective stewardship over public money and assets. The study findings disagrees with Andreou et al., (2014) who argued that large board of members with higher monitoring capabilities were pursuing greater leverage to increase the value of the company.

On whether board of members review and ratify proposals submitted by management without being influenced was shown by 20 (32%), this shows that board of members to a little extent had a role in reviewing and ratifying proposals submitted by management without being influenced. On whether board of members have managed to detect problems and troubles before the school is exposed was indicated by 17 (27%), this shows that the board of members had capacity to a little extent detected problems and troubles before the school is exposed since most of the members were not trained on the area of financial management. The study findings disagrees with Andreou et al., (2014) who argued that large board of members with higher monitoring capabilities were pursuing greater leverage to increase the value of the company. The respondents were requested to indicate the impact of board compotion, the principals responses were as shown in Table 4.6.

Table 4.6 Principals Responses on Impact of the Board Composition

Category	Principals									
	No		Little		Moderate		Great		Very Great	
	Extent		Extent		Extent		Extent		Extent	
	f	%	f	%	f	%	f	%	f	%
I am aware of budgeting practices in my School	1	10	1	10	1	10	3	30	4	40
As a board member, I oversee supply chain management, movable asset management and control	2	20	4	40	2	20	1	10	1	10
We prioritize on use of scarce resources to ensure effective stewardship over public money and assets	1	10	1	10	1	10	4	40	3	30
I am actively involved in planning and implementation of the financial plan, accounting and reporting on funds management.	1	10	1	10	1	10	5	50	2	20
We prioritize on use of scarce resources to ensure effective stewardship over public money and assets	1	10	1	10	2	20	3	30	3	30
As a board we review and ratify proposals submitted by management without being influenced	6	60	1	10	1	10	1	10	1	10
We have managed to detect problems and troubles before the school is exposed	3	30	2	20	2	20	2	20	1	10

Use a scale of 1 – 5 where 5 very great extent, 4 great extent, 3 moderate extent, 2 little extent and 1 No extent

On whether there are budgeting practices in my School was shown by 4 (40%) principals who indicated that budgeting was not practiced to a very great extent in schools, but they were not made not made available for public scrutiny. On whether board of members oversee supply chain management, movable asset management and control was indicated by 4 (40%) principals , this shows that the board members to a moderate extent influenced on supply chain management, movable asset management and control. The study findings agrees with Hermes (2012) who argued that the size of the board is the total number of directors in a board and is considered an important determinant of effective corporate governance.

On whether board of members prioritize on use of scarce resources to ensure effective stewardship over public money and assets was shown by 4 (40%) of principals, this shows that to some little extent board of members prioritized on use of scarce resources to ensure effective stewardship over public money and assets.

On whether board of members actively involved in planning and implementation of the financial plan accounting and reporting on funds management was indicated by 4 (40%) of the principals, this shows that board of members to a little extent involved in planning and implementation of the financial plan accounting and reporting on funds management. The study finding disagrees with Adayemi (2014) who reported the existence of a significant positive relationship between the number of non-executive directors and the financial performance of companies.

On whether board of members prioritize on use of scarce resources to ensure effective stewardship over public money and assets was indicated by 5 (50%) of

principals, this shows that board members had to a great extent prioritized on the use of scarce resources to ensuring an effective stewardship over public money and assets. The study findings agrees with Andreou et al., (2014) who argued that large board of members with higher monitoring capabilities were pursuing greater leverage to increase the value of the company.

On whether board of members review and ratify proposals submitted by management without being influenced was shown by 6 (60%), this shows that board of members to no extent had a role in reviewing and ratifying proposals submitted by management without being influenced. On whether board of members have managed to detect problems and troubles before the school is exposed was indicated by 3 (30%), this shows that the board of members had capacity to no extent detected problems and troubles before the school is exposed since most of the members were not trained on the area of financial management. The study findings disagrees with Andreou et al., (2014) who argued that large board of members with higher monitoring capabilities were pursuing greater leverage to increase the value of the company.

4.5 Board skills and financial management of public secondary schools

BOM and principals were asked to answers questions on the influence of board skills on the financial management of public secondary schools. Table 4.7 shows the BOM responses on the influence of board skills on the financial management of public secondary schools.

Table 4.7: BOM Responses on Board Skills

Category	BOMs									
	No Extent		Little Extent		Moderate Extent		Great Extent		Very Great Extent	
	f	1 %	f	2 %	f	3 %	f	4 %	f	5%
Presence of accounting knowledge is vital in order to improve financial management in schools	2	3	4	6	4	6	20	33	32	52
The board has illustrated governance expertise in the last five year	12	19	16	26	18	29	10	16	6	10
Tenure of board member affects financial management in schools	2	3	9	15	10	16	21	34	20	32
We have all information on projects undertaken by the school	19	31	18	29	16	26	7	11	2	3
We have experiences cases of projects not being successful	21	34	19	31	18	29	2	3	2	3
The board has professional who assist in managing financial	16	26	14	23	12	19	11	18	9	15
We outsource accountants to resolve operational financial, and compliance related business issues	20	32	17	27	10	16	8	13	7	11

Use a scale of 1 – 5 where 5 very great extent, 4 great extent, 3 moderate extent, 2 little extent and 1 No extent

On whether presence of accounting knowledge is vital in order to improve financial management in schools as shown by 20 (33%), this shows that there was agreement to a great extent on whether accounting knowledge is vital in order to improve financial management in schools since the school had employed accounting staff. The study findings agrees with Obama et al., (2015) who argued that financial management capabilities, among other tasks of the Board of Directors, can lead to high performance. On whether the BOMs has illustrated governance expertise in the last five year as indicated by 18 (29%), this shows that the board of members to a little extent had expertise in governance issues since majority of them are not highly educated. They need training to improve their skills which agrees with Barnett (2012) who argues that for members of the Board of Directors to be competent in financial management, they need constant exposure to training courses, seminars and workshops to improve their competitive behaviour rather than relying solely on 'experience.

BOMs had little agreement that the tenure of board of members affects financial management in schools as shown by 21 (34%), this shows that the tenure of the board to a great extent influenced on financial management of public secondary schools. The study findings disagrees with Gopal and Chowdhury (2014) who argued that most of the secondary school board lacks competence in the management of available school resources, as members of the board are not adequately trained in management skills. On whether the board has have all the information on projects undertaken by the school was evidenced by 18 (29%), this shows that the information on projects

was clear to a little extent which is an indicator of poor financial management. The study finding agrees with Chetambe and Sakwa (2013) who argued that most school directors are not transparent and responsible for the problems of school resources, in particular the institution's finances, which lead to the misappropriation of school funds

On whether the board had experiences cases of projects not being successful was shown by 21 (34%) this shows that there were cases to a little extent of projects being unsuccessful. The study findings agrees with Chetambe and Sakwa, (2013) who argued that most school directors are not transparent and responsible for the problems of school resources, in particular the institution's finances, which lead to the misappropriation of school funds. There was to a little extent that the board has professional who assist in managing financial as the school had employed an accountant, this was evidenced by 16(26%). On whether board members outsource accountants to resolve operational financial, and compliance related business issues was shown by 20 (32%), this shows that public secondary schools to a little extent outsourced accountants to resolve operational financial, and compliance related business issues. Majority of public schools had employed their own accounting staff. Principals were asked to answer questions on influence of board skills on the financial management of public secondary schools.

To establish the influence of board of management skills influence the financial management of secondary schools, the principals were requested to rate the extent to which the skills influence financial management in their schools. Table 4.8 presents the results findings from the study.

Table 4.8: Principals Responses on Board Skills

Category	Principals									
	No Very Great Extent		Little Extent		Moderate Extent		Great Extent		Great Extent	
	f	1	f	2	f	3	f	4	f	5%
		%		%		%		%		
Presence of accounting knowledge is vital in order to improve financial management in schools	1	10	1	10	2	20	3	20	3	30
The board has illustrated governance expertise in the last five year	3	30	4	40	1	10	1	10	1	10
Tenure of board member affects financial management in schools	1	10	1	10	1	10	5	50	2	20
We have all information on projects undertaken by the school	3	30	2	20	2	20	2	20	1	10
We have experiences cases of projects not being successful	1	10	2	20	2	20	2	20	3	30
The board has professional who assist in managing financial	4	40	2	20	2	20	1	10	1	10
We outsource accountants to resolve operational financial, and compliance related business issues	3	30	5	50	1	10	1	10	0	0

Use a scale of 1 – 5 where 5 very great extent, 4 great extent, 3 moderate extent, 2 little extent and 1 No extent

On whether presence of accounting knowledge is vital in order to improve financial management in schools was shown 3 (30%) of principals, this shows that there was agreement to a very great extent on whether accounting knowledge is vital in order to improve financial management in schools since the school had employed accounting staff. The study findings agrees with Obama et al., (2015) who argued that financial management capabilities, among other tasks of the Board of Directors, can lead to high performance. On whether the BOMs has illustrated governance expertise in the last five year was indicated by 4 (40%) of principals, this shows that the board of members to a little extent had expertise in governance issues since majority of them are not highly educated. They need training to improve their skills which agree with Barnett (2012) who argues that for members of the Board of Directors to be competent in financial management, they need constant exposure to training courses, seminars and workshops to improve their competitive behaviour rather than relying solely on 'experience.

BOMs had little agreement that the tenure of board of members affects financial management in schools as shown by 5 (50%) of principals, this shows that the tenure of the board to a great extent influenced on financial management of public secondary schools. The study findings disagrees with Gopal and Chowdhury (2014) who argued that most of the secondary school board lacks competence in the management of available school resources, as members of the board are not adequately trained in management skills. On whether the board has have all the information on projects undertaken by the school was evidenced by 3 (30%) of principals, this shows that the

information on projects was clear to a little extent which is an indicator of poor financial management. The study finding agrees with Chetambe and Sakwa (2013) who argued that most school directors are not transparent and responsible for the problems of school resources, in particular the institution's finances, which lead to the misappropriation of school funds

On whether the board had experiences cases of projects not being successful was shown by 3 (30%) of principals, this shows that there were cases to a very great extent of projects being unsuccessful. The study findings disagrees with Chetambe and Sakwa, (2013) who argued that most school directors are not transparent and responsible for the problems of school resources, in particular the institution's finances, which lead to the misappropriation of school funds. There was to a little extent that the board has professional who assist in managing financial as the school had employed an accountant, this was evidenced by 4(40%) of principals. On whether board members outsource accountants to resolve operational financial, and compliance related business issues was shown by 5 (50%) of principals, this shows that public secondary schools to a little extent outsourced accountants to resolve operational financial, and compliance related business issues. Majority of public schools had employed their own accounting staff.

4.5 Corporate leadership and financial management public secondary schools

This section shows the BOM and principals response on the influence of corporate leadership on financial management public secondary schools. Table 4.9 shows the BOM responses on the influence of corporate leadership on financial management public secondary schools.

Table 4.9: BOM Responses on Corporate Leadership

Category	BOMs									
	No Very Great Extent		Little Extent		Moderate Extent		Great Extent		5%	
	f	1 %	f	2 %	f	3 %	f	4 %	f	5%
My school practice transformative leadership	18	30	20	32	14	23	2	3	2	3
My school exercise transformative leadership	21	34	19	31	11	18	9	15	2	3
Charismatic leadership influences financial management in my school	18	29	22	35	16	26	4	6	2	3
Laissez-faire leadership is practiced in my school	16	26	19	31	13	21	10	16	4	6
My school lack visionary leadership	2	3	7	11	13	21	24	39	16	26

BOMs indicated that the school practiced transformative leadership as evidenced by 20 (32%), this shows that transformative leadership was to a little extent practiced in many public secondary schools in Moyale-sub county. The study findings disagrees

with Irshad et al. (2015) who argued that transformative leadership typically inspire staff through effective communication and create an environment of intellectual stimulation. On whether the school exercised transformative leadership was shown by 21(34%), this shows that transformative leadership was exercised to No extent in many public secondary schools in Moyale-sub county. The study findings disagrees with Irshad et al. (2015) who The study findings disagrees with Irshad et al. (2015) who argued that transformative leadership typically inspire staff through effective communication and create an environment of intellectual stimulation. On whether charismatic leadership influences financial management in my school was indicated by 22 (35%), this shows that charismatic leadership had influence on financial management to a little extent in many public secondary schools in Moyale-sub county. On whether Laissez-faire leadership is practiced in my school was shown by 19 (31%), this shows that Laissez-faire leadership was practiced to a little extent in many schools in Moyale-sub county. The study findings agree with Isaboke, 2015) who argued that Laissez-faire leaders are characterized by their non-intervention approach, which allows employees to continue with activities as they see fit. This can be effective in creative jobs or in workplaces where employees have a lot of experience. On whether my school lack visionary leadership was indicated by 24 (39%) who indicated great extent. Table 4.10 shows the principals response on influence of corporate leadership on financial management public secondary schools.

Table 4.10: Principals Responses on Corporate Leadership

Category	BOMs									
	No Very Great Extent		Little Extent		Moderate Extent		Great Extent		Great Extent	
	f	1 %	f	2 %	f	3 %	f	4 %	f	5%
My school practice transformative leadership	1	10	1	10	2	20	3	30	3	30
My school exercise transformative leadership	1	10	1	10	2	20	2	20	4	40
Charismatic leadership influences financial management in my school	1	10	5	50	3	30	1	10	0	0
Laissez-faire leadership is practiced in my school	3	30	4	40	1	10	1	10	1	10
My school lack visionary leadership	1	10	1	10	2	20	1	10	5	50

Principals indicated that the school practiced transformative leadership as evidenced by 3 (30%), this shows that transformative leadership was to a little extent practiced in many public secondary schools in Moyale-sub county. The study findings disagrees with Irshad et al. (2015) who argued that transformative leadership typically inspire staff through effective communication and create an environment of intellectual stimulation. On whether the school exercised transformative leadership was shown by 4(40%), this shows that transformative leadership was exercised to very great extent in many public secondary schools in Moyale-sub county. The study findings disagrees with Irshad et al. (2015) who The study findings disagrees with Irshad et al. (2015) who argued that transformative leadership typically inspire staff through effective communication and create an environment of intellectual stimulation. On whether charismatic leadership influences financial management in my school was indicated by 5 (50%) of principals, this shows that charismatic leadership had influence on financial management to a little extent in many public secondary schools in Moyale-sub county. On whether Laissez-faire leadership is practiced in my school was shown by 4 (40%), this shows that Laissez-faire leadership was practiced to a little extent in many schools in Moyale-sub county. The study findings agree with Isaboke, 2015) who argued that Laissez-faire leaders are characterized by their non-intervention approach, which allows employees to continue with activities as they see fit. This can be effective in creative jobs or in workplaces where employees have a lot of experience. On whether my school lack visionary leadership was indicated by 5 (50%) who indicated great extent.

4.6 Financial record keeping practice and financial management public secondary schools

BOM and principals were asked to answers questions on the influence of financial record keeping practice on financial management public secondary schools. Table 4.11 shows the BOM responses on the influence of financial record keeping practice on financial management public secondary schools.

Table 4.11: BOM Responses on Financial Record Keeping Practice

Category	BOMs									
	No Very Great Extent Extent		Little Extent		Moderate Extent		Great Extent			
	f	1	f	2	f	3	f	4	f	5%
Are all invoices stamped are recorded into the system correctly, and clearly marked for account code assignment	22	35	14	23	10	16	8	13	8	13
The principal conducts regular checking of books of accounts to ensure transparency	15	24	21	34	17	27	5	8	4	6
Principals ensures funds are effectively used according to their allocation	18	29	19	31	14		9	15	2	3
						23				

Auditing is frequently done to ensure projects are implemented and completed on time	16	26	18	29	13	21	10	16	5	8
The accounting policy and procedure manual is updated regularly	19	31	21	34	16	26	3	5	3	5
Procedures exist to ensure that only authorized persons can alter or establish a new accounting policy or procedure to be used by the entity	13	21	17	27	20	32	6	10	6	10
There are written policies and procedures covering all routine financial management and related administrative activities	6	9	10	16	13	21	16	13	17	27

On whether all invoices stamped were recorded into the system correctly, and clearly marked for account code assignment was evidenced by 22 (35%), this shows that to No extent invoices stamped were recorded into the system correctly, and clearly marked for account code assignment. There was some agreement that the principal conducts regular checking of books of accounts to ensure transparency this was shown by 21 (34%), this shows that to a little extent in public secondary schools, the principal did not conduct regular checking of books of accounts to ensure transparency. The study findings disagrees with Okiiya et al., (2015) who argued that the school's funding policy should include, as a minimum requirement, the following: Liquidity management: including, among others, the safe storage of money; daily banking transactions received; adequate accounting records; Financial transactions supported by source documents and monthly reconciliation of the cash book with internal controls of the bank statement, which include: internal controls (verification

of one person's work by another person); separation of functions; internal audits; Operational financial committees (FINCOM); Establishment of audit committees

On whether principals ensures funds are effectively used according to their allocation was shown by 18 (29%), this shows that to a little extent principals in many public secondary schools in Moyale sub-county monitored how funds are effectively used according to their allocation. The study findings disagrees with Maronga et al., (2013) who argued that one of the main purposes of the school's financial policy is to establish a system of controls (checks and balances) to ensure that school finances are safeguarded and managed correctly. On whether Auditing is frequently done to ensure projects are implemented and completed on time was shown by 18 (29%), this shows that to a little extent auditing was not done regularly, most schools did auditing on annual basis.

On whether the accounting policy and procedure manual is updated regularly as evidenced by 21 (34%), this shows that to a little extent accounting policy and procedure manual are not regularly updated. On whether procedures exist to ensure that only authorized persons can alter or establish a new accounting policy or procedure to be used by the entity as shown by 20 (32%), this shows to a moderate extent procedures were followed in many schools to ensure that only authorized persons can alter or establish a new accounting policy or procedure. Some respondents to a moderate extent agreed that, there are written policies and procedures covering all routine financial management and related administrative

activities as this was evidenced by 17 (27%). The study findings disagrees with Okiiya et al., (2015) who argued that the school's funding policy should include, as a minimum requirement, the following: Liquidity management: including, among others, the safe storage of money; daily banking transactions received; adequate accounting records; Financial transactions supported by source documents and monthly reconciliation of the cash book with internal controls of the bank statement, which include: internal controls. Principals were asked to answer questions on influence of financial record keeping practice on financial management public secondary schools. The principals were requested to indicate whether financial record keeping in their schools influence financial management in secondary schools. Table 4.12 presents the study findings.

Table 4.12: Principals Responses on Financial Record Keeping

Category	Financial Record Keeping									
	No Very Great Extent		Little Extent		Moderate Extent		Great Extent		5%	
	f	1	f	2	f	3	f	4	f	5%
		%		%		%		%		
Are all invoices stamped are recorded into the system correctly, and clearly marked for account code assignment	2	20	4	40	2	20	1	10	1	10
The principal conducts regular checking of books of accounts to ensure transparency	1	10	1	10	2	20	1	10	5	50
Principals ensures funds are effectively used according to their allocation	1	10	1	10	2	20	2	20	4	40
Auditing is frequently done to ensure projects are implemented and completed	3	30	2	20	2	20	2	20	1	10

on time										
The accounting policy and procedure manual is updated regularly	2	20	2	20	3	30	2	20	1	10
Procedures exist to ensure that only authorized persons can alter or establish a new accounting policy or procedure to be used by the entity	2	20	3	30	2	20	2	20	1	10
There are written policies and procedures covering all routine financial management and related administrative activities	1	10	2	20	2	20	3	30	2	20

On whether all invoices stamped were recorded into the system correctly, and clearly marked for account code assignment was evidenced by 4 (40%) of principals, this shows that to a little extent invoices stamped were recorded into the system correctly, and clearly marked for account code assignment. There was some agreement that the principal conducts regular checking of books of accounts to ensure transparency this was shown by 5 (50%), this shows that to a very great extent in public secondary schools, the principal did not conduct regular checking of books of accounts to ensure transparency. The study findings agrees with Okiiya et al., (2015) who argued that the school's funding policy should include, as a minimum requirement, the following: Liquidity management: including, among others, the safe storage of money; daily banking transactions received; adequate accounting records; Financial transactions supported by source documents and monthly reconciliation of the cash book with internal controls of the bank statement, which include: internal controls (verification of one person's work by another person); separation of functions; internal audits; Operational financial committees (FINCOM); Establishment of audit committees

On whether principals ensures funds are effectively used according to their allocation was shown by 4 (40%), this shows that to a very great extent principals in many public secondary schools in Moyale sub-county monitored how funds are effectively used according to their allocation. The study findings disagrees with Maronga et al., (2013) who argued that one of the main purposes of the school's financial policy is to establish a system of controls (checks and balances) to ensure that school finances are safeguarded and managed correctly. On whether Auditing is frequently done to ensure projects are implemented and completed on time was shown by 3 (30%), this shows that to a little extent auditing was not done regularly, most schools did auditing on annual basis.

On whether the accounting policy and procedure manual is updated regularly as evidenced by 3 (30%), this shows that to a moderate extent accounting policy and procedure manual are not regularly updated. On whether procedures exist to ensure that only authorized persons can alter or establish a new accounting policy or procedure to be used by the entity as shown by 3 (30%) of principals, this shows to a little extent procedures were followed in many schools to ensure that only authorized persons can alter or establish a new accounting policy or procedure. Some respondents to a great extent agreed that, there are written policies and procedures covering all routine financial management and related administrative activities as this was evidenced by 3 (30%). The study findings disagrees with Okiiya et al., (2015) who argued that the school's funding policy should include, as a minimum

requirement, the following: Liquidity management: including, among others, the safe storage of money; daily banking transactions received; adequate accounting records; Financial transactions supported by source documents and monthly reconciliation of the cash

4.7 Financial Management and financial management public secondary schools

This section shows the BOM and principals response on financial management public secondary schools. Table 4.12 shows BOM responses on financial management.

Table 4.12 BOM Response on Financial Management

Category	BOMs									
	No		Little		Moderate		Great		Very Great	
	Extent	Extent	Extent	Extent	Extent	Extent	Extent	Extent	Extent	Extent
	f	1	f	2	f	3	f	4	f	5%
		%		%		%		%		
Public secondary schools in Moyale Sub-County have a	18	29	20	32	15	24	7	11	2	3

well formulated budget

There is financial allocation mechanism by Public secondary schools in Moyale Sub-County	16	26	24	39	14	23	6	10	2	3
Public secondary schools in Moyale Sub-County have put in place internal controls	14	23	23	37	20		3	5	2	3
Auditing is done annually by Public secondary schools in Moyale Sub-County	3	5	10	16	12	19	20	32	17	27

Public secondary schools in Moyale Sub-County to a little extent a well formulated budget was evidenced by 20 (32%). This shows that some BOM members were aware of well formulated budgets in some schools. The study findings agrees with Kioko (2014) who argued that planning is a vital component of effective financial management of the school. On whether there is financial allocation mechanism by Public secondary schools in Moyale Sub-County was shown by 24(39%), this shows to a great extent that some public secondary schools in Moyale county had put in place financial allocation mechanism. The study findings agrees with clarke (2008) who argued that the governing body of each public school must ensure that there are adequate policies and procedures for effective, efficient and economic management of the finances of the school and the governing body of the school. Some public secondary schools in Moyale Sub-County have put in place internal controls was shown by 23 (37%), this shows to a great extent that there was some level of

controls in place on how public schools spent their money. On whether auditing is done annually by Public secondary schools in Moyale Sub-County was indicated by 20(32%) this shows that to a great extent auditing is done annually by Public secondary schools in Moyale Sub-County. Table 4.13 show principals response on financial management

Table 4.13 Principals Response on Financial Management

Principals				
No	Little	Moderate	Great	Very Great
Extent	Extent	Extent	Extent	Extent

Category	f	1	f	2	f	3	f	4	f	5%
		%		%		%		%		
Public secondary schools in Moyale Sub-County have a well formulated budget	2	20	3	30	2	20	2	20	1	10
There is financial allocation mechanism by Public secondary schools in Moyale Sub-County	1	10	4	40	2	20	2	20	1	10
Public secondary schools in Moyale Sub-County have put in place internal controls	3	30	2	20	2	20	2	20	1	10
Auditing is done annually by Public secondary schools in Moyale Sub-County	1	10	1	10	1	10	4	40	3	30

Public secondary schools in Moyale Sub-County to a little extent a well formulated budget was evidenced by 3 (30%) of principals. This shows that some BOM members were aware of well formulated budgets in some schools. The study findings agrees with Kioko (2014) who argued that planning is a vital component of effective financial management of the school. On whether there is financial allocation mechanism by Public secondary schools in Moyale Sub-County was shown by 4(40%), this shows to a little extent that some public secondary schools in Moyale county had put in place financial allocation mechanism. The study findings disagrees with clarke (2008) who argued that the governing body of each public school must ensure that there are adequate policies and procedures for effective, efficient and

economic management of the finances of the school and the governing body of the school. Some public secondary schools in Moyale Sub-County have put in place internal controls was shown by 3 (30%) of principals, this shows to no extent that there was some level of controls in place on how public schools spent their money. On whether auditing is done annually by Public secondary schools in Moyale Sub-County was indicated by 4(40%) this shows that to a great extent auditing is done annually by Public secondary schools in Moyale Sub-County. Table 4.14 Illustrates results of a linear regression analysis determining the relationship Between Board of Managements' Corporate Governance Practises on Financial Management effect of the unbiased variables (board composition, board skills, corporate leadership and financial record keeping) on the dependent variable (financial performance).

Table 4.14: Relationship Between Board of Managements' Corporate Governance Practises on Financial Management

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.077	.514		5.984	.000
Board Composition	.134	.218	.185	.616	.545
Board Skills	.051	.173	.085	.293	.772
Corporate Leadership	.094	.181	.118	.519	.610
Financial Record Keeping	.078	.102	.166	.769	.451

a. Dependent Variable: Financial Management

Use of results, the equation for regression is: $Y=3.077+0.134 X_1+0.051X_2+0.094X_3+0.078X_4$ where Y is the dependent variable (financial performance), X1 is board composition, X2 board skills, X3 is corporate leadership and X4 financial record keeping. According to the regression equation established, taking all factors into account with constant at zero, financial performance will be 3.077. Taking other unbiased variables at 0, a unit increase in board composition n will lead to 0.134 increase in financial management, this shows that board compositions influenced financial management in secondary schools, a unit increase in board skills will lead to 0.051 increase in financial management, this shows that board skills influenced financial management in secondary schools, a unit rise in corporate leadership will lead to a 0.094 increase in financial management, this shows that corporate leadership influenced financial management in secondary schools and a unit increase in financial record keeping will lead to 0.078 increase in financial management. this

shows that financial record keeping influenced financial management in secondary schools Board composition was found to be the strongest variable affecting financial management.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key findings of the study as well as the conclusions, limitations of the study, and recommendations for further research

5.2 Summary of the Study

The purpose of the study was to investigate the Influence of board of managements' corporate governance practises on financial management in public Secondary schools in Moyale sub-county, Kenya. The objectives of the study was to establish the impact of the board composition and criteria of selection on financial management of secondary schools in Moyale sub-county, Kenya. To establish the board skills on the financial management of public secondary schools in Moyale sub-county, Kenya. To assess the influence of corporate leadership on financial management public secondary schools in Moyale sub-county, Kenya. To assess the influence of financial record keeping on financial management public secondary schools in Moyale sub-county, Kenya.

This study adopted a cross-sectional research design which is part of descriptive research design. Stratified random sampling was used. Stratified random sampling involved in dividing the population into strata's then taking a simple random sample in each group. The study adopted the use of questionnaires and interview in data collection is emphasized. The researcher examined the content validity of the research instrument through consultation with the assigned university supervisor whose opinion was deemed sufficient to determine the instrument's validity. The

coefficients for corporate leadership, board composition, board skills and financial record keeping had a coefficient of 0.7 and above which is closer to 1 signifying that the instruments was reliable. The coefficients for corporate leadership, board composition, board skills and financial record keeping had a coefficient of 0.7 and above which is closer to 1 signifying that the instruments was reliable.

5.3 Summary of Findings

Board of members indicated that corporate leadership was not greatly practiced in many public secondary schools in Moyale-sub County. Majority of Board of members indicated that transformative leadership was not largely exercised in many public secondary schools in Moyale-sub County. Charismatic leadership had little influence on financial management in many public secondary schools in Moyale-sub County. Laissez-faire leadership was not well practiced in many schools in Moyale-sub County.

Principals indicated that, due to the new regulation on inclusion of parents, in most cases are illiterate has affected board efficiency in a legislative management. Parents select their representatives, remain stakeholders including sponsors and ensures prudent use of school finances and record maintenance. The more educated the board composition, the better management of the finances in the schools since they can inspect the books of account. Many parents are not well educated, therefore less concerned in school finical management.

Board of members indicated that budgeting was practiced in schools, but they were not made not made available for public scrutiny. The board members were found to have little influence on supply chain management, movable asset management and control. The study found that to some little extent board members prioritized on use of scarce resources to ensure effective stewardship over public money and assets. Board of members indicated that few members have the necessary skills and experiences to influence financial management. Many members have no skills and are less concerned in financial management in schools. Many members lack experience in financial management. To some little extent board members prioritized on use of scarce resources to ensure effective stewardship over public money and assets. Principals indicated to a bigger extent. Others indicated moderately because only few members have the necessary skills and experiences to influence financial management. Many members have no skills and are less concerned in financial management in schools. Many members lack experience in financial management.

Board of members little agreement on whether accounting knowledge is vital in order to improve financial management in schools since the school had employed accounting staff. The board members were found to have little expertise in governance issues since majority of them are not highly educated. The tenure of the board was found to have little influence on financial management of public secondary schools. Board of members indicated that the information on projects was not very clear which is an indicator of poor financial management. There was little

agreement by majority of respondents that the board has professional who assist in managing financial as the school had employed an accountant. Board of members indicated that public secondary schools on very few occasions they outsourced accountants to resolve operational financial, and compliance related business issues. Board of members in public schools had employed their own accounting staff. Principals indicated proactive, transformative and Leizsfair leadership styles to some extent which does not contribute to good financial management. They remain part of the board financial management; they are involved in budget making process, although very few understand their roles.

Board of members indicated that in some schools, invoices stamped were recorded into the system correctly, and clearly marked for account code assignment. In some public secondary schools, the principal did not conduct regular checking of books of accounts to ensure transparency. Principals in many public secondary schools in Moyale sub-county did not well monitor how funds are effectively used according to their allocation. Auditing was not done regularly, most schools did auditing on annual basis as accounting policy and procedure manual are not regularly updated. Procedures were followed in many schools to ensure that only authorized persons can alter or establish a new accounting policy or procedure. Principals indicated to great extent because it is most of them are not well informed in record keeping hence they are not of help in financial record keeping. Majority of them are not well trained in financial record keeping hence contribute very little to financial management.

5.4 Conclusion

Conclusions from the study are;

Corporate leadership is a challenge in studied public secondary schools in Moyale-sub County as it is not greatly practiced. Most schools lacked proper leadership as transformative leadership was not considered important in many public secondary schools. Charismatic leadership was not considered important on financial management. Public secondary schools did not consider Laissez-faire leadership as important in management of public funds.

There was no transparency in budget making process in many public secondary schools in Moyale sub-county. The board members have little influence on supply chain management, movable asset management and control. Board members did not prioritize on use of scarce resources to ensure effective stewardship over public money and assets since many board members were not well educated on financial management. Implementation of the financial plan accounting and reporting on funds management was a challenge since most board members had no accounting knowledge.

The board composition influence financial management since majority of board members had little accounting knowledge which affected financial management; schools had employed accounting staff who were more relied upon to interpolate accounting information to members. The board members had little expertise in governance issues since majority of them are not highly educated.

Monitoring of how funds are allocated is an important aspect of financial management in public secondary schools. It is important for schools to stamp invoices, recorded into the system correctly, and clearly mark for account code assignment. In some public secondary schools, the principal rarely conducted regular checking of books of accounts to ensure transparency. It is important that auditing need to be done annually in schools, the audit reports need to be available for public scrutiny. Accounting policies and procedures in public secondary schools need to be regularly updated and regularly followed. Some BOM members were aware of well formulated budgets in some schools

5.5 Recommendations

- i. The board of members should undergo training on corporate leadership. Board members should adopt leadership that is proactive, transformative, charismatic and Laissez-faire in financial management. Board members should be professionals appointed outside the school. .
- ii. The government of Kenya should come up with regulations making it mandatory for board of members in public secondary schools to undergo regular training in corporate leadership.
- iii. Teachers should be involved in budget making process. Documents relating to projects should be digitized.
- iv. School principals should conduct regular checking of books of accounts to ensure transparency. Public schools followed the government laid accounting standards.

- v. Auditors should ensure the auditing reports are conducted on annual basis and audit reports made public.
- vi. Parents should be informed on financial position of the schools.

5.6 Suggestion for further Study

- i. The study findings narrowed into public secondary schools in Moyale sub-county. Further study is necessary to establish the influence of board of managements' corporate governance practices on financial management in public Secondary schools in the entire Marsabit sub-county.
- ii. Further study is necessary to identify more on influence of board of managements' corporate governance practises on financial management in public primary schools in all schools in Isiolo County.
- iii. Influence of board of managements' corporate governance practises on financial management in public Secondary schools in all counties in Kenya.
- iv. The effect of training of Bursars on financial management of public secondary schools in Kenya.

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APPENDIX I: LETTER OF INTRODUCTION

University of Nairobi

Department of Educational Administration and Planning

P.O. Box 30197-00100

Nairobi

Date:14/9/2018.

To,

The principal,

.....

Dear Sir/Madam,

RE: PARTICIPATION IN RESEARCH

I am a postgraduate student at the School of education, University of Nairobi currently working on a research proposal on **Influence of Board of Management Corporate Governance Practices on Financial Management in Public Secondary schools in Moyale sub-county, Kenya**. I request that you allow me to gather data from your school because it has been selected randomly. The information you give is for academic purpose and your identity was confidential.

Thank you in advance.

Yours faithfully,

Abdikadir Adan Kijiba.

APPENDIX II: INTERVIEW SCHEDULE FOR PRINCIPAL

- i) How does the board composition and criteria of selection influence financial management of secondary schools in Moyale sub-county, Kenya.
- ii) To what extent does the composition of board skills influence the financial management of public secondary schools in Moyale sub-county, Kenya.
- iii) How does board of managements' corporate leadership styles contribute to financial management public secondary schools in Moyale sub-county, Kenya.
- iv) To what extent does board of managements' skills on financial record keeping influence the financial management public secondary schools in Moyale sub-county, Kenya.

APPENDIX III: QUESTIONNAIRES FOR B.O.M MEMBERS INCLUDING PRINCIPALS

Instructions: Tick where appropriate

Section A: Demographic Information

1. Name (Optional).....
2. Kindly indicate your gender Male [] Female []
3. Age
 (i)20-25 years [] (ii)26-30 years [] (iii)31-35 years []
 (iv)36-40 years [] (v)Over 40 years []
4. How many years have you worked in your school?
 (i)Less than 3 years [] (ii)3 -5 years [] (iii)6 -7 years []
 (iv) 8 – 10 years [] (v) Above 10 years []
5. What’s your highest academic qualification?
 (i) O – Level [] (ii) Certificate [] (iii) Diploma []
 (iv) Degree [] (v) Masters []
 Any other (Specify)

Section B

Please state the extent to which you agree or disagree with the following statements regarding board composition and criteria of selection, board skills, corporate leadership and financial record keeping practice

6.Use a scale of 1 – 5 where 5 very great extent, 4 great extent, 3 moderate extent, 2 little extent and 1 No extent.

To establish the impact of the board composition and criteria of selection on financial management of secondary schools	1	2	3	4	5
i.I am aware of budgeting practices in my School					
ii.As a board member, I oversee supply chain management, movable asset management and control					

iii.We prioritize on use of scarce resources to ensure effective stewardship over public money and assets					
iv.I am actively involved in planning and implementation of the financial plan, accounting and reporting on funds management					
v.As a board we review and ratify proposals submitted by management without being influenced					
vi.We have managed to detect problems and troubles before the school is exposed					
vii.The board composition has an influence on the performance of the school					
To establish the influence of board skills on the financial management of public secondary schools	1	2	3	4	5
i.Presence of accounting knowledge is vital in order to improve financial management in schools					
ii.The board has illustrated governance expertise in the last five year					
iii.Tenure of board member affects financial management in schools					
iv.We have all information on projects undertaken by the school					
v.We have experiences cases of projects not being successful					

vi.The board has professional who assist in managing financial					
vii.We outsource accountants to resolve operational financial, and compliance related business issues					
To assess the influence of corporate leadership on financial management public secondary schools	1	2	3	4	5
i. My school practice transformative leadership					
ii. My school exercise transformative leadership					
iii. Charismatic leadership influences financial management in my school					
iv. Laissez-faire leadership is practiced in my school					
v. My school lack visionary leadership					
To assess the influence of financial record keeping practice on financial management public secondary schools.	1	2	3	4	5
vi. Are all invoices stamped are recorded into the system correctly, and clearly marked for account code assignment					
vii. The principal conducts regular checking of books of accounts to ensure transparency					
viii. Principals ensures funds are effectively used according to their allocation					

ix. Auditing is frequently done to ensure projects are implemented and completed on time					
x. The accounting policy and procedure manual is updated regularly					
xi. Procedures exist to ensure that only authorized persons can alter or establish a new accounting policy or procedure to be used by the entity					
xii. There are written policies and procedures covering all routine financial management and related administrative activities					
Financial Management					
i. Public secondary schools in Moyale Sub-County have a well formulated budget					
ii. There is financial allocation mechanism by Public secondary schools in Moyale Sub-County					
iii. Public secondary schools in Moyale Sub-County have put in place internal controls					
iv. Auditing is done annually by Public secondary schools in Moyale Sub-County					

APPENDIX IV: AUTHORIZATION LETTER



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 3310571, 2219420
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/08067/27264**

Date: **10th December, 2018**

Abdikadir Adan Kijiba
University of Nairobi
P.O Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of Board of Managements’ corporate governance practices on financial management in public secondary schools in Moyale Sub-County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Mandera County** for the period ending **10th December, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Mandera County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

**GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner
Mandera County.

The County Director of Education
Mandera County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

APPENDIX V: RESEARCH PERMIT

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
6. NACOSTI may monitor and evaluate the licensed research project.
7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

National Commission for Science, Technology and innovation
P.O. Box 30623 - 00100, Nairobi, Kenya
TEL: 020 400 7000, 0713 788787, 0735 404245
Email: dg@nacosti.go.ke, registry@nacosti.go.ke
Website: www.nacosti.go.ke



National Commission for Science, Technology and Innovation

RESEARCH LICENSE

Serial No.A 22246

CONDITIONS: see back page

THIS IS TO CERTIFY THAT:
MR. ABDIKADIR ADAN KIJIBA
of UNIVERSITY OF NAIROBI, 0-902
Kikuyu, has been permitted to conduct
research in Mandera County

on the topic: INFLUENCE OF BOARD OF
MANAGEMENTS' CORPORATE
GOVERNANCE PRACTICES ON FINANCIAL
MANAGEMENT IN PUBLIC SECONDARY
SCHOOLS IN MOYALE SUB-COUNTY,
KENYA

for the period ending:
10th December, 2019

A handwritten signature in blue ink, appearing to read 'Abdikadir Adan Kijiba', is written over a dotted line.

Applicant's
Signature

Permit No : NACOSTI/P/18/08067/27264
Date Of Issue : 10th December, 2018
Fee Received :Ksh 1000

A handwritten signature in blue ink, appearing to read 'G. P. O. O.', is written over a dotted line.

Director General
National Commission for Science,
Technology & Innovation