

**INFLUENCE OF PRINCIPALS' FINANCIAL
MANAGEMENT PRACTICES ON ACHIEVEMENT OF
FINANCIAL TARGETS IN PUBLIC SECONDARY
SCHOOLS IN DAGORETI SUB-COUNTY, KENYA**

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DECLARATION

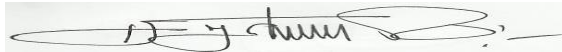
This research project is my own original work and has not been submitted for award of a degree in any other University.



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DEDICATION

I dedicate this research project to my parents for their tireless effort and encouragement to pursue education, the Late Joseph Mose Mbunde and Alice Kerubo. Special mention and thanks to my dear wife Crister Nyaboke and children, Samuel Ariga, Alice Kerubo, Claire Kwamboka and Tasha Nyaboke for their valuable support and encouragement to study. My supervisors led by Prof. Jeremiah M. Kalai and Mr. Edward Kanori from the University of Nairobi and Dr. (Late) John Mbunde for their invaluable support, mentorship towards my academic journey.

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ABSTRACT

Achievement of targets is very important for any organization or educational institution. Financial management is a key responsibility of every principal. Without effective financial management, organizations such as schools may find it difficult, if not impossible to achieve their goals. The Government of Kenya enacted the Public and Disposal Act no. 3 of 2003 which governs all aspects of procurement and disposal of unserviceable goods in the public sector which includes public secondary schools. This was to enhance accountability and transparency in expenditure management. The study sought to investigate influence of principals' financial management practices (budget preparation, allocation of funds, financial control and Stakeholders' involvement) on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya. The study was guided by Financial Agency Theory. The study adopted a descriptive survey design and targeted the principals, BOM and PTA members as well as the County Education Board Officer. The sample size involved 53 principals, members of 138 Board of Management, 53 PTA and 1 County Education Board Officer in Dagoretti Sub-County, Nairobi totalling to 245 respondents. Stratified random sampling was used to select the respondents to be interviewed. The study relied on data collected through questionnaires and interview guide to meet the objectives of the study. Responses were tabulated, coded and processed and analyzed by use of SPSS software programme and presented using figures, tables and charts. The instrument return rate was 88.3%. The study found that there is a significant relationship between principals' financial management practices (Stakeholders involvement, financial control, Budget preparation and Allocation of funds) influence the achievement of set targets in public secondary schools in Dagoretti sub-county at $p < 0.05$. There is need for the principals, BOM and PTA members to interact with other secondary schools to gain experience in financial management in schools. The Government should release the funds meant for the schools in good time. It is recommended that public secondary schools should offer effective financial management training programmes should be developed based on identification and analysis of their needs. Future researchers should consider conducting a similar study in all public secondary schools in Kenya as this will allow the researchers to establish the robustness of the findings and the subsequent policy recommendations and formulation.

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ABBREVIATIONS AND ACRONYMS

ACCA	Association of Chartered Certified Accountants
BOM	Board of Management
H.O.Ds	Heads of Departments
HRM	Human Resource Management
KCSE	Kenya Certificate of Secondary Education
KEMI	Kenya Education Management Institute
KESI	Kenya Education Staff Institute
LEA	Local Education Authorities
LSBs	Local School Boards
MoEST	Ministry of Education Science and Technology
NACOSTI	National Commission for Science Technology and Innovation
OECD	Organization for Economic Cooperation and Development
PTA	Parent Teachers Association
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Achievement of targets is very important for any organization or educational institution. This is the process of identifying something that the institution wants or needs to be achieved, and then utilizing measurable goals and timeframes to achieve it. The targets have to be specific, measurable, attainable, realistic, and time sensitive. The success of improvement strategies can be measured against them, and they can help raise a board's and its community's expectations of what can be achieved. In order for education institutions to view academic and other educational targets as meaningful, they must have a clear understanding of what specific target(s) they are aspiring to accomplish (Odindo Onditi & Monari, 2020; Dotson, 2016).

Appropriate goal setting, along with timely and specific feedback, can lead to higher achievement, better performance, a high level of self-efficacy, and self-regulation. In a school set up, governance is entrusted to the School's Board of Management (BOM) (Said, 2016). It is the role of the board of directors to carry out internal monitoring to protect the interest of school stakeholders (Molano-León, 2018). According to Kwesi, Arko and Maison (2018), most of the school governing boards lack adequate skills in the drafting of budgets, writing financial and policy statements, control of finance and petty cash, initiative and innovation as well as accountability. Examples of BOM practices include provision of

incentives, rewards, involvement of teachers in target setting and provision of laboratory and library facilities (Kitheka, 2016; Mutuku, 2016).

Financial management is the process of planning and utilization of school funds in an efficient and effective manner and in accordance with regulation and procedures (Klapper, El-Zoghbi, & Hess, 2016). Prudent financial management is usually a pre-condition of a good school, since the way schools funds are managed largely determine the overall school performance (Kalungu, 2016; IDB, 2015; Momanyi, 2018). The enactment of the Government Financial Management Act of 2004 and the subsequent release of the Treasury Circular No. 13/2005 of 1st August 2005 provided guidelines for implementing the budget by public officers (Ministry of Finance Circular, 2005 as cited in Kimathi, 2016). In August 2012, Parliament enacted the Public Finance Management Act, 2012 to provide for the effective management of public finances by the national and county governments; the oversight responsibility of Parliament and county assemblies; the different responsibilities of government entities and other bodies, and for connected purposes (Republic of Kenya, 2012).

Financial management is a key responsibility of every principal. Without effective financial management, organizations such as schools may find it difficult, if not impossible to achieve their goals. Financial management in education is a process of relating resources to objectives required in organization, which explicitly exist to provide education (Paisley, 2018). This is to ensure that the desired goals or outcomes are achieved. Therefore, financial management

means seeing to it that the school has the funds it requires to meet its goals and that such funds are used for the purposes for which they were meant.

In the United States, the achievement of financial targets is the responsibility of the Board of Management as it is the central policy-making organ of all education institutions. For instance, local school boards (LSBs) manage secondary schools and report to the state (Kirst & Buckley, 2017). According to Rigall and Sharp (2018), in some countries like England & Wales, educational targets are managed by Local Education Authorities (LEA) that replaced the Education Act of 1910 and is mandated to manage education as well as distribution and monitoring of funding for the schools and to oversee educational achievements (Gann, 2017). Both in the United States and Britain, board members are tasked with policy formulation and implementation in schools and members must be highly qualified and experienced to serve in such roles. If a school is not performing as it should be parents have a leeway to petition for dissolution of the committee so that it can pave way for a new board (Van de Grift & Houtveen, 2016). In Scotland, the school boards were established by the School Boards Act of 1988, and are involved in determining the overall policies, objectives and ethos at the school. The government provides 80 per cent of their budget allocation and the boards of management mobilize resources to cover the 20percent balance.

In the majority of the Sub-Saharan African nations, the obligation of directing the administration of schools and setting and achievement of targets is dependent on School Board of Management councils (World Bank Group, 2014). However, it has been noted that some of the Board members are not well versed in financial

resource management because they lack the required financial education and training (King'oina, Ngaruiya & Mobegi, 2017). In South Africa, school management bodies experience many challenges. These include: problems in drafting school budgets, setting of achievable targets, writing financial statement, financial policy, as well as control of finance (Madikela, 2016). Madikela recommended training of the BOM members as the best remedy for such problems. In Malawi, the school governing body is selected from prominent members of the society who have excelled in their areas and considered as role models in their area of specialization (Dawson, 2018). In Zimbabwe, the government has laid down rules and regulations regarding recruitment and roles of school board of management in primary school (Aduda, 2011).

The Government of Kenya enacted the Public and Disposal Act no. 3 of 2003 which governs all aspects of procurement and disposal of unserviceable goods in the public sector which includes public secondary schools. This was to enhance accountability and transparency in expenditure management. Public schools were therefore required to establish tender committees (Republic of Kenya, 2003 and supported by Kalungu 2016). Basic Education Act (2013) highlights the mandate and constitution of the BOM. Asiago (2018) noted that, school principals are regarded as financial controllers and accounting officers at school level while Board of Management members are the policy makers and individuals responsible for setting targets and managing finances. Both however mainly lack professional qualifications to enable them execute their duties effectively. While school bursars are required to maintain records of both revenue and expenditure

and advise the principal, most of them lack technical capacity to offer guidance. The BOM members also lack necessary technical skills to understand and interpret financial reports in making decisions (Mobegi, Ondigi & Simatwa, 2018)

In Kenya, the Ministry of Education Science and Technology (MoEST) has too spelt out clearly the requirement for a suitable person to be recruited to serve as a member of the BOM on any public secondary school. According to the MOEST (2004 as cited in Basic Education Act (2013), the members to be appointed to the BOM should meet the following requirements; have a minimum of secondary education certificate, be a person of integrity and committed to serve the community on voluntary basis, the chairperson be at least a university graduate or one with a profession, of high integrity and preferably that, the chairperson or any other member should not have any business interest with the school in which one is serving as a board member.

Mismanagement and misappropriation of school funds directly affect the quality of education in the 53 secondary schools in Dagoretti Constituency. Inefficiencies in financial management of most public secondary schools in Dagoretti Constituency contribute to the decline in quality of education. According to Kahavizakiriza, Kisiangani, Walela and Wanyonyi (2016), 10 percent of public secondary schools were facing financial impropriety and therefore there was need for government auditing. Further, Transparency International Kenya (2009) noted that there has been reluctance or failure of school heads to submit their books of account for annual audit. This is despite the enactment of Public Officer Ethics

Act of 2003 that stipulates that money given out as imprest ought to be accounted for and any major purchases in schools be done through the tendering process. There has also been a delay in submitting monthly trial balances to the audit office. The specific projects that were due but could not be completed due to incompetence on the parts of principals or Boards of Management in mobilising and managing finances for different projects that were targeted. This has led to a lot of problems which in turn has now led to lack of achieving desired goals in education sector. Nyaga (2016) further states that the school principals lay blame on the government for low funds of secondary schools, supply of little capital equipment, institutional materials and others. Therefore, it is for this reason that this study seeks to investigate influence of principals' financial management practices on achievement of set targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya.

1.2 Statement of the Problem

Although the Kenya Education Management Institute (KEMI) has been inducting secondary school head teachers on financial management skills, some head teachers are still involved in financial mismanagement through: misappropriation, misallocation and embezzlement of school meagre financial resources (Kuria, 2017). The situation is also exacerbated by the fact that most principals are highly educated graduate teachers but with limited financial management skills managing school finances involves day to day, monthly and annually or annual tasks done by the BOM through: monitoring data, enrolment and state funding (Baraka, 2018).

A report by Mariita (2020) noted that in Dagoretti Constituency, several schools have are in dire need of additional classes, laboratories and other facilities, and have not benefitted from the CDF fund in the last four years. Awarding of projects and tenders to secondary schools are also not done in a transparent manner. While the government has been keen in budgeting of the financial resources for secondary schools, the principals do not have the relevant and sufficient required skills for financial resource in Dagoretti Sub-County (Republic of Kenya, 2018). There was therefore great need to investigate the influence of financial management practices on achievement of financial targets in Secondary schools in Dagoretti sub-county, Nairobi County, Kenya

1.3 Purpose of the Study

The study sought to investigate influence of principals' financial management practices on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya

1.4 Objective of the Study

- i) To determine the influence of adequate budget preparation by principals on achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County, Kenya
- ii) To establish influence of the adequacy of allocated funds for training of Head teachers on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya

- iii) To examine influence of principals' financial controls on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya
- iv) To determine the influence of involvement of school community members in resource mobilisation on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County.

1.5 Research Questions

- i. To what extent does adequate budget preparation by principals influence achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County?
- ii. What is the influence of the adequacy of allocated funds for training of Head teachers on achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County?
- iii. To what extent do principals' financial controls influence achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County?
- iv. How does involvement of school community members in resource mobilisation influence achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County?

1.6 Significance of the Study

This study may enable the principals, BOM, community leaders to be able to monitor school finances in order to reduce wastage so as to benefit the community and the students as they may be able to adopt better management skills and discover where the failure emanates from the past experiences of poor

governance and how finances may be controlled effectively in secondary schools hence improving their KCSE performance. The study may be useful to the Board of Management members particularly, head teachers to enhance accountability and management of school funds to improve provision of teaching learning resources. This research may add data for scholars to review the recommendations and apply them to other board of management in other sub-counties.

1.7 Limitation of the Study

One of such limitations is the suspicion, which led to some of the respondents to withhold some information for fear of victimization due to sensitivity of the financial issues and this was mitigated by assuring the respondents of confidentiality by using no personal identification information on the research instrument. The researcher also carried an introduction letter from the university and NACOSTI and assured the respondents that the study will be for academic purposes only. Due to limited time, logistics and resources, the study only interviewed the sampled respondents.

1.8 Delimitation of the Study

The study was delimited to the investigation of the influence of budget preparation, influence on allocation of resources, financial controls. Head teachers, teachers, the school community play a great role towards the uplifting of education standards within Dagoretti Sub-County. The study specifically targeted public secondary schools within Dagoretti Sub-County. The study was

also delimited to financial targets as they are the key to achievement of other schools' targets.

1.9 Basic Assumption of the Study

The assumptions made are as follows:

- i. The respondents such as the principals and teachers, trustworthy so the information they give is true;
- ii. The respondents will voluntarily give information without any victimization or coercion.

1.10 Definition of Significant Terms

Allocation of funds refers to setting up a certain amount of money for an expense. Adequate allocation of funds means that proper budgeting, adequacy of resources (physical, human and ICT). This study will focus on the level of adequacy and compliance with the Ministerial guidelines.

Budget preparation refers to the development of how to use resources in a more effective and efficient way so as to meet or exceed the expectations. Adequacy in budget preparation will focus on principals' skills, funds availability and the financial strategies of the school and how effective the members are in adhering to the policy guidelines in academic achievement.

Financial management refers to the managerial activity, which is concerned with planning and controlling of a public finance in secondary schools. The indicators include accountability in financial management, transparency in financial allocation and efficiency in completion of projects.

Financial Management Training refers to the instruction or skills given by Kenya Education Management Institute (KEMI) to Principals, bursars and BOGs after appointment to enable them work better in executing financial management roles

1.11 Organization of the Study

The study was organized in five chapters. Chapter one consisted 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 focused on review of relevant literature related to the study. Chapter three comprised of research methodology that will be employed in carrying out the study. Chapter four consisted of data presentation, interpretations and discussion of data obtained from the respondents. Chapter five included the summary, conclusions and suggestion for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter is divided into the following sections; concept of financial management and achievement of financial targets, budget preparation and financial controls, allocations of funds for training, financial controls and financial management, board of governors' school community and financial management, summary of literature reviewed, theoretical framework and conceptual framework.

2.2 Concept of Financial Management and Achievement of Financial Targets

Financial management is one of management functional areas which is core to success of business enterprises. Inefficient financial management, combined with the uncertainty of the business environment often led Business Enterprises to serious problems (Deresse , Prabhakara & Prabhakara, 2017). According to Shkurina (2018), financial management involves planning, controlling, implementing and monitoring fiscal policies and activities, including accounting and auditing revenue, expenditure, assets and liabilities. Paramasivan and Subramanian (2019) argued that financial management helps to improve the profitability position of business organizations with the help of strong financial control devices such as budgetary control and ratio analysis.

It embraces daily cash management as well as the formulation of short, medium and long-term financial objectives, policies and strategies in support of the organizations business (Bua & Adzongo, 2019). Financial records are produced

in every area of financial management. In secondary schools, some of the important financial statements and records that have to be maintained include trial balances (monthly), ledgers for the various categories of items, cash book, Balance sheet and an income statement and are audited annually (Ondara, Momanyi & Anyona 2020).

The decision function of financial management can be broken down into three major areas: the investment, financing, and asset management decisions. Financial management practices revolve around these three key decisions (King, Clarkson & Wallace, 2018). Efficient financial management requires the existence of some objective or goal, because judgment as to whether or not a financial decision is efficient must be made in light of some standard (Butt, Hujra & Rehman, 2020).. Different authors and researchers approach the particular areas of financial management in various ways given their area of focus. For instance, a study carried out in Malaysia by Mohd et al., (2020) identified the components of financial management as financial planning and control, financial accounting, financial analysis, management accounting, capital budgeting and working capital management. Chung and Chuang (2020) studied five particular areas of financial management practices: capital structure management, working capital management, financial reporting and analysis, capital budgeting and accounting information system.

Competence in financial management will enable the school management supervise the preparation of books of accounts, trial balances, and competently deliberate on audited reports. This consequently leads to improved performance

(Muthanga & Odipo, 2017). Poor financial management leads financial to embezzlement, fraud, poor learner's welfare, poor school performance and under enrolment unrests and stagnated growth and high levels of indiscipline (Kimando, 2018).

In America, the system of management is called Local Management of Schools, Self-Managing Schools, Self-determining schools, locally autonomous schools, devolution, decentralization and restructured schools (Cro & Parshiadis, 2018). Tight budgetary control affects managerial behavior in schools throughout Sweden resulting in managers being less committed to their institutions (Munge, Kimani & Ngugi, 2016). Mgbodile (2019) documented that delay in disbursement of funds to institutions, lack of adequate training of educational heads, negligence of school financial clerks among others are factors that fuel poor management of funds in institutions in Nigeria. It is observed that the management of school funds has been a challenge in Zimbabwe. The school principals and school development committees have failed to properly manage funds and coordinate activities in schools (Chatiza, 2016).

The Basic Education Act 2013 of the Laws of Kenya, Section 55 and 101 (6) indicates that the County Education Board should appoint fourteen BoM members through a nomination panel. These people should be of high integrity, and serve on a voluntary basis. The members should be at least form four graduates or professional of high integrity. Clarke (2018), describes financial management as follows: It is essential that the (school) principal makes sure that she / he has the knowledge and understanding of the basic processes involved in

managing the school's accounts, the budgeting process and the systems and controls that are necessary to ensure that the school's monies are not misappropriated.

Rowe, Mazzotti, Ingram and Lee (2017) concluded that one of the most difficult challenges facing education in today's world is the lack of funding for resources such as additional teachers and technology. Budgets continue to shrink and schools are forced to think of new and innovative ways to increase student achievement. An organization is successful if it accomplishes its goals using a minimum of resources hence an organization that achieves its performance objectives based on the constraints imposed by the limited resources (Lusthaus & Adrien, 2018). Rugut (2018) suggested that perceived profitability and success in achieving organizational objectives are positively associated with planning detail, suggesting that strategic planning is a key component in improving performance. The BOM has many different functions to play in a bid to ensuring that learners get the best possible quality education. In doing so it comes up with various ways and means of encouraging teachers and students to do well. Planning is very important because of the constantly changing and volatile business environment (Usman, 2016).

2.3 Budget Preparation and Achievement of Financial Targets

Mestry (2016) in his study revealed that schools in South Africa, budgets were poorly done while Mbogi (2017) in his study noted that in most secondary schools in Kenya, budget is just a document on paper and its actual implementation is a mystery. He further explained that the need to complete

urgent projects affect proper budget implementation and even pave way for misappropriation. According to Kibogi (2018), management of school finances is wanting because of poor budgeting for school finances in Kenya. Walela et al, (2016) noted that managers of secondary schools in order for them to manage their finances well; there is need for them to look ahead, establish priorities and plan the activities in the school. He examined that effective school financial management is brought about by clear long term plans and priorities. It is important that clear plans for spending the limited funds are drawn. Therefore, it is expected that for this study, budget preparation and participation would enhance the financial management of the schools.

Said (2016) conducted a study on the relationship between BOM Management of finances and students' academic achievement in relation to KCSE performance in Mombasa County. The study employed a descriptive survey research design. The study used a sample of 130 participants, including 26 principals and 104 BOM members. The study findings show that 40% of the participants described the BOMs participation in the budget process as satisfactory, while 30% described it as good meaning that the BOM participated in the preparation of the budgets to a large extent. Thus, the current study sought to investigate how preparation of the budgets in schools would affect financial management and its influence on achievement of set targets in public secondary schools in Dagoretti sub-County Kenya.

2.4 Allocation of Adequate Funds for Training and Achievement of Financial Targets

Training is a problem-centered, learner-oriented, and time-bound series of activities designed to strengthen the competencies of employees. Training for school managers enables them to attain the required skills, knowledge and competencies in managing school resources. It also eliminates deficiencies in the background preparation of school managers. In addition, Training keeps school managers abreast of new knowledge in financial management and inculcates a sense of creativity in them. Training in Kenya is provided through organized seminars and workshops by district or Provincial Heads of Association and through Kenya Education Staff Institute (KESI). The Ministry of Education (MOE) in Kenya expects public school Principals, Heads of Departments (HODs) and School bursars to be trained on: Human Resource Management (HRM), financial management and other management issues (MOEST, 2005 as cited in Chitembe & Sakwa, 2018).

Madikela (2016) argued that school management bodies in South Africa experienced many challenges in drafting school budgets, writing financial statement, financial policy, as well as control of finance. According to Magiri (2017), newly elected BOM members' competency may be affected by inadequate induction on their responsibilities and roles, low education, inadequate exposure, and inexperience. In Zimbabwe, a study directed by Tichaona (2018) discovered that most heads of schools came up short on the satisfactory bookkeeping proficiency required for compelling administration of

school funds and that there was practically no supervision at all from the Ministry of Primary and Secondary Education money office workforce on budgetary administration and other related issues.

According to a study conducted by Nombasa (2017), most of the school governing boards lack adequate skills in the drafting of budgets, writing financial and policy statements, control of finance and petty cash, initiative and innovation as well as accountability due to illiteracy and lack of training among the board members. Kinyanzi et al., (2019) recommended that for the purposes of effectiveness of school teachers, school managers and curriculum implementers, an effective in-service training be provided to them. Ogembo (2016) observed that appointment of principals is done on the assumption that the pre-service professional training that they underwent to prepare them for teaching, coupled with the experience that they get as practicing teachers are enough to enable them discharge their roles effectively.

Pushpanadhun (2016) carried out research on secondary school principals and found out that school leaders take up management positions without formal training in leadership and other aspects including financial management. The researcher noted that school leaders needed a comprehensive training in general administration of schools, planning and financial management in record – keeping, management of cash flows, management of debtors, management of creditors, HRM and development and curriculum matters. This is so because the jobs of school leaders have changed dramatically and thus pre-service training of such leaders has remained inadequate for effective delivery of their service and

therefore in service training is the way to go for better financial performance in public secondary schools.

Chitembe and Sakwa (2018) researched on Effects of Financial Training on Financial Performance of Schools in Trans-Nzoia County in service financial training had little impact on financial performance of public schools. Finance is the life blood of success of any organization and schools either have no option but to embrace strategic financial management. and found that Miriti and Wangui (2017) looked into financial management in the context of training needs of public secondary school principals in Machakos County and noted that training programs on financial management were ineffective.

2.5 Financial Controls and Achievement of Financial Targets

According to Nyaga (2016), the survival of an organization depends on effective financial control. He noted that managers should adopt rules and regulations so as to prevent fraud, anticipated overspending and have a continuous and accurate knowledge of the overall financial position. Planning and control and related resources and their costs are the keys to good management. The process of developing plans for a company's expected operations and controlling operations helps to carry out those plans is known as budgetary control. Objectives of budgetary control are: To aid in establishing procedures for preparing a company's planned revenues and costs. Budgets also aid in coordinating and communicating these plans to various to various levels of management (Kariuki, 2017).

In their study, Nickson and Mears (2019) examined the relationship between budgetary control and performance of state ministries in Boston Massachusetts and concluded that proper budgetary control measures led to increased performance of state ministries. In Swedish public sector, Hemsing and Baker (2017) noted that managers in the municipalities and universities experienced tight budgetary controls and as such, managers were less committed to their organization. The study however did not explicitly explain how budgetary control and management influenced management of funds at universities and municipalities. Bert (2018) in his study on the role of budget and budgetary Control in district council concluded that the role of budget is achieving the goals of organization, hence the organization has to exercise a proper budgeting system and laying down proper budget policies and guidelines otherwise the organization can find itself wasting resources without meeting expectations.

Amalokwu and Obiajulum, (2018) conducted a study on budgetary and management control practices (budget being the tool for management control in Guinness Nigeria and concluded that budgets could facilitate the creating and sustaining of competitive advantages by enabling the following management functions: forecasting and planning, communication and coordination, motivational device evaluation and control and decision making. In another study Coleman and Anderson (2019) noted that the Ethiopian school heads and finance committee ought to pay attention to basic budgeting tasks such as accounting procedures that reflect the true financial position of the school and more so

internal and external controls and safety mechanisms that safeguard data from alterations and loss in line with the finance policy.

In another research paper done by Gambries (2016) on the effectiveness of budget and budgetary control in local government in Mwanza City Council, the researcher concluded that Budgeting Officers in Mwanza City stand in their positions to resist changes and challenges of any kind in the budgeting process. This may be due to several factors such as conservatism, insecurity, lack of understanding due to poor and/or lack of knowledge concerning the role of budget. Mohamed et al. (2017) examined how budgetary control can impact on the performance of Dara-salaam Bank in Somaliland and revealed that responsibility accounting, variance analysis and zero based budgeting enhanced budget control and improved efficiency and productively.

A survey conducted by Ambetsa, (2017) of budgeting control practices by commercial airlines operating at Wilson Airport, Nairobi indicated that the challenges faced were budget evaluation deficiencies, lack of full participation of all individuals in the preparation of the budget and lack of top management support. He further concludes that airlines operate and use budgets to plan implement and evaluate their business performance. All enterprises make plans using budgets some in a systematic and formal way, while others in an informal manner but still have some form of budgetary control and budgetary control practices. Therefore the issue is not whether to prepare a budget but rather how to do it effectively.

Munge, Kimani and Ngugi (2016) evaluated the factors influencing financial management in public secondary schools in Nakuru County and established that budget management and financial controls positively and significantly influenced financial management. Junge, Bosire and Kamau (2018) analyzed the effect of budgetary practices on performance of public secondary schools in Nakuru municipality and noted that budget practices such as budget control and allocation positively influenced performance of the schools.

2.6 Involvement of School Community Members in Resource Mobilization and Achievement of Financial Targets

It is important that the whole community be involved in planning, monitoring and evaluation of the school programs. Each individual in the school system should take care of his/her area of jurisdiction. Budget approval should actually be done by the government on recommendation by the B.O.Gs (Kahavizakiriza et al., 2016). School-community partnership enables the school and the community to share the responsibility of running the schools and helping the child to achieve the aim of education without which neither the school nor the community can benefit (Tondeur, 2019)

Otieno (2017) found that the schools boards of management do not consult teachers and parents in matters pertaining ongoing school activities, there is a poor attitude by the parents, a minimum attendance of fundraising, low income from the community and lack of accountability and that non-involvement make parents uncooperative to support school projects. Kahavizakiriza et al., (2016) set out to identify knowledge, skills and attitudes required by principals of public

secondary schools in Lurambi Sub- County in Kakamega County for effective financial management. The findings revealed that schools have not fully established other avenues of raising funds and depend mostly on parents and the government and therefore burdening them.

In his research, Epstein (2018) shows that a correlation of increased levels of parent involvement is an increase in student achievement. Gaitan (2017) agrees that school collaboration with other institutions and agencies provides rich and varied possibilities and realities. Additionally, collaborating with parents and communities, while capitalizing on their resources and strengths, promotes social and emotional growth for children. This simultaneously promotes parent, family and community empowerment and well-being. This is supported by (Sharma, 2013) who argues that successful parent-school collaborations must include opportunities for parents to recognize and value their skills and knowledge, utilize those strengths and resources present among the parents and the community and create multiple opportunities for parents to expand their abilities.

According to Musisi, (2016) and Watt (2018), engaging communities in financing of schools promotes sense of ownership and increases their commitment for educational improvement. Likewise, the argument for community financing in education is related to the assumption that when communities contribute directly towards the cost of education, they are likely to demand a greater say in the form and content of educational service and wants to ensure that the services are delivered efficiently i.e. increase in accountability as cited (Ismael, 2016).

Hussein, Muturi and Samantar, (2018) investigated the influence of community involvement on academic performance of secondary schools in Garowe. It was evidence in the study findings that community participation in school financing, motivating teachers and maintenance of school infrastructures of secondary schools affects academic performance in Garowe city. The study made the following conclusions; community have a role to play in the school finance, motivating teachers, in maintenance school infrastructures for providing school fee, and students' scholastic materials, teachers' salaries, respect status for teachers, rehabilitation and school building respectively.

Studies conducted by Dom (2019) and Swift-Morgan (2016) revealed similar findings that the parents are often required to make in cash and in-kind contribution for school operation, infrastructure and maintenance as well as to supplement salary of teachers and other school personnel. Baku (2017) has noted that community or parent-teacher cooperation in educational provision contributes to improvement in the enrolment and retention of pupils, maintenance of school facilities, learning environment, and overall quality and long-term impact of education. Also, Bray (2021) noted that community participation increases a sense community ownership and a better understanding of the true nature of the educational problems facing a country. He further stated that this contributes to improvement in education through improving student recruitment, retention and attendance; improving teachers' performance and condition of their service; and enhancing.

Ondara, Momanyi and Anyona (2020) sought to investigate the influence of the Board of Management financial practices on students' academic performance in public secondary schools in Nyamira County, Kenya. The study found that slightly more than half (52.2 %) of students disagreed that school money was used in transparent manner. This could be attributed to the fact that the board of management does not update the school community about the progress of school projects. These findings imply that most schools' board of management in the County do not involve parents and teachers in planning the school budget for every school project, although the parents and teachers have a representative in the board of management through PTA.

2.7 Summary of Literature Review

The BOM has many different functions to play in a bid to ensuring that learners get the best possible quality education. In doing so it comes up with various ways and means of encouraging teachers and students to do well. Proponents of principals' financial management argue that financial management is critical in achievement of goals. Researchers such as Kalungu (2016) and Mobegi, Ondigi & Simatwa, (2018) noted that there is a positive between the BOM financial management practices and achievement of financial targets. A number of the empirical studies failed to focus on the current study's principals' financial practices and these makes them narrow from a conceptual point of view. The objectives of the study (adequate budget preparation, adequacy of allocated funds for training of Head teachers, financial controls, involvement of school community members in resource mobilisation, and achievement of set goals)

have also not been discussed in the Kenyan context. Another research gap is that the studies did not focus on schools located in Dagoretti Sub County. This shows a contextual gap because Dagoretti sub-County is among the counties that have not been able to achieve its financial targets. The fact that there have been attempts to address financial management challenges in public institutions there is hardly any concrete study that has addressed the relationship between principals' financial management practices and achievement of financial targets. In addition, communities react differently in matters of financial management and this call for diversification of area of study. The summary identifies the gap from the literature reviewed hence the need for the study.

2.8 Theoretical Framework

The study was anchored on the Financial Agency Theory. Financial Agency Theory is a way of checking/monitoring the work of a principal, that is, an employer by an agent i.e. an employee. The theory also emphasizes on the cost and benefits of the principal-agent relationship. Beneficial agency cost is one that increases a shareholder's value while unwanted agency cost arises when management actions conflict with those of shareholders. This theory was developed by financial economists Jensen and Meckling (1976). According to Jensen and Mackling, agency relationship is a contract whereby one person who is the principal hires another person who is the agent, to perform some duties on his behalf. The principal delegates decision making authority to the agent. They further argued that the theory postulates that the principal have to deal with the issue of being in control of all the affairs in an organization. They select the

agents and monitor their actions so as to ensure that they are working to their level best.

According to the agency theory perspective, modern corporations, including publicly education institutions, are facing agency problems sourced from the asymmetric information between a principal (i.e. shareholders) and an agent (i.e. managers) in the decision-making process, which might lead to an incomplete contract as the consequence of random disturbances on the outcome of their decisions, including inefficient behavior of all parties (i.e. shareholders and managers) in satisfying their own interests (Holmstrom and Tirole 1989; Schroeck 2012). Eisenhardt (1989) argues that, in the presence of asymmetric information, the agency problem can create incomplete contracting with the organization leads to the goal conflict, increased outcomes uncertainty and decreased outcomes measurability. Thus, decision makers have to consider all contributing variables in the process that can address and mitigate the agency problems, hence can ensure a complete contracting between shareholders and managers.

Related to the issue, Brown (2011) argues that both parties (management and shareholders) need to share some information about the actual financial position and performance of the company that might be relevant and can affect their decisions through a sound accounting information system. This system can provide accounting information that summarizes and inform the outcomes of management's past activities as an essential basis for estimating future performance on which shareholders may use as a basis for their investment

decision. Hence, financial accounting information provides a significant role as intermediaries between managers and shareholders in communicating financial position and performance of the companies and hence reducing information asymmetry (Drever et al. 2017; Scott 2015).

The benefits of this theory are that they offer executives incentives to take actions that will enhance shareholder wealth; and these plans help companies attract and retain managers who have the confidence to risk their financial future on their own abilities leading to better performance. Critics of agency theory state that control mechanisms suggested on the basis of agency theory are expensive and economically ineffective, because mechanisms protecting shareholders' interests may interfere with realization of strategic decisions and may restrict collective actions. This theory is applicable to this study since in the case of financial management in public secondary schools, the government, parents and other financiers are the principals. On the other hand, the principal and bursar are the agents. The government through the Teachers Service Commission (TSC) and the parents through the Board of Management (BoM) hire the services of the school principals and bursars respectively. These employees are tasked with prudent management of the funds disbursed to school, and then they are paid salaries and allowances for executing their services.

2.9 Conceptual Framework

Fig. 2.1 represents the interplay between the independent and the dependent variables.

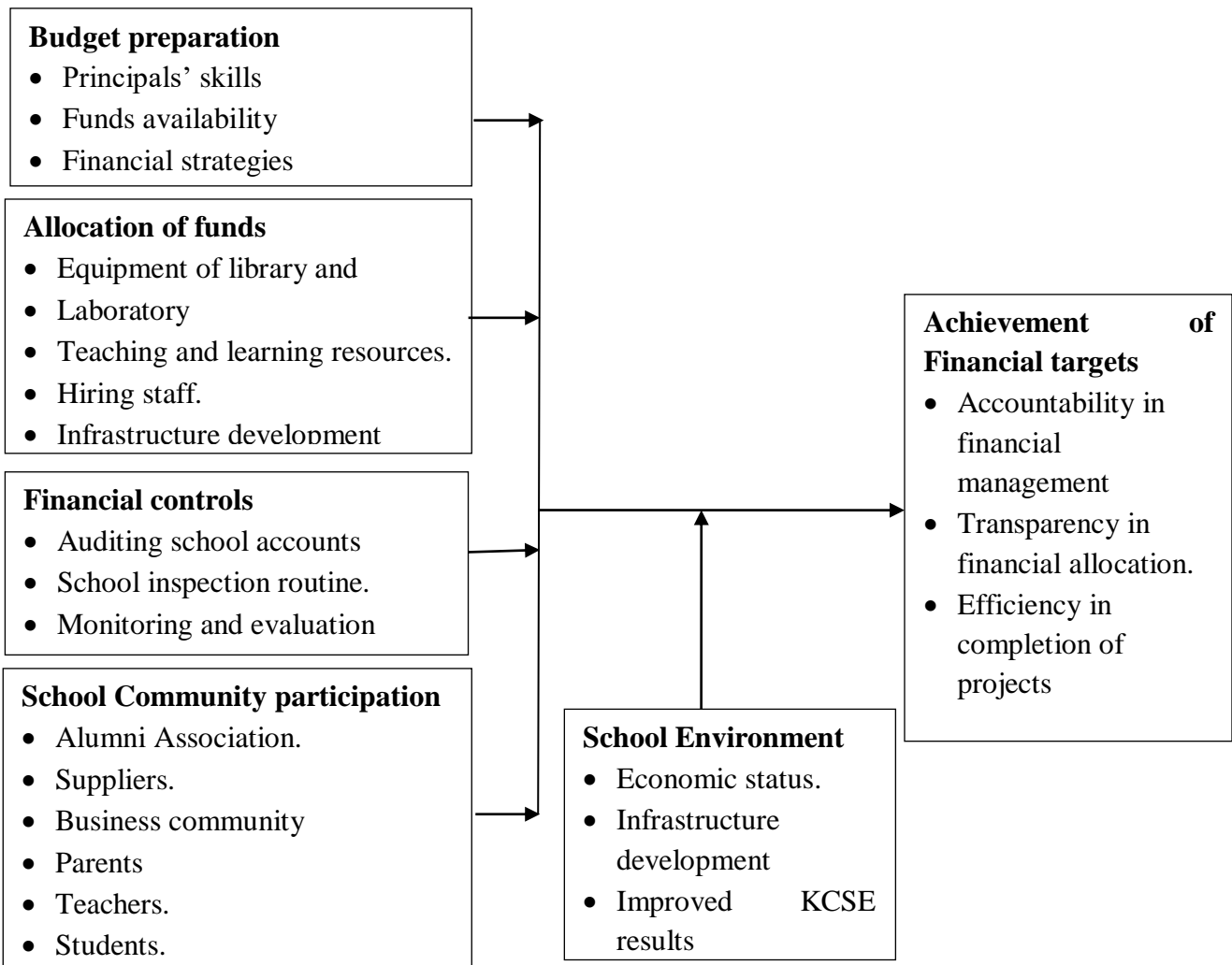


Fig. 2.1: Conceptual Framework

Figure 2.1 shows the interplay between the independent and dependent variable. The dependent variable is the influence of BOM while the independent variable is achievement of financial targets under prudent financial management through budgeting, accounting and auditing. It is expected that budget preparation, allocation of funds, financial controls and participation of the school community will lead to effective financial management leading to achievement of financial targets of any institution whereas the reverse is true.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This Chapter focuses on the specific procedures used in conducting the proposed study. They include: research design, area of study, target population, sample size and sampling procedures, research instruments, validity of instruments, reliability of the instruments, data collection procedures, data analysis and ethical considerations.

3.2 Research Design

This study adopted a descriptive survey design, which gathers data based on people's behaviour, describe facts and characteristics of an individual or group's behaviour, feelings, opinions regarding educational issues (Kombo & Tromp, 2006). The research design was chosen because it helps in reducing bias while maximizing gathered data's reliability.

3.3 Target Population

The total population in the study was 53 principals, 689 members of Board of Management, 53 PTA and 1 County Education Board Officer in 53 public secondary schools in Dagoretti Sub-County, Nairobi totalling to 796 respondents.

3.4 Sample Size and Sampling Procedures

The study used stratified random sampling where the population was interviewed. The study used 20% of the target population for BOM as the sample which according to Mugenda and Mugenda (2003), a sample of between 10-30% is adequate for data collection.

Table 3.1: Sample Size

Respondents	Target	Sample
BOM	689	138
Principals	53	53
PTA	53	53
County Education Board Officer.	1	1
Total	796	245

3.5 Research Instruments

The questionnaires were used to collect data from principals, BOM, PTA and County Education Board Officer. The questionnaires were divided into: Part A looked at Demographic Characteristics; Part B explored Budget preparation; Part C looked at Allocation of adequate funds for training; Part D looked at financial controls; Part E looked at involvement of school community members in resource mobilisation; and Part F looked at Achievement of financial Targets. The interview guide collected information from County Education Board Officer. Secondary data was collected from existing literature from journals, library materials and numerous internet search engines.

3.6 Validity of Instruments

The researcher used construct and content validity to make an effort to construct clear and precise items to avoid ambiguity. Content validity was done through discussing the items with the university supervisors to validate them. Suggestions, comments and recommendations were included in the final questionnaire. Construct validity was done through use of operationalization of the variables in the conceptual framework.

3.7 Reliability of the Instruments

Cronbach's Coefficient Alpha approach was used to measure internal consistency of the research instruments. Cronbach's Coefficient Alpha is a scale measurement tool appropriate in measuring internal consistency in descriptive survey researches as recommended by Cohen, Manion and Morrison (2007). Computation of Cronbach's Alpha was done using SPSS for windows version 21.0 programme. The questionnaires were accepted at reliability indices of 0.70 and above. The questionnaires were filled and assistance was sought where possible thus raising the reliability.

3.8 Data Collection Procedures

The researcher obtained a research permit from the National Commission of Science, Technology and Innovation (NACOSTI) and the Director of City Education in City Hall Nairobi. The researcher was allowed to visit the sampled schools, which will participate in the study where the principals were informed of the intended study, then questionnaires were administered and the respondents were assured of confidentiality and that the information obtained was for purely research purposes. This was followed by scheduled interviews with the county director of education.

3.9 Data Analysis Techniques

After data is collected, the researcher checked on all returned questionnaires numbers them, categorized them and data coded for completeness, accuracy and uniformity. Descriptive and inferential statistics were used to analyze quantitative data and presented using tables, graphs and charts. The researcher used Statistical

Package for Social Sciences (SPSS) for windows version 21.0. Qualitative data was analyzed using thematic analysis and presented in continuous prose manner.

Table 3.2 Statistical Analysis

Objective	Indicators	Measurement Scale	Statistical Analysis
Influence of adequate budget preparation on achievement of financial targets	<ul style="list-style-type: none"> • BOM skills • Funds • Financial strategies 	Ordinal	Descriptive Statistics (Frequencies, percentage mean, standard deviation) Correlation Analysis Regression analysis
Influence of the adequacy of allocated funds for training of Head teachers on achievement of financial targets	<ul style="list-style-type: none"> • Equipment of library and • Laboratory and • Teaching and learning resources. • Hiring staff. • Infrastructure development 	Ordinal	Descriptive Statistics (Frequencies, percentage mean, standard deviation) Correlation Analysis
Influence of financial controls on achievement of financial targets	<ul style="list-style-type: none"> • Auditing school accounts • School inspection routine. • Monitoring and evaluation of school projects. 	Ordinal	Descriptive Statistics (Frequencies, percentage mean, standard deviation) Correlation Analysis
Influence of involvement of school community members in resource mobilisation on achievement of financial targets	<ul style="list-style-type: none"> • Alumni Association. • Suppliers. • Business community • Parents • Teachers. • Students 	Ordinal	Descriptive Statistics (Frequencies, percentage mean, standard deviation) Correlation Analysis

3.10 Ethical Considerations

Kothari (2004) presents four principles that should be adhered to by the researcher in the course of research especially when dealing with respondents. The four principles are: authority, respect for the participants, informed consent, anonymity and confidentiality. The respondents was given a clear indication that

the research was for purely educational nature, privacy and confidentiality was observed and the researcher adhered to the time schedule agreed upon with the government and school administration.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

In this chapter the key issues related to data analysis, presentation and interpretation have been discussed. This chapter presents responses from principals, BoM, PTA and county Education Officer of public secondary schools in Dagoretti sub-county, Nairobi County, Kenya regarding the influence of principals' financial management practices on achievement of financial targets in public secondary schools in Dagoretti Sub-County, Nairobi County, Kenya. First, the response rate has been computed and presented. Secondly, the demographic characteristics of the participants have been described. Thirdly, the findings of the key objectives of the study have been presented and interpreted. The responses are analyzed using descriptive and inferential statistics and presented in tables, graphs and charts.

4.2 Instrument Response Rate

The table 4.1 shows the response Overall, the response rate was considered very high and adequate for the study as shown in Table 4.1:

Table 4.1: Response Rate

Response Rate	Frequency (F)	Percentage (%)
Returned (Principals)	46	86.8
Not returned (principals)	7	13.2
Returned (BOM)	105	76.1
Not returned (BOM)	33	23.9
Returned (PTA)	44	83.0
Not returned (PTA)	9	17.0

4.3 Demographic Characteristics of the Respondents

4.3.1 Gender of the Respondents

The study sought to find out the gender of the principals, BoM and PTA. The findings are shown in Figure 4.1 and figure 4.2:

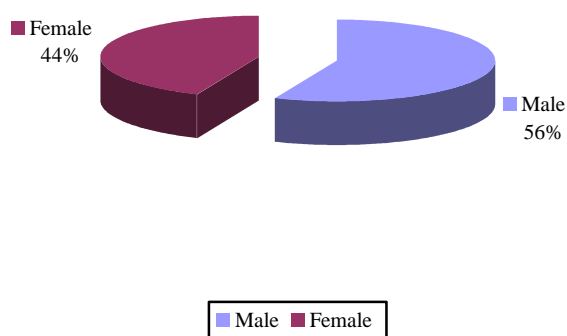


Figure 4.1: Distribution of Principals by Gender

The findings are an indication that most of the principals in public secondary schools in Dagoretti sub-county are male. The findings corroborate

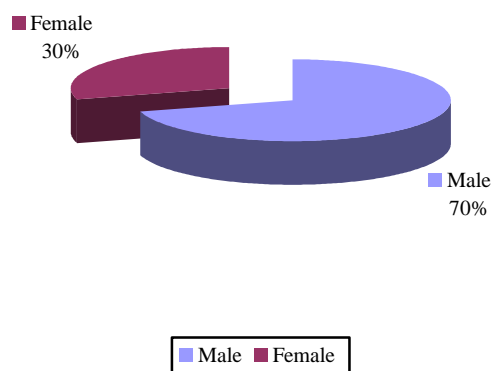


Figure 4.2: Distribution of BoM and PTA Members by Gender

The findings are an indication that most of the BoM and PTA members in public secondary schools in Dagoretti sub-county are male.

4.3.2 Age of the Respondents

The study sought to find out the age of the principals, PTA and BoM. The findings are shown in Tables 4.2:

Table 4.2: Distribution of the Respondents by Age

Age	Principals		BoM Members		PTA Members	
	Frequenc y	Percentage	Frequenc y	Perce ntage	Frequency	Percent age
40-49 years	22	47.8	61	58.1	18	40.9
50-59 years	22	47.8	32	30.5	16	36.4
60 years and above	2	4.4	12	1.4	10	22.7

This is also an indication that majority of the principals, BoM and PTA members in public secondary schools in Dagoretti sub-county are middle aged and therefore can be able to manage finances in the schools.

4.3.3 Distribution of the Principals, BoM and PTA Members by Education Level

The study sought to find out the education level of the principals, PTA and BoM.

The findings are shown in Tables 4.3:

Table 4.3: Distribution of the Respondents by Education Level

Level of education	Principals		BoM Members		PTA Members	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Diploma in Education	23	50.0	19	18.1	13	29.5
Bachelors	19	41.3	70	66.7	25	56.8
Masters	4	8.7	16	15.2	6	13.6
Total	46	100.0	105	100.0	44	100.0

This is an indication that majority of the principals, BoM and PTA members in public secondary schools in Dagoretti sub-county have attained basic education. The findings agree with Nyaga (2017) who found that majority of people involved with financial management in secondary schools have attained a first degree and thus this was an indication that the respondents were literate enough to engage in sound financial management of the schools.

4.3.4 Distribution of Schools by Categories

The study sought to find out the category of school. The findings are shown in Figure 4.3:

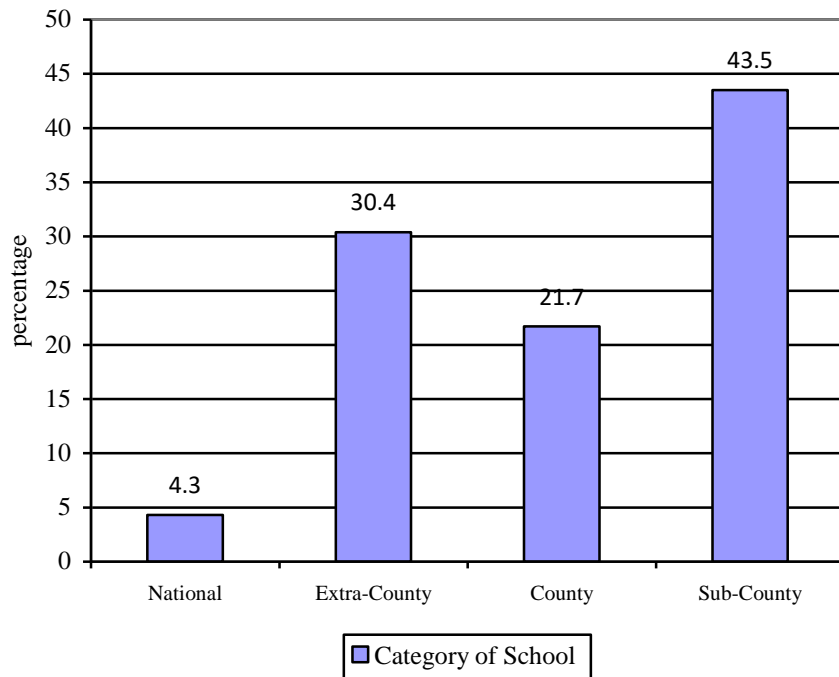


Figure 4.3: Category of School

This indicates that majority of schools in Dagoretti sub-county are in the sub-county category.

4.3.5 Type of School

The study sought to find out type of school. The findings are shown in Figure 4.4:

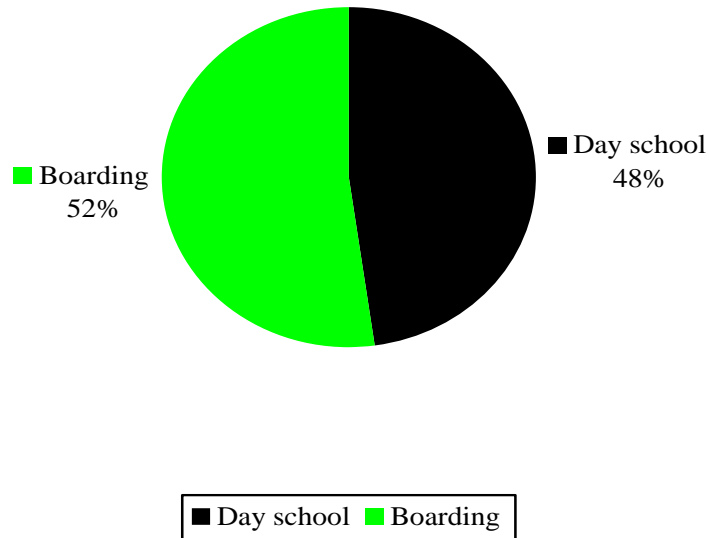


Figure 4.4: Type of School

According to the data in figure 4.4, majority of the principals indicated that the schools are boarding schools (52.0%) and day schools (48.0%).

4.3.6 Designation of the Respondents

The study sought to find out the designation of the respondents. The findings are shown in Figure 4.5:

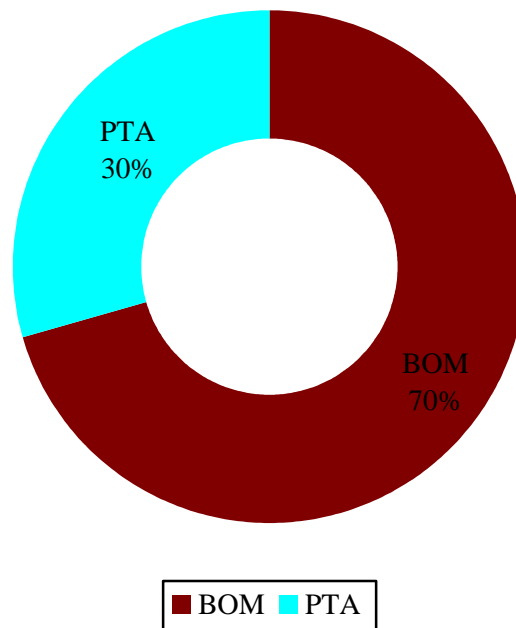


Figure 4.5: Designation of the Respondent

According to the data in figure 4.5, majority of the respondents indicated that they are BOM members (70.0%) while 30.0% are PTA members.

4.3.3 Duration the Respondents has been in the Position

The study sought to find out the duration the respondent has been in the position.

The findings are shown in Tables 4.4:

Table 4.4: Duration the Respondents has been in the Position

Age	Principals		BoM Members		PTA Members	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Less than 1 year	7	15.2	7	6.7	10	22.7
1-3 years	5	10.9	15	14.3	27	61.4
4-7 years	20	43.5	47	44.8	7	15.9
8-11 years	13	28.3	25	16.8	0	0.0
More than 11 years	1	2.2	11	7.4	0	0.0

Total	46	100.0	105	100.0	44	100.0
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This is an indication that majority of the principals, BoM and PTA members in public secondary schools in Dagoretti sub-county have been in the schools long enough to be able to manage the finances of the public secondary schools. The findings corroborate Nyaga (2017) who also found that majority of the persons responsible for financial management in secondary schools have worked for a period of between 1-7 years and therefore this meant that they had enough information concerning the financial management of the schools.

4.4 Budget Preparation on Achievement of Financial Targets

4.4.1 Extent to which Each Guideline is Adhered to

Table 4.5: Extent to which Each Guideline is Adhered to (Principals)

	Very Great extent (%)	Great extent (%)	Moderate extent (%)	Low extent (%)	Very low extent (%)	Mean	SD	Rank
Participatory budget preparation	8.7	69.6	21.7	0.0	0.0	2.13	0.542	4
Approval of budgets by respective governance organs	8.7	60.9	30.4	0.0	0.0	2.22	0.593	1
Expenditure in line with approved budgets	17.4	65.2	15.2	2.2	0.0	2.04	0.729	5
Budget tracking for conformity with guidelines	4.3	76.1	19.6	0.0	0.0	2.15	0.470	3
Reporting of expenditure to the respective governance organs and offices	8.7	65.2	23.9	2.2	0.0	2.20	0.619	2
Budgeting based on strategic school objectives	21.7	63.0	15.2	0.0	0.0	1.93	0.611	6

Table 4.5 reveals that majority of the principals agreed to a great extent that the guidelines adhered to during budget preparation are: budget tracking for conformity with guidelines (76.1%); participatory budget preparation (69.6%); expenditure in line with approved budgets (65.2%); and reporting of expenditure

to the respective governance organs and offices (65.2%). These findings are in line with Walela et al, (2016) who noted that managers of secondary schools in order for them to manage their finances well; there is need for them to look ahead, establish priorities and plan the activities in the school. He examined that effective school financial management is brought about by clear long term plans and priorities. It is important that clear plans for spending the limited funds are drawn.

Table 4.6: Extent to which Each Guideline is Adhered to (BOM and PTA members)

	Very Great extent (%)	Great extent (%)	Moderate extent (%)	Low extent (%)	Very low extent (%)	Mean	SD	Rank
Participatory budget preparation	28.9	47.0	23.5	0.7	0.0	1.96	0.743	3
Approval of budgets by respective governance organs	30.2	53.7	16.1	0.0	0.0	1.86	0.668	5
Expenditure in line with approved budgets	10.7	64.4	24.8	0.0	0.0	2.14	0.581	2
Budget tracking for conformity with guidelines	26.8	56.4	16.1	0.7	0.0	1.91	0.697	4
Reporting of expenditure to the respective governance organs and offices	10.7	63.8	23.5	2.0	0.0	2.17	0.630	1
Budgeting based on strategic school objectives	48.3	45.6	6.0	0.0	0.0	1.58	0.606	6

Table 4.6 reveals that majority of the BOM and PTA members agreed to a great extent that the guidelines adhered to during budget preparation are: expenditure in line with approved budgets (64.4%); reporting of expenditure to the respective governance organs and offices (63.8%); and budget tracking for conformity with

guidelines (56.4%). The county education board officer noted that adequacy in budget preparation influence achievement of financial targets in public Secondary schools in Dagoreti sub-county, Nairobi County to a very large extent. This is because the skills of the principals, availability of funds are important as without the skills, the principals cannot be able to prepare, implement and manage the funds available.

4.4.2 Extent to which Each Budget Making Process is Adhered to

Table 4.7: Extent to which Each Budget Making Process is Adhered to (Principals)

	Very Great extent (%)	Great extent (%)	Moderate extent (%)	Low extent (%)	Very low extent (%)	Mean	SD	Rank
Sharing of draft budgets with section heads in a school setting	32.6	41.3	26.1	0.0	0.0	1.93	0.772	5
Tabling of the budget before the Board of management for discussion	39.1	54.3	6.5	0.0	0.0	1.67	0.598	8
Tabling the main budget items before parents during an AGM	30.4	60.9	8.7	0.0	0.0	1.78	0.593	6
Approval by the parents	13.0	65.2	21.7	0.0	0.0	2.09	0.590	3
Seeking sanction from the County Education Board to levy on development items that require such approval	37.0	56.5	6.5	0.0	0.0	1.70	0.591	7
Ensuring adherence to policy guidelines in expenditure	6.5	63.0	30.4	0.0	0.0	2.24	0.565	1
Ensuring accountability through audit process	10.9	67.4	21.7	0.0	0.0	2.11	0.567	2
Addressing audit queries as flagged out by Audit office	10.9	78.3	10.9	0.0	0.0	2.00	0.471	4

The table 4.7 reveals that majority of the principals agreed to a great extent that the budget making processes adhered to are: Addressing audit queries as flagged out by Audit office (78.3%); Ensuring accountability through audit process (67.4%); Approval by the parents (65.2%); Ensuring adherence to policy guidelines in expenditure (63.0%); and Seeking sanction from the County Education Board to levy on development items that require such approval (56.5%). The findings support Said (2016) who found that 40% of the participants described the BOMs participation in the budget process as satisfactory while 30% described it as good meaning that the BOM participated in the preparation of the budgets to a large extent.

4.5 Allocation of Adequate Funds for Training and Achievement of Financial Targets

4.5.1 Type of Training

The study sought to find out the type of training the respondent has undertaken.

The findings are shown in Figures 4.6 and 4.7:

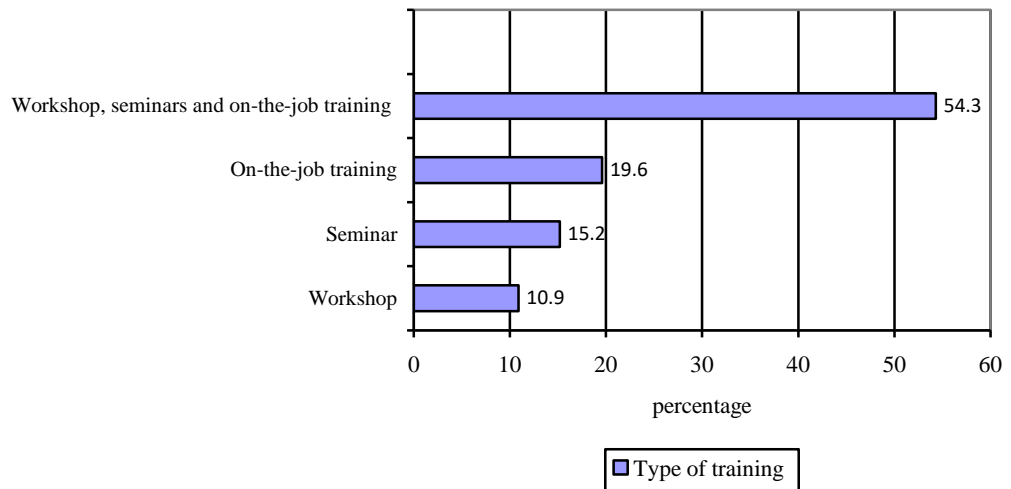


Figure 4.6: Type of Training (Principals)

The figure reveals that more than half (54.3%) of the principals have undertaken all (workshop, seminars and on-the-job training) while 19.6% have undertaken on-the-job training only, seminars (15.2%) and workshops (10.9%).

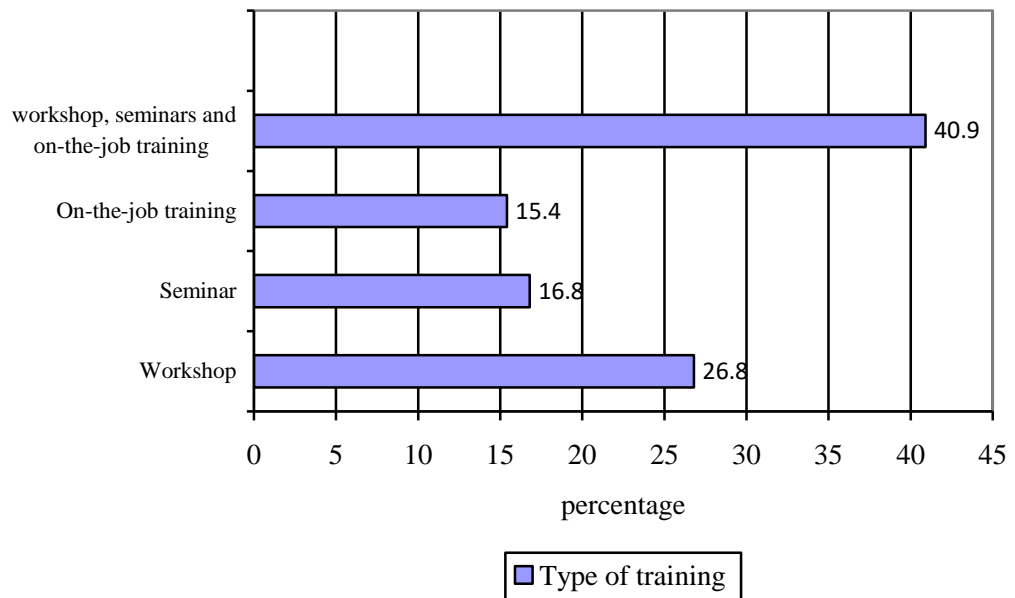


Figure 4.7: Type of Training (BoM and PTA members)

The figure 4.7 reveals that majority (40.9%) of the BoM and PTA members have undertaken workshop, seminars and on-the-job training while 26.8% have undertaken workshop only, seminars (16.8%) and on-the-job training (15.4%).

4.5.2 Influence of Adequate Funds for Training and Achievement of Financial Targets

Table 4.8: Allocation of Adequate Funds for Training and Achievement of Financial Targets (Principals)

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD
The training duration is enough to gather the relevant information regarding financial management	45.7	26.1	17.4	8.7	2.2	1.96	1.095
There is training of staff at various levels on	0.0	0.0	0.0	8.7	91.3	4.91	.285
• Skills							
• Values	0.0	0.0	10.9	13.0	76.1	4.65	.674
• Culture change	6.5	15.2	13.0	37.0	28.3	3.65	1.233
• Vision	0.0	2.2	6.5	71.7	19.6	4.09	.590
• Mission	0.0	0.0	17.4	65.2	17.4	4.00	.596
Investment in staff training and development contributes to improved performance	0.0	0.0	0.0	2.2	97.8	4.98	.147
There is monitoring of how finances are utilized by departments and persons	0.0	0.0	0.0	32.6	67.4	4.67	.474
All revenues received is promptly banked	0.0	0.0	17.4	0.0	0.0	4.50	.658
There are specific banks in which school accounts should be maintained	0.0	0.0	4.3	13.0	82.6	4.83	.383
There are clear procedures for dealing with frauds and theft	2.2	2.2	21.7	45.7	28.3	4.02	.774

Discussion of tender bids is done in an open manner	0.0	4.3	13.0	30.4	52.2	4.30	.866
There is tracking expenditure of donated funds	0.0	0.0	6.5	41.3	52.2	4.46	.622

The Table reveals that majority of the principals strongly agreed that: investment in staff training and development contributes to improved performance (97.8%); there is training of skills (91.3%); and there are specific banks in which school accounts should be maintained (82.6%) as statements regarding allocation of adequate funds for training and achievement of financial targets. However, 45.7% of the principals strongly disagreed that the training duration is enough to gather the relevant information regarding financial management. The findings corroborate Miriti and Wangui (2017) who concluded that the lack of motivation amongst principals and insufficient time to attend training programs hampered provision of effective training on financial management. Provision of training in financial management for principals can lead to improved management of financial resources in secondary schools (Mutua, 2017; Chetambe & Sakwa, 2018).

Table 4.9: Allocation of Adequate Funds for Training and Achievement of Financial Targets (BoM and PTA members)

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD	Rank
The training duration is enough to gather the relevant information regarding	41.0	27.6	17.9	10.3	3.2	2.07	1.137	9

financial management									
There is training of staff at various levels on skills, values, culture change, vision and mission	0.0	2.0	10.1	60.4	27.5	4.13	.664	7	
BOM's investment in staff training and development has contributed in improved performance	0.0	0.7	3.4	42.3	53.7	4.49	.600	4	
There is monitoring of how finances are utilized by departments and persons	0.0	0.0	0.7	22.1	77.2	4.77	.441	1	
All revenues received is promptly banked	0.0	0.0	8.7	33.6	57.7	4.49	.654	5	
There are specific banks in which school accounts should be maintained	0.0	0.0	2.7	22.8	74.5	4.72	.508	2	
There are clear procedures for dealing with frauds and theft	0.0	0.0	6.0	16.8	77.2	4.71	.573	3	
Discussion of tender bids is done in an open manner	0.0	1.3	7.4	55.7	35.6	4.26	.649	6	
There is tracking expenditure of donated funds	0.0	4.0	18.1	54.4	23.5	3.97	.762	8	

The Table reveals that majority of the BoM and PTA members strongly agreed that: There is monitoring of how finances are utilized by departments and persons

(77.2%) and there are clear procedures for dealing with frauds and theft (77.2%) as statements regarding Allocation of adequate funds for training and achievement of financial targets.

The findings are in line with Kinyanzi, Ombuki and Kalii (2019) who recommended that for the purposes of effectiveness of school teachers, school managers and curriculum implementers, an effective in-service training is provided to them. Ogembo (2016) observed that appointment of principals is done on the assumption that the pre-service professional training that they underwent to prepare them for teaching, coupled with the experience that they get as practicing teachers are enough to enable them discharge their roles effectively.

However, 41.0% of the BoM and PTA members strongly disagreed that the training duration is enough to gather the relevant information regarding financial management. These findings corroborate Nombasa (2017) who found that most of the school governing boards lack adequate skills in the drafting of budgets, writing financial and policy statements, control of finance and petty cash, initiative and innovation as well as accountability due to illiteracy and lack of training among the board members. Miriti and Wangui (2017) revealed that training programmes on financial management were ineffective in public secondary school principals in Machakos County.

The County Director of Education (CDE) noted that teaching and learning resources, laboratory and library equipment, staff recruitment and hiring as well as infrastructure development are achieved through proper allocation of funds. This means that for a school to be functioning, the set funds must be allocated

and used according to the planned budget. Any misappropriation in funds causes challenges in acquiring the resources needed in schools.

4.6 Financial Controls and Achievement of Financial Targets

Table 4.10: Influence of Financial Controls on Achievement of Financial Targets in Public Secondary Schools (Principals)

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD	Rank
Involvement in verification of audit reports	0.0	0.0	2.2	47.8	50.0	4.48	.547	4
Procurement procedures are in line with the procurement and disposal Act of 2015	0.0	0.0	6.5	56.5	37.0	4.30	.591	6
Interrogation of trial balances	0.0	0.0	0.0	47.8	52.2	4.52	.505	3
Checking bank reconciliation statements	0.0	0.0	8.7	47.8	43.5	4.35	.640	5
Monitoring revenue and expenditure patterns	0.0	0.0	0.0	10.9	89.1	4.89	.315	1
Monitoring of procured good and services	0.0	0.0	0.0	15.2	84.8	4.85	.363	2

The table reveals that majority of the principals strongly agreed that: monitoring revenue and expenditure patterns (89.1%); monitoring of procured good and services (84.8%); interrogation of trial balances (52.2%); involvement in verification of audit reports (50.0%); checking bank reconciliation statements (43.5%); and procurement procedures are in line with the procurement and disposal Act of 2015 (37.0%) are statements regarding influence of financial controls on achievement of financial targets in public secondary schools. The

results showed that internal control system plays an important role in ensuring the effectiveness of financial management practices. To implement a proper internal control system, those who were in management must take responsibility which in turn gives assurance that public funds are used and accounted for properly, (Sulaiman, Siraj & Mohamed, 2018). In their study, Nickson and Mears (2019) examined the relationship between budgetary control and performance of state ministries in Boston Massachusetts and concluded that proper budgetary control measures led to increased performance of state ministries. In Swedish public sector, Hemsing and Baker (2017) noted that managers in the municipalities and universities experienced tight budgetary controls and as such, managers were less committed to their organization.

Table 4.11: Influence of Financial Controls on Achievement of Financial Targets in Public Secondary Schools (BoM and PTA members)

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD	Rank
Involvement in verification of audit reports	0.0	0.0	1.3	24.2	74.5	4.73	0.474	3
Procurement procedures are in line with the procurement and disposal Act of 2015	0.0	0.7	13.4	51.7	34.2	4.19	0.685	6
Interrogation of trial balances	0.0	0.0	10.1	59.7	30.2	4.20	0.604	5
Checking bank reconciliation statements	0.0	0.0	3.4	14.1	82.6	4.79	0.483	2
Monitoring revenue and expenditure patterns	0.0	0.0	0.7	25.5	73.8	4.73	0.460	4
Monitoring of procured good and services	0.0	0.0	0.0	8.7	91.3	4.91	0.283	1

The table reveals that majority of the BoM and PTA members strongly agreed that: monitoring of procured good and services (91.3%); checking bank

reconciliation statements (82.6%); involvement in verification of audit reports (74.5%) and monitoring revenue and expenditure patterns (73.8%) are statements regarding influence of financial controls on achievement of financial targets in public secondary schools. However, 0.7% of the BoM and PTA members disagreed that Procurement procedures are in line with the procurement and disposal Act of 2015 is a statement regarding influence of financial controls on achievement of financial targets in public secondary schools.

The findings corroborate Amalokwu and Obiajulum, (2018) who concluded that budgets could facilitate the creating and sustaining of competitive advantages by enabling the following management functions: forecasting and planning, communication and coordination, motivational device evaluation and control and decision making. Munge, Kimani and Ngugi (2016) established that budget management and financial controls positively and significantly influenced financial management while Junge, Bosire and Kamau (2018) found that budget practices such as budget control and allocation positively influenced performance of the schools. In the study, it was also noted that budget allocation and annual budget planning were important aspects that improved financial management in organizations in the public sector. Mohamed et al. (2017) examined how budgetary control can impact on the performance of Dara-salaam Bank in Somaliland and revealed that responsibility accounting, variance analysis and zero based budgeting enhanced budget control and improved efficiency and productively. Bert (2018) in his study on the role of budget and budgetary Control in district council concluded that the role of budget is achieving the goals

of organization, hence the organization has to exercise a proper budgeting system and laying down proper budget policies and guidelines otherwise the organization can find itself wasting resources without meeting expectations.

4.7 Involvement of School Community Members in Resource Mobilisation on Achievement of Financial Goals

4.7.1 Financial Assistance in Schools

Table 4.12: Financial Assistance in Schools

	Principals		BoM and PTA Members	
	Yes (%)	No (%)	Yes (%)	No (%)
Alumni	69.6	30.4	91.3	8.7
Business people	95.7	4.3	90.6	9.4
Foundations	93.5	6.5	95.2	6.8
Faith-Based Organizations	89.6	10.4	95.9	6.1
Community Based Organizations	82.6	17.4	94.0	6.0
Parents etc.	100.0	0.0	100.0	0.0

The county education board officer noted that the school community helps in advising the school, finances, planning, monitoring and evaluation of school controls. They also provide recommendations on budget preparations and this helps when the government is approving the school budgets.

These findings support Kahavizakiriza et al., (2016) who revealed that public secondary schools in Lurambi Sub- County in Kakamega County have not fully established other avenues of raising funds and depend mostly on parents and the government and therefore burdening them. A study by Munge, Kimani and Ngugi (2016), on factors influencing financial management in public secondary schools in Nakuru County, revealed that sources of funds in public secondary schools

included government funding, fees, grants, donations, bursary schemes, income-generating projects among others. These funds were used to support daily operations and other development activities, which positively promoted academic achievement in the schools. Hussein, Muturi and Samantar, (2018) found that community participation in school financing, motivating teachers and maintenance of school infrastructures of secondary schools affects academic performance in Garowe city. The study made the following conclusions; community have a role to play in the school finance, motivating teachers, in maintenance school infrastructures for providing school fee, and students' scholastic materials, teachers' salaries, respect status for teachers, rehabilitation and school building respectively.

According to Musisi, (2016) and Watt (2018), engaging communities in financing of schools promotes sense of ownership and increases their commitment for educational improvement. Likewise, the argument for community financing in education is related to the assumption that when communities contribute directly towards the cost of education, they are likely to demand a greater say in the form and content of educational service and wants to ensure that the services are delivered efficiently i.e. increase in accountability as cited (Ismael, 2016).

4.8 Achievement of Financial Targets

The study sought to find out to extent has the school achieved the financial goals in the following areas between 2017 and 2020. The findings are tabulated in Tables 4.12 and 4.13.

Table 4.12: Achievement of Financial Targets (Principals)

Target	Level of achievement of set targets:		
	Fully achieved (%)	Partially achieved (%)	Not achieved (%)
The set academic targets from 2017 to 2020	2.2	63.0	34.8
Number of infrastructure developments targeted (classes, dorms, dining halls, etc.) vis-à-vis the actual infrastructure done	4.3	47.8	47.9
Number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited	6.5	54.3	39.2
Curriculum and instruction		73.8	26.2
Student Personnel management	13.0	69.6	17.4
Staff personnel management	4.3	76.1	19.6
School facilities (done)	6.5	56.5	37.0
School-Community relations	13.0	67.4	19.6
Financial management	2.2	67.4	30.4

Table 4.12 shows that majority of the principals indicated that they have partially achieved: Staff personnel management (76.1%), Curriculum and instruction (73.8%), Student Personnel management (69.6%), School-Community relations (67.4%), Financial management (67.4%), The set academic targets from 2017 to 2020 (63.0%), School facilities (56.5%), Number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited (54.3%), and Number of infrastructure developments targeted (classes, dorms, dining halls, etc.) vis-à-vis the actual infrastructure done (47.8%) between 2017 and 2020.

Table 4.13: Achievement of Financial Targets (BoM and PTA members)

Target	Level of achievement of set targets:		
	Fully achieved (%)	Partially achieved (%)	Not achieved (%)
The set financial targets from 2017 to 2020	8.1	58.4	33.6
Number of infrastructure developments targeted (vis-à-vis the actual infrastructure done)			
▪ Classrooms	15.4	68.5	16.1
▪ Dormitories	4.7	77.2	18.1
▪ Libraries	6.0	55.7	38.3
▪ Classrooms	18.5	69.1	12.4

▪ Washrooms/ Toilets	2.0	69.1	28.9
▪ Dining Halls	10.1	82.6	7.4
▪ Flattening of Play Grounds	6.7	89.9	3.4
▪ Fencing of school compound	26.8	40.9	32.2
Number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited	4.7	87.9	7.4
Adequacy of teaching and learning materials			
• Languages	3.4	84.6	12.1
• Mathematics	8.7	56.4	34.9
• Sciences	8.7	65.1	26.2
• Humanities	15.4	69.2	15.4
• Technical subjects	10.1	67.1	22.8
• Revision materials in the above subjects	15.4	66.5	18.1
Developing supervisory strategies	12.8	48.3	38.9
Executing strategies for improvement	8.1	83.8	8.1
Maintaining the school system	20.1	77.9	2.0
Improving curriculum and library materials	30.2	57.7	12.1
Evaluating pupils progress and time-tabling	14.8	75.2	10.1

The table reveals that majority of the BoM and PTA members indicated that: flattening of play grounds (89.9%); number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited (87.9%); executing strategies for improvement (83.8%); adequacy of languages teaching and learning materials (84.6%); dining halls (82.6%); maintaining the school system (77.9%); evaluating pupils progress and time-tabling (75.2%); dormitories (77.2%) are partially achieved by the public secondary schools in Dagoretti sub-county between 2017 and 2020. The county education board officer noted that some of the public secondary schools have been able to achieve their financial targets in matters physical facilities like classes, dormitories, dining halls, classrooms etc, curriculum implementation, community relations with other people outside the schools. Financial management in schools is still a challenge to many especially since there is no enough sensitization on management of finances. There are also some cases of misappropriation of funds by some school heads which brings a challenge to financial targets achievement.

4.9 Correlation Analysis

Table 4.14: Correlation Analysis

		Correlations				
		Achievement of set targets	Budget preparation	Allocation of funds	Financial control	Stakeholders involvement
Achievement of set targets	Pearson Correlation	1				
	Sig. (2- tailed)					
	N	149				
Budget preparation	Pearson Correlation	.466*	1			
	Sig. (2- tailed)	.044				
	N	149	149			
Allocation of funds	Pearson Correlation	.536	.456	1		
	Sig. (2- tailed)	.017	.100			
	N	149	149	149		
Financial control	Pearson Correlation	.675	.615	.581	1	
	Sig. (2- tailed)	.026	.158	.323		
	N	149	149	149	149	
Stakeholders involvement	Pearson Correlation	.776	.612	.563	.511	1
	Sig. (2- tailed)	.030	.152	.113	.376	
	N	149	149	149	149	149

*. Correlation is significant at the 0.05 level (2-tailed).

The table highlights a positive correlation between budget preparations (0.466), allocation of funds (0.536), financial control (0.675) and stakeholders' involvement (0.776) and achievement of set targets in public secondary schools in Dagoretti sub-county. This means that there is a relationship between financial management practices (budget preparation, allocation of funds, financial control and Stakeholders' involvement) and Achievement of set targets in public secondary schools in Dagoretti Sub-County. The findings are in line with Kalungu (2016) and Mobegi, Ondigi & Simatwa, (2018) noted that there is a

positive between the financial management practices and achievement of financial targets.

4.10 Regression Analysis

Table 4.15: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.640	.614	2.18663

a. Predictors: (Constant), Stakeholders involvement, Financial control, Budget preparation, Allocation of funds

The results in Table 4.15 reveal that principals' financial management practices gave a value of 0.640 for the r-square revealing that Stakeholders involvement, financial control, Budget preparation and Allocation of funds explain 64.0% of the variations in Achievement of set targets in public secondary schools in Dagoretti Sub-County.

Table 4.16: ANOVA

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.949	4	7.237	8.514	.001 ^b
	Residual	688.514	144	4.781		
	Total	717.463	148			

a. Dependent Variable: Achievement of set targets

b. Predictors: (Constant), Stakeholders involvement, Financial control, Budget preparation, Allocation of funds

For the relationship between principals' financial management practices (Stakeholders involvement, Financial control, Budget preparation and Allocation of funds) and Achievement of set targets in public secondary schools in Dagoretti

sub-county, Table 4.16 reveals a statistically significant F-statistic of 8.514 (4, 144) and a p-value of $0.001 < 0.005$. This means that principals' financial management practices (Stakeholders involvement, financial control, Budget preparation and Allocation of funds) influence the achievement of set targets in public secondary schools in Dagoretti sub-county.

Table 4.17: Coefficients Table

Model	Coefficients ^a			t	Sig.	Rank	
	Unstandardized Coefficients		Standardized Coefficients				
	B	Std. Error	Beta				
(Constant)	49.317	5.201		9.482	.000		
1	Budget preparation	.555	.077	.166	2.021	.035	2
	Allocation of funds	.659	.094	.051	.625	.023	1
	Financial control	.307	.106	.082	1.001	.018	4
	Stakeholders involvement	.480	.363	.065	.796	.008	3

a. Dependent Variable: Achievement of set targets

The regression analysis yielded regression coefficients of 0.659 (p-value = $0.023 < 0.05$) for allocation of funds as the highest, followed by budget preparation at 0.555 (p-value = $0.035 < 0.05$), Stakeholders involvement at 0.480 (p-value = $0.008 < 0.05$), and financial control at 0.307 (p-value = $0.018 < 0.05$). This reveals that there is a significant relationship between principals' financial management practices (Stakeholders involvement, financial control, Budget preparation and Allocation of funds) influence the achievement of set targets in public secondary schools in Dagoretti sub-county at $p < 0.05$.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the summary of the study, conclusions and recommendations. It also highlights the suggestions for further research.

5.2 Summary of the Study

The study sought to investigate the influence of principals' financial management practices on achievement of financial targets in public secondary schools in Dagoretti Sub-County, Nairobi County, Kenya. Specifically the study sought to: determine the influence of adequate budget preparation by principals on achievement of financial targets in public Secondary schools in Dagoreti Sub-County, Nairobi County, Kenya; establish influence of the adequacy of allocated funds for training of Head teachers on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya; examine influence of principals' financial controls on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County, Kenya; and determine the influence of involvement of school community members in resource mobilisation on achievement of financial targets in public secondary schools in Dagoreti Sub-County, Nairobi County.

The study adopted a descriptive survey design. The study involved 53 principals, members of 138 Board of Management, 53 PTA and one (1) County Education Board Officer in Dagoretti Sub-County, Nairobi totalling to 245 respondents. Stratified random sampling was used to select the respondents to be interviewed.

The study relied on data collected through questionnaires and interview guide to meet the objectives of the study. Responses were tabulated, coded and processed and analyzed by use of SPSS computer programme and presented using figures, tables and charts.

The findings reveal that majority of the principals agreed to a great extent that the guidelines adhered to during budget preparation are: budget tracking for conformity with guidelines (76.1%); participatory budget preparation (69.6%); expenditure in line with approved budgets (65.2%); reporting of expenditure to the respective governance organs and offices (65.2%); budgeting based on strategic school objectives (63.0%); and approval of budgets by respective governance organs (60.9%). Majority of the BOM and PTA members agreed to a great extent that the guidelines adhered to during budget preparation are: expenditure in line with approved budgets (64.4%); reporting of expenditure to the respective governance organs and offices (63.8%); budget tracking for conformity with guidelines (56.4%); approval of budgets by respective governance organs (53.7%); participatory budget preparation (47.0%); and budgeting based on strategic school objectives (45.6%). The county education board officer noted that adequacy in budget preparation influence achievement of financial targets in public Secondary schools in Dagoreti sub-county, Nairobi County to a very large extent. This is because the skills of the principals, availability of funds are important as without the skills, the principals cannot be able to prepare, implement and manage the funds available.

The findings also reveal that majority of the principals agreed to a great extent that the budget making processes adhered to are: Addressing audit queries as flagged out by Audit office (78.3%); Ensuring accountability through audit process (67.4%); Approval by the parents (65.2%); Ensuring adherence to policy guidelines in expenditure (63.0%); Seeking sanction from the County Education Board to levy on development items that require such approval (56.5%); Tabling of the budget before the Board of management for discussion (54.3%); Sharing of draft budgets with section heads in a school setting (41.3%).

The study revealed that majority of the principals, BOM and PTA members have undergone workshop, seminars and on-the-job training. Majority of the principals strongly agreed that: investment in staff training and development contributes to improved performance (97.8%); there is training of skills (91.3%); there are specific banks in which school accounts should be maintained (82.6%); there is training on values (76.1%); there is monitoring of how finances are utilized by departments and persons (67.4%); discussion of tender bids is done in an open manner (52.2%); and there is tracking expenditure of donated funds (52.2%) as statements regarding allocation of adequate funds for training and achievement of financial targets. However, 45.7% of the principals strongly disagreed that the training duration is enough to gather the relevant information regarding financial management.

The study findings further revealed that majority of the BoM and PTA members strongly agreed that: There is monitoring of how finances are utilized by departments and persons (77.2%); There are clear procedures for dealing with

frauds and theft (77.2%); There are specific banks in which school accounts should be maintained (74.5%); All revenues received is promptly banked (57.7%); and BOM's investment in staff training and development has contributed in improved performance (53.7%) as statements regarding Allocation of adequate funds for training and achievement of financial targets. The county education board officer noted that teaching and learning resources, laboratory and library equipment, staff recruitment and hiring as well as infrastructure development are achieved through proper allocation of funds. This means that for a school to be functioning, the set funds must be allocated and used according to the planned budget. Any misappropriation in funds causes challenges in acquiring the resources needed in schools.

The findings revealed that majority of the principals strongly agreed that: monitoring revenue and expenditure patterns (89.1%); monitoring of procured good and services (84.8%); interrogation of trial balances (52.2%); involvement in verification of audit reports (50.0%); checking bank reconciliation statements (43.5%); and procurement procedures are in line with the procurement and disposal Act of 2015 (37.0%) are statements regarding influence of financial controls on achievement of financial targets in public secondary schools.. Majority of the BoM and PTA members strongly agreed that: monitoring of procured good and services (91.3%); checking bank reconciliation statements (82.6%); involvement in verification of audit reports (74.5%) and monitoring revenue and expenditure patterns (73.8%) are statements regarding influence of financial controls on achievement of financial targets in public secondary

schools. However, 0.7% of the BoM and PTA members disagreed that Procurement procedures are in line with the procurement and disposal Act of 2015 is a statement regarding influence of financial controls on achievement of financial targets in public secondary schools.

The research findings reveal that majority of the principals agreed that they ask for financial assistance from parents (100.0%), business people (95.7%), foundations (93.5%), faith based organizations (89.6%), Community Based Organizations (82.6%), and alumni (69.6%). In addition, majority of the BoM and PTA members agreed that they ask for financial assistance from parents (100.0%), faith based organizations (95.9%), foundations (95.2%), Community Based Organizations (94.0%), alumni (91.3%) and business people (90.6%). The county education board officer noted that the school community helps in advising the school, finances, planning, monitoring and evaluation of school controls. They also provide recommendations on budget preparations and this helps when the government is approving the school budgets.

The correlation analysis revealed that there is a relationship between financial management practices (budget preparation, allocation of funds, financial control and Stakeholders' involvement) and Achievement of set targets in public secondary schools in Dagoretti sub-county. Regression analysis revealed that there is a significant relationship between principals' financial management practices (Stakeholders involvement, financial control, Budget preparation and Allocation of funds) influence the achievement of set targets in public secondary schools in Dagoretti sub-county at $p < 0.05$.

5.3 Conclusion

The study findings reveal that budget preparation is important in schools as it is only through budgeting that schools can be able to allocate resources effectively. It is always important for people within the school system to be involved in preparing the budget because they are part of the system and share in the operation of the whole program. It is important to scrutinize the budget at school level so as to minimize opportunities for financial mismanagement and be in a position to monitor the actual performance of the school.

The study further concludes that many schools have put in place financial control mechanisms but they may not be adequate. The study concludes that principal's financial management skills have a direct effect on the management of finances in public secondary schools. Financial training plays an important role of making the principal more responsible and informed about the role he plays as a custodian of school assets. Schools where the principal has undergone financial training are more effective in the management of finances. Involvement with the school community is also important as it helps the schools in during financial difficulties.

In conclusion, the study findings conclude that there is a significant relationship between principals' financial management practices (Stakeholders involvement, financial control, Budget preparation and Allocation of funds) influence the achievement of set targets in public secondary schools in Dagoretti sub-county at $p < 0.05$.

5.4 Recommendations

- i. There is need for the principals, BOM and PTA members to interact with other secondary schools to gain experience in financial management in schools. This can be done by the BOMs visiting the better performing schools in terms of financial management. This will help them exchange ideas on better ways in financial management.
- ii. The Government should release the funds meant for the schools in good time. This will give the school management easy time in budgeting for the schools in good time and prevent the inconveniences that may rise due to lack of funds.
- iii. The school administration should also ensure that the members nominated as BOMs are well versed with financial management concepts, are reliable and have high integrity.
- iv. The process of nominating BOMs should be transparent and free from manipulations. BOMs and PTAs should be paid responsibility allowances to motivate them to attend meetings and participate fully in deliberations.
- v. The study further recommends that the management of public secondary schools ought to institute strict financial controls in form of clear policies and procedures on the usage of school funds and ensure that the controls are implemented and adhered to. These include incorporation of risk assessment exercises to determine most prone areas in fund misappropriations and encourage communication and disclosure of all financial transactions within and across departments. This would ensure that there are no loopholes for misappropriation of funds. It is

recommended that effective financial management training programs should be developed based on identification and analysis of their needs.

- vi. Training programs should also be devolved so that they can focus on specific training needs of principals in order to facilitate principals' acquisition of knowledge and skills required to improve financial management and performance of secondary schools.

5.5 Suggestions for Further Research

- i. The study sought to investigate the influence of principals' financial management practices on achievement of financial targets in public secondary schools in Dagoretti Sub-County, Nairobi County, Kenya attempting to bridge the knowledge gap.
- ii. Future researchers should consider conducting a similar study in all public secondary schools in Kenya as this will allow the researchers to establish the robustness of the findings and the subsequent policy recommendations and formulation.
- iii. There is also a need to conduct a research on the challenges facing financial targets achievement in public secondary schools in Kenya.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

Mose James Ariga,
P.O Box 92-90200,
Kikuyu, Kenya
23rd February, 2021.

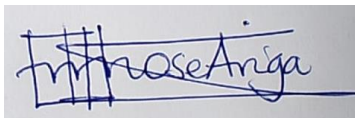
Dear Respondent,

RE: **DATA COLLECTION**

I am a student at University of Nairobi currently undertaking a study to fulfil the requirements of the Award of Masters of Educational Administration degree. The topic is: **influence of principals' financial management practices on achievement of set targets in public secondary schools in Dagoretti sub-county, Nairobi County, Kenya**. Please allow me to collect data in your school. The identity of the respondents will be treated with extreme confidentiality while the findings will only be used for academic purpose.

Thank you in advance for your co-operation.

Yours Faithfully,

A handwritten signature in blue ink that reads "Mose Ariga". The signature is written over a grey rectangular background.

Mose James Ariga.

APPENDIX II: QUESTIONNAIRE (For Principals)

Kindly complete the following questionnaire using the instructions provided for each set of question. Instructions: Please use a tick (✓) as appropriate. Do not write your name on this questionnaire.

Part A: Demographic Characteristics

1. What is your Gender? Male () Female ()
2. What is your age bracket?
Below 30 years () 30-39 years () 40-49 years () 50-59 years () 60 years and above ()
3. Please indicate your highest level of education:
Secondary Education () Diploma () Bachelor’s Degree () Masters () PhD () Any other, please indicate_____
4. Please indicate your school category
National () Extra-County () County () Sub-County ()
5. What is your school type? Day () Boarding ()
6. How long have you served in the current position?
Less than 1 year () 1-3 years () 4-7 years ()
8-11 years () More than 11 years ()

Part B: Budget preparation on achievement of financial targets

7. Kindly indicate extent to which each guideline is adhered to.

	Very Great extent (1)	Great extent (2)	Moderate extent (3)	Low extent (4)	Very low extent (5)
Participatory budget preparation					
Approval of budgets by respective governance organs					
Expenditure in line with approved budgets					
Budget tracking for conformity with guidelines					
Reporting of expenditure to the respective governance organs and offices					

Budgeting based on strategic school objectives					
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8. Kindly indicate extent to which each budget making process is adhered to.

	Very Great extent (1)	Great extent (2)	Moderate extent (3)	Low extent (4)	Very low extent (5)
Sharing of draft budgets with section heads in a school setting					
Tabling of the budget before the Board of management for discussion					
Tabling the main budget items before parents during an AGM					
Approval by the parents					
Seeking sanction from the County Education Board to levy on development items that require such approval					
Ensuring adherence to policy guidelines in expenditure					
Ensuring accountability through audit process					
Addressing audit queries as flagged out by Audit office					

9. Any other comments regarding influence of Budget preparation on achievement of financial targets in public secondary schools?

Part C: Allocation of adequate funds for training and achievement of financial targets

10. What type of training have you ever undertaken?

Workshop () Seminar () On-the-job Training ()

Others (specify) _____

Workshop	Training agency	Duration of training	Adequacy of the training
Seminars			
On-the job			

11. Kindly indicate your response based on a 5-point scale.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
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	(1)	(2)	(3)	(4)	(5)
<i>The training duration is enough to gather the relevant information regarding financial management</i>					
<i>There is training of staff at various levels on</i>					
• <i>Skills</i>					
• <i>Values</i>					
• <i>Culture change</i>					
• <i>Vision</i>					
• <i>Mission</i>					
<i>Investment in staff training and development contributes to improved performance</i>					
<i>There is monitoring of how finances are utilized by departments and persons</i>					
<i>All revenues received is promptly banked</i>					
<i>There are specific banks in which school accounts should be maintained</i>					
<i>There are clear procedures for dealing with frauds and theft</i>					
<i>Discussion of tender bids is done in an open manner</i>					
<i>There is tracking expenditure of donated funds</i>					

12. Any other targets that need to be achieved comments regarding influence of Allocation of adequate funds for training on achievement of financial targets in public secondary schools?

Part D: Financial controls and achievement of financial targets

13. Kindly indicate your response based on a 5-point scale.

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Involvement in verification of audit reports					

Procurement procedures are in line with the procurement and disposal Act of 2015					
Interrogation of trial balances					
Checking bank reconciliation statements					
Monitoring revenue and expenditure patterns					
Monitoring of procured good and services					

14. Any other comments regarding influence of financial controls on achievement of set targets in public secondary schools?

Part E: Involvement of school community members in resource mobilisation on achievement of financial goals

15. Kindly indicate your response.

Resource mobilization involvement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Alumni					
Business people					
Foundations					
Faith-Based Organisations					
Community Based Organizations					
Parents etc.					

16. Any other comments regarding influence of involvement of school community members in resource mobilisation on achievement of financial goals in public secondary schools?

17. Part F: Achievement of Financial Targets

To what extent has your school achieved the financial goals in the following areas between 2017 and 2020?

Target	Level of achievement of set targets:		
	Fully achieved	Partially achieved	Not achieved

The set academic targets from 2017 to 2020			
Number of infrastructure developments targeted (classes, dorms, dining halls, etc.) vis-à-vis the actual infrastructure done			
Number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited			
Curriculum and instruction			
Student Personnel management			
Staff personnel management			
School facilities (done)			
School-Community relations			
Financial management			

18. Please give suggestions/recommendations towards influence of financial management practices on achievement of financial targets in public secondary schools in Dagoretti sub-county, Nairobi County, Kenya.

THANK YOU FOR YOUR TIME AND COOPERATION!!

APPENDIX III: QUESTIONNAIRE (BOM and PTA)

Kindly complete the following questionnaire using the instructions provided for each set of question. Instructions: Please use a tick (✓) as appropriate. Do not write your name on this questionnaire.

Part A: Demographic Characteristics

1. What is your Gender? Male () Female ()
2. What is your age bracket? Below 30 years () 30-39 years () 40-49 years () 50-59 years () Above 60 years ()
3. Please indicate your highest level of education:
Secondary Education () Diploma () Bachelor’s Degree () Masters ()
PhD () Any other, please indicate _____
4. What is your Designation? BOM () PTA ()
5. How long have you served in the current position?
Less than 1 year () 1-3 years () 4-7 years ()
8-11 years () More than 11 years ()

Part B: Budget preparation on achievement of financial targets

6. Kindly indicate extent to which each guideline is adhered to.

	Very Great extent (1)	Great extent (2)	Moderate extent (3)	Low extent (4)	Very low extent (5)
Participatory budget preparation					
Approval of budgets by respective governance organs					
Expenditure in line with approved budgets					
Budget tracking for conformity with guidelines					
Reporting of expenditure to the respective governance organs and offices					
Budgeting based on strategic school objectives					

7. Any other comments regarding influence of Budget preparation on achievement of financial targets in public secondary schools?

Part C: Allocation of adequate funds for training and achievement of financial targets

8. What type of training have you ever undertaken?

Workshop () Seminar () On-the-job Training ()

Others (specify) _____

9. Kindly indicate your response based on a 5-point scale

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
The training duration is enough to gather the relevant information regarding financial management					
There is training of staff at various levels on skills, values, culture change, vision and mission					
BOM's investment in staff training and development has contributed in improved performance					
There is monitoring of how finances are utilized by departments and persons					
All revenues received is promptly banked					
There are specific banks in which school accounts should be maintained					
There are clear procedures for dealing with frauds and theft					
Discussion of tender bids is done in an open manner					
There is tracking expenditure of donated funds					

10. Any other targets that need to be achieved comments regarding influence of Allocation of adequate funds for training on achievement of financial targets in public secondary schools?

Part D: Financial controls and achievement of financial targets

11. Kindly indicate your response

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Involvement in verification of audit reports					
Procurement procedures are in line with the procurement and disposal Act of 2015					
Interrogation of trial balances					
Checking bank reconciliation statements					
Monitoring revenue and expenditure patterns					
Monitoring of procured good and services					

12. Any other comments regarding influence of financial controls on achievement of financial targets in public secondary schools?

Part E: Involvement of school community members in resource mobilisation on achievement of financial goals

13. Does the school get financial assistance from the following?

	Yes (1)	No (2)
Alumni		
Business people		
Foundations		
Faith-Based Organisations		
Community Based Organizations		
Parents etc.		

14. Any other comments regarding involvement of school community members in resource mobilisation on achievement of financial goals in public secondary schools?

15. Part F: Achievement of Financial Targets

To what extent has your school achieved the financial goals in the following areas between 2017 and 2020?

Target	Level of achievement of set targets:		
	Fully achieved	Partially achieved	Not achieved
The set financial targets from 2017 to 2020			
Number of infrastructure developments targeted (vis-à-vis the actual infrastructure done)			
▪ Classrooms			
▪ Dormitories			
▪ Libraries			
▪ Classrooms			
▪ washrooms/ Toilets			
▪ dining halls			
▪ flattening of play grounds			
▪ Fencing of school compound			
Number of teaching and non-teaching staff that schools targeted to recruit and the actual ones recruited			
Adequacy of teaching and learning materials			
• Languages			
• Mathematics			
• Sciences			
• Humanities			
• Technical subjects			
• Revision materials in the above subjects			
Developing supervisory strategies			
Executing strategies for improvement			
Maintaining the school system			
Improving curriculum and library materials			

Evaluating pupils progress and time-tabling			
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16. Please give suggestions/recommendations towards influence of financial management practices on achievement of financial targets in public secondary schools in Dagoretti sub-county, Nairobi County, Kenya.


THANK YOU FOR YOUR TIME AND COOPERATION!!

**APPENDIX IV: INTERVIEW GUIDE (For County Education Board
Officer)**

1. In your opinion, do you think public secondary schools have been able to achieve their financial targets? *(This includes curriculum and instruction, school community relations and financial management in schools)*
2. To what extent does adequacy in budget preparation influence achievement of financial targets in public Secondary schools in Dagoreti sub-county, Nairobi County? *(Principals' skills, Funds availability and Financial strategies)*
3. How does allocation of funds influence achievement of financial targets in public Secondary schools in Dagoreti sub-county, Nairobi County? *(Equipment of library and Laboratory, Teaching and learning resources, hiring staff, infrastructure development)*
4. In your opinion, what are the different forms of financial controls and their expected financial targets?
5. How does community involvement (Alumni, Business people, Foundations, Faith-Based Organisations, Community Based Organizations, and Parents etc) influence achievement of financial targets in your school?
 - i) Other than the academic achievement, which financial targets have been achieved in your school? *(infrastructure development, purchase of teaching and learning resources, use of finances for teachers' rewards and incentives, benchmarking trips, finances for routine operations)*


APPENDIX V: RESEARCH PERMIT


REPUBLIC OF KENYA
National Commission for Science, Technology and Innovation


NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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