

**INFLUENCE OF BOARD OF MANAGERMENTS' FINANCIAL  
MANAGEMENT ON PUBLIC SECONDARY SCHOOLS IN WESTLANDS  
DISTRICT, NAIROBI COUNTY, KENYA**

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Requirements for the Degree of Master of Education in Corporate  
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## **DECLARATION**

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

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This research project has been submitted for examination with our approval as University Supervisors

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## **DEDICATION**

I dedicate this project to my husband Clement and my children Allan, Maggy and Maisy.

## **ACKNOWLEDGEMENT**

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## **ABBREVIATIONS AND ACRONYMS**

<b>BOM</b>	Board of Management
<b>LEA</b>	Local Education Authorities
<b>MOEST</b>	Ministry of Education Science and Technology
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PTA</b>	Parent and Teachers Association
<b>SAS</b>	Schools and Staffing Surveys
<b>SASA</b>	South African School Act
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TFS</b>	Teacher Follow-Up Surveys
<b>TIQUET</b>	Total Integrated Quality Education and Training
<b>TSC</b>	Teachers Service Commission

## **ABSTRACT**

The purpose of this study was to investigate the influence of Board of Managements' financial management on public secondary schools in Westlands District, Nairobi County, Kenya. Four objectives guided the study; to determine the extent to which Board of Management members' level of education, Board of Management members' professional status, Board of Management members' gender and the nature of job done influence financial management in public secondary schools in Westlands District, Kenya. The literature reviewed covered studies on Board of Management competence in financial management, influence of level of education, professional status, BOM gender and nature of job done on BOMs' financial management, framework and conceptual framework. The study targeted 10 secondary schools, 150 BOM members, 245 teachers and the DEO in Westlands District, Nairobi County. The sample size was made of 86 teachers; 43 male and 43 female, and 30% of the 150 BOM members to involve 45 BOM members and the one DEO. Questionnaires for teachers and an interview guide for data from the BOM members and DEO was collected through interview schedule. Reliability analysis was done through test-retest method. Pearson's product moment's correlation was used to test reliability. Validity was ensured through discussion with the experts including supervisors and colleagues. Primary data was collected and analyzed using quantitative and qualitative techniques and presented in tables and graphs. Secondary data was obtained from journals and schools data base. Data collected was analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistics that included frequency tables and thematic statistics were used. This assisted in determining the level of influence the independent variables have on the dependent variable. This study may be significant in that it makes the Ministry of Education, teacher training institutes and Board of Management, the head teachers aware on factors influencing BOM in financial management in public secondary schools. The findings indicated that Board of Management members' level of education, Board of Management members' professional status, Board of Management members' gender and the nature of job done had positive influence on the effectiveness of BOMs financial management. The findings of this study may provide information on the role of BOM on financial management. The BoM members' should be sensitized on the importance of higher level of education on financial management in schools. They should be encouraged to enroll for developing courses on financial management to better their knowledge and help them in financial management in public secondary schools.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the study**

According to Van (2004) in some countries like England, Wales and Scotland, education is manageable by Local Education Authorities (LEA). For instance in England and Wales, School Boards were public bodies between 1870 and 1902 which were created under the Elementary Education Act of 1870. However, they were created under the Education Act of 1902 which replaced them with Local Education.

The boards of directors serve as an internal monitoring mechanism to protect the interests of shareholders. Johnson and Scholes (2002) cite three functions of the board of directors, namely the control, service and resource dependence roles. From an agency theory perspective, board represents the primary internal mechanism for controlling managers opportunistic behavior which helps to align shareholders' and managers' interest (Jensen, 2003). It is well documented that the size and composition of the board influence the effectiveness of monitoring school activities. However, there are conflicting views as to how board composition (the size of the board and percentage of insiders on the board) is related to the degree of agency problems (Bryd & Hickman 2002; Borokovich 2006; Hermalin & Weisbach 2001 & Yermack 2006).

The South African School Act (SASA) of 1996 created School Governing Bodies (SGBs) that include the principal, elected representatives of parents, teachers, non-teaching staff and students. Section 21 of SASA mandates the School Governing Bodies (SGBs) to be in charge of maintaining schools property, purchase of textbooks, educational materials or equipment and pay for services rendered to the school. Nombasa (2004) revealed that most SGBs in SA lacked skills in drafting of budgets, writing financial and policy statements, control of finance and petty cash, initiative and innovation as well as accountability. The main reason was illiteracy and lack of training.

There have been a number of studies done on Boards of Governors, currently Board of Management for instance a study by Olembo (2001) recommended that BOM members should have at least form four level of education and also be trained on educational management. Mestry (2004) as quoted by Madikela (2006) argues that school governing bodies in South Africa had problems in drafting of budget, writing financial statement, financial policy and control of finance. Mestry (2004) recommended training as a remedy. Magiri (2005) noted that newly elected BOM members' competency is affected by inadequate induction on their responsibilities, low education, inadequate exposure and inexperience.

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. 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 (Wango, 2009).

The BOM roles on management include financial management, staff and student management, provision of physical and material resources, management of curriculum and instructional programmes and management of school community relationship (Okumbe, 2008). As countries seek to adapt their education systems to the needs of contemporary society, expectations for schools and school managers are changing. Many countries have moved towards decentralization, making schools more autonomous in decision making and holding them accountable for their actions [Organization for Economic Cooperation and Development (OECD), 2008]. The success of a school may be determined by the skills and experience of the board members.

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). Langat (2008) noted that, school principals are regarded as financial controllers and accounting officers at school level while Board of Management members are the policy makers. Both however mainly lack professional qualifications to enable them execute their duties effectively (Asiago, 2010). 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, 2012).

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), 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.

## **1.2 Statement of the problem**

The Board of Management members are mandated by the Basic Education Act 2013 to audit and regulate expenditure by the administration to ensure that all the income received by the school is applied for the promotion of the objectives of the school. These statutes presume that members of the Board of Management and teachers are knowledgeable in financial management, procurement, auditing and project management (Republic of Kenya, 2005). According to Nyakundi, Okiaga



and Ojera (2012) the efficiency in usage of school funds in infrastructure development, equipping of school library and laboratories, hiring of teachers and providing a conducive learning environment have a positive impact on the academic performance of students in schools. The secondary schools are bound to offer quality education with limited resources. Mobegi, Ondigi and Simatwa (2012) found out that mismanagement and misappropriation of finances in public secondary schools have a direct influence on quality education as evidenced in KCSE results. The study done by Mobegi, Ondigi and Samatwa (2012) and also the audit report done by Transparency International (2011) show inefficiencies in financial management of most public secondary schools hence decline in quality of education.

Westlands District is one of the districts in Nairobi County. In 2010 only 4 public secondary schools out of the 10 were prompt in the submission of their books of account for the annual audit, 5 schools delayed and 1 failed completely. In 2011, 7 secondary schools submitted on time while 2 delayed and 1 failed. In 2012, 6 secondary schools submitted on time while 4 delayed to submit while in 2013, only 7 schools had submitted their books for annual audit by June. There were stakeholders' allegations of financial mismanagement in several secondary schools (County director's office 2013 report). Reports in the district audit office within this period indicate that many schools delayed to submit their monthly trial balances to the audit office many schools had a habit of submitting their

documents in arrears. This study will therefore sought to investigate the factors influencing Board of Managements' effectiveness in financial management in public secondary schools in Westlands District, Nairobi County, Kenya.

### **1.3 Purpose of the study**

The purpose of this study was to investigate the influence of Board of Managements' financial management on public secondary schools in Westlands District, Nairobi County, Kenya.

### **1.4 Research objectives**

The specific objectives of the study were:

- i. To determine the extent to which Board of Management members' level of education influences financial management in public secondary schools in Westlands District, Kenya.
- ii. To examine the extent to which Board of Management members' professional status influence financial management in public secondary schools in Westlands District, Kenya.
- iii. To establish the extent to which Board of Management members' gender influences financial management in public secondary schools in Westlands District, Kenya.
- iv. To assess the extent to which nature of job done by Board of Management influences financial management in public secondary schools in Westlands District, Kenya.

#### **1.4 Research questions**

The research questions of the study were:

- i. To what extent did Board of Management members' level of education influenced financial management in public secondary schools in Westlands District, Kenya?
- ii. To what extent did the Board of Management members' professional status influenced financial management in public secondary schools in Westlands District, Kenya?
- iii. To what extent did the Board of Management members' gender influenced financial management in public secondary schools in Westlands District, Kenya?
- iv. To what extent did the nature of job done by Board of Management influenced financial management in public secondary schools in Westlands District, Kenya?

#### **1.5 Significance of the study**

This study may be significant to the Ministry of Education, teacher training institutes and Board of Management, the head teachers aware on factors influencing BOM in financial management in public secondary schools. The findings of this study may provide information on the role of BOM on financial management. The findings serve as a springboard for policy makers to design, implement, monitor and evaluate policies meant to create safe schools and change

the inherent BOM practices that enhance financial management and attainment of education for all.

### **1.6 Limitations of the study**

A questionnaire and an interview schedule were used to collect data; it relied heavily on the honesty of the respondents. Some hesitated to respond to the questions for fear of victimization. To counter this, the researcher assured the respondents that the data was only used for academic purposes only and their identity was treated with strict confidence.

### **1.7 Delimitations of the study**

The study was basically concerned with investigation on factors influencing Board of Managements' effectiveness in financial management in public secondary schools in Westlands District, Nairobi County, Kenya. Although there are several factors influencing Board of Managements' effectiveness in financial management, this study was basically concerned with the specific factors; BOM members level of education, professional status, gender and nature of job done by BOM members. The study involved the BOMs, teachers and the DEO from the secondary schools in Westlands District, Kenya.

### **1.8 Assumption of the study**

This study was premised on the following assumptions:

- (i) The participants were cooperative and able to give the required information without any reservations.
- (ii) The schools had well-kept records for the BOM financial management.

### **1.9 Definition of significant terms**

The following are the significant terms of the study:

**Board of Management** refers to legal body entrusted with the responsibility of managing public secondary schools by the Ministry of Education through the Basic Education Act, 2013.

**Effectiveness in financial management** refers to the act of performing financial management tasks correctly with little wasted efforts to achieve worthwhile goals that support schools vision and mission.

**Gender** refers to fairness of treatment on the basis of sex, either equal treatment equivalent in terms of rights, benefits, obligations and opportunities in boards' members' financial management.

**Level of education** refers to board members education levels range from K.C.S.E certificate holders and below to degree holders.

**Influence** refers to the power of effect on BOM members' performance in financial performance in secondary schools.

**Nature of work done on board** refers to various tasks done by the board member that relates to financial management in the public secondary school.

**Professional status** refers to an attribute given to the board members ability to handle finance management in public secondary schools. This involves the specializations and experiences in financial management.

### **1.10 Organization of the study**

The study was organized in five chapters. Chapter one consisted of background to the study, statement of the problem, purpose of study, objectives, research questions, significance of the study, limitations, delimitations, basic assumptions and definitions of significant terms. Chapter two consisted of related literature review, review of research carried out on the influence of Board of Management level of education, professional qualification, gender and nature of job done by Board of Management on financial management in secondary schools, summary of related literature review, theoretical framework and conceptual framework.

Chapter three comprised of research methodology. This includes research design, target population, sample size and sampling techniques, research instruments, validity of instruments and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations. Chapter four presented data analysis, presentation and discussion. Chapter five consisted of the summary of the findings, conclusions, study recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers financial management, Board of Management competence in financial management, influence of level of education, professional status, BOM gender and nature of job done on BOMs' financial management, summary of related literature reviewed, theoretical framework and conceptual framework.

#### **2.2 Financial management in schools**

The research done by the New Zealand council for education in 1994 showed that this method was successful in encouraging accountability, administration and building maintenance take priority over curriculum, parental voice at school level does not necessary lead to more parental choice and that the resource gap between schools serving low and high income students had increased. This has helped improve efficiency in financial management of American schools (Mahoney, 1988).

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. 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, 2011).

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. There are four models of school based management (Cro & Parshiadis, 2008). These are Collegial, Participatory, democratic management which involves all the staff of the school in making decisions, whether through committee's or full staff process, principals directed site based management, which involves some consultations with staff and parents but is ultimately controlled and directed by the principal and other administrators and a parent committee operating as a board of management (Nyongesa, 2007).

### **2.3 Board of Management competence in financial management**

In many countries both state and independent schools are discovering that the determination of the future of the institution is within the control of the members of the individual school boards, composed of elected or selected governors working with the head and teaching staff, each with a responsibility for a particular role in the process (Legate and Thompson 1997) in such a situation the need for schools to have competent BoGs members became crucial.

Effective leadership by head teachers, BoGs and staff leads to high students' achievement. It harnesses the energies and commitment of staff, students, and parents and gives a clear direction for the benefit and development of the school. Sessional paper no.1 of 2005, noted that most BoG members had not been



exposed to adequate management training, thus many lacked capacities to oversee and account for resources under them.

Care and Wilkinson (1990), noted that BoG who ratify and adopt school budgets are not themselves conversant with the school budgeting process and hence in their decisions at times way the headteachers from monitoring and following the budget strictly. Thus for BoGs to realize their full potential, in schools, they require training to enable them discharge their responsibilities effectively and an encouragement to feel that they have a positive and constructive role to play. 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. 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.

Eshiwani (1983), argued that lack of management skills by BoGs is a major factor contributing to poor performance in educational development. According to the Total Integrated Quality Education and Training (TIQUET 1999), audit reports, secondary schools were not up-to-date in the entire republic. The report indicated that school funds had been embezzled years before the books were audited. It was further noted that there was no government control on the issue of official receipt

books and most schools printed their own receipt books which they used for misappropriation of funds.

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 four graduates or professional of high integrity. Clarke (2008; 278), 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.

Momoniati in Erasmus (2008; 402) explains financial management as a requirement of managers to take responsibility for the actions and achievements in exchange for greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance. Van Wyk (2004), states that the objective of financial management in the public sector is to support management in the allocation of limited resources with the purpose of ensuring economy and efficiency (and effectiveness) in the delivery of outputs required to achieve desired outcomes that will serve the needs of the community (school).

According to Njenga (2010) financial management determines whether the school will meet its objectives. The authors explain that, ideally, financial management is meant to facilitate proper use of school funds allocated for the various activities in a transparent and accountable manner. According to Okumbe (2008), financial management is concerned with the cost of education, sources of income to meet the educational needs and the spending of the income in a wise manner in order to achieve educational objectives. Budget drawn competently by BoMs should be based on a thorough analyses of the education requirements of the school and be in accordance with financial regulations (Public Audit Act, 2003). The head teacher with support of the staff initiates the preparation of the budget as per vote head and presents it to the BoM and the parents for approval and any amendments.

The BoG and PTA expect the head teacher to budget and control funds with great care by constantly checking on his/her accounts staff. The head teacher and BoG will be required to work closely together to ensure that learners are educated through optimum use of resources. Kochar (1978), has stated that a sound investment requires that the little funds available be well expended. The preparation of the budget and its execution determines how well the funds an institution raises are spent. Through the budgeting process, the desired education program is translated into fiscal terms. Paisley (1992), argues that the budget provides for individual group or departmental performance and thereby may be a

positive motivator towards better professional performance. He continues to say that a budget is a measure of staff performance and above all a measure of senior management performance. The budget helps to bring into focus the critical actions which have to be taken and provides a comprehensive view on the entire organization and its state of development. Okumbe (1998), argued that the school budgetary procedure consists of three main parts:- the educational plan, or programme, the spending plan, or expenditure or costs and the financial plan, or income or revenue.

The audit report should thereafter be discussed in BoM meetings with support of MoE auditors. The BoM shall furnish the Cabinet Secretary with a certified copy of audited accounts (Basic Education Act, 2013). Ngigi (2007), in a study on effectiveness of BoGs in Kericho district argues that where there is prudent financial management, there will be better physical facilities and teaching and learning materials. Board of Governors incompetency may lead to fraud, poor performance and stagnated growth. Musee (2011), in a study on challenges facing BoGs in Kitui found out that BoG members were greatly involved in approving budgets and setting financial priorities but were not active in soliciting for grants, donations and bursaries. This view is shared by Ikiugu (2006), in a study on Investigation into BoG competence in financial management in Meru Central.

Auditing deals with investigation of the financial records of an educational organization in order to ascertain the objectivity and accuracy of the financial

statements Okumbe (1999). Auditing of school accounts is the final stage in the process of managing school funds. At the end of each financial year the headteacher must prepare and present to the school governing body (school management committee) an audited financial report. This is one major responsibility of the school governors and school heads (MoEST Good School Governance, 2000).

The education commission report (Republic of Kenya 1988) and TIQET Koech Report (Republic of Kenya, 1999) noted a backlog in the auditing of education institutions as a major factor contributing to inadequate control. Other factors were Mismanagement and misappropriation of funds in educational institutions. In paragraph 623 of the needs analysis of the ministry administrative and professional support service to education institutions in Kenya since 1976-2002 reveal that the mismanagement of school resources partly arises out of the weaknesses inherent in the audit service of the ministry. The nationalization team confirmed that the audit unit in the ministry has been marginalized both in activity and location. As a result a parallel unit has been created within the finance administrative teacher education section at the headquarters. It is this section which receives all audit reports and accounts from schools. The team also established that the unit was manned by education officers and not professional auditors. Other than lacking in professionalism, there is a weakness in this arrangement since linkage with the field audit services of the ministry is non-

existent. As a result of the above, schools are not effectively audited with some taking as long as five years before audit. Even when they are finally audited the results are not used to improve the management of the schools due to the circuitous routes the audit report takes. The team was informed that the district education officers forwarded the audit reports to the headquarters even without involving the provincial directors of education office. In some cases where some of the district education officers colluded with school manager to doctor audit reports the ministry had no way of verifying the report.

Mutahoed Company Consultants (1997) found that audit unit of the Ministry of Education Science and Technology has inadequate basic working tools such as: transport and fuel, proper stationery and equipment for example calculators, Typeewriter and photocopies. Absence of a comprehensive scheme of service for auditors and finance managers in educational institutions may also have contributed to low morale amongst some auditors of educational institutions.

#### **2.4 Influence of level of education of BOM on financial management**

Kimando (2011), found out that the headteachers rated the BOMs highly in regard to their effectiveness in budgeting and monitoring of school expenditure in secondary schools. Van Wyk (2001), did a study in South Africa to investigate on why effectiveness of boards differed from school to school, and district to district. The study revealed that 37% of the parents in SGB were illiterate, which hampered their active participation in decision making in the boards. Some of the

weaknesses identified in this research are that the researcher did not justify why he used purposive sampling. Planning is a vital component of effective school financial administration (Du Preez, Grobler, Loock & Shaba, 2003).

Mestry (2004), a view supported by Clarke (2008) the governing body of every public school must ensure that there are proper policies and procedures in place for the effective, efficient and economic management of the schools finances and the school governing body must also have systems in place to monitor and evaluate the correct implementation of the policies and procedures and to report thereon. The finance policy is arguably one of the most important policies that a school governing body has to put in place. Clarke (2008) states that one of the main purposes of the schools financial policy is to put in place a system of controls (checks and balances) to ensure that the schools finances are safeguarded and correctly managed.

In an education organization its financial administration activity means bringing all possible input from staff, parents, students and the community together to render the service of quality education (Bisschoff, 1997). In this respect, organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities (Kruger 2005; Ntseto, 2009).

Ngugi (2004) analyzed the effectiveness of BOMs in Kajiado District and noted political interferences, illiteracy and the manipulation of the BOMs by the Principals as being rampant. In a policy statement on BOMs for secondary schools dated 16/6/2004, the MoE observed that in the past some schools had nominated illiterate persons and had them appointed to the BOM. Such members had failed to advise and guide the schools, particularly on issues of quality education and proper financial resource management. Ikiugu (2006) carried out a study in Meru Central District on BOM competence in financial management. The study found out that 43.3% of the BOM members reported that they were adequately prepared to handle financial management, while majority 56.7% indicated that they were incapable, mainly because they were not trained in financial management and low levels of education.

Clarke (2008), Mestry (2006) and Bisscho and Mestry in Mestry (2004), the schools finance policy should, as a minimum requirement, comprise of the following: Cash Management - which includes but is not limited to: safe storage of cash; daily banking of monies received; proper accounting records; financial transactions supported by source documents and monthly reconciliation of the cash book with the bank statement, Internal Controls - which includes: internal checks (checking of one person's work by another); segregation of duties; internal audits; functioning Finance Committees (FINCOM); establishment of audit



committees. Audit trails - that is the ability to check every stage of any transaction.

## **2.5 Board of Management professional status and financial management**

Effective leadership by head teachers, BOMs and staff leads to high students' achievement. It harnesses the energies and commitment of staff, students, and parents and gives a clear direction for the benefit and development of the school. Sessional paper no.1 of 2005, noted that most BOM members had not been exposed to adequate management training, thus many lacked capacities to oversee and account for resources under them. Nombasa (2004), noted that BOM who ratify and adopt school budgets are not themselves conversant with the school budgeting process and hence in their decisions at times way the headteachers from monitoring and following the budget strictly. Thus for BOMs to realize their full potential, in schools, they require training to enable them discharge their responsibilities effectively and an encouragement to feel that they have a positive and constructive role to play.

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 (2008), 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. Momoniat in Erasmus, (2008) explains financial management as a requirement of managers to take responsibility for the actions and achievements in exchange for greater managerial discretion over their inputs. Thus, managers have to take responsibility for their performance.

Okumbe (2008), financial management is concerned with the cost of education, sources of income to meet the educational needs and the spending of the income in a wise manner in order to achieve educational objectives. Budget drawn competently by BoMs should be based on a thorough analyses of the education requirements of the school and be in accordance with financial regulations (Public Audit Act, 2003). The head teacher with support of the staff initiates the preparation of the budget as per vote head and presents it to the BoM and the parents for approval and any amendments.

Nyongesa (2007), argues that budgeting is both a controlling and a planning process. For it to be effective, the school education plan must be determined, the expenditure as well as the sources of the revenue. The BoMs should be conversant with this process. BoM should ensure that trial balances are prepared and submitted to MoE on monthly basis and discussed in their meetings. On annual

basis the schools are required to submit their books of accounts for auditing by MoE four months from the end of the financial year.

The audit report should thereafter be discussed in BoM meetings with support of MoE auditors. The BoM shall furnish the Cabinet Secretary with a certified copy of audited accounts (Basic Education Act, 2013). Ngigi (2007), in a study on effectiveness of BoMs in Kericho district argues that where there is prudent financial management, there will be better physical facilities and teaching and learning materials. Board of Governors incompetency may lead to fraud, poor performance and stagnated growth.

## **2.6 Influence of Board of Management gender on financial management**

The effects of gender diversity on the functioning of boards can be considered in terms of their effect on companies' governance and performance. The OECD Principles of Corporate Governance – corporate governance is defined as a set of relationships between a company's management, its board, its shareholders and other stakeholders (Nyongesa, 2007). The board of a company is entrusted by shareholders to decide on key issues such as guiding corporate strategy, monitoring management performance and achieving an adequate return for shareholders, while preventing conflicts of interest and balancing competing demands on the corporation.

More gender diverse boards can contribute to better corporate governance for a multitude of reasons. A heterogeneous board can be a stronger monitor of executive behaviour (Adams & Funk, 2010; Nielsen & Huse, 2010). Since women are generally under-represented in "old boys' network's", a greater number of women directors might bring more independent views into the boardroom and hence strengthen its monitoring function (Rhode & Packel, 2010).

Gender diverse boards tend to have a wider range of backgrounds, experiences, perspectives and problem-solving skills. This rich set of experiences and knowledge can be passed on to top managers and potentially improve the governance of the firm (Terjesen, Sealy, & Singh, 2009). Carter, Simkins & Simpson (2003) and Adams and Ferreira (2009), suggest that more diverse boards are more likely to hold CEOs accountable for poor stock price and encourage better attendance of board meetings, while McKinsey and Co (2010) found that women are more likely to use leadership skills, such as people development, rewards, role models, inspiration and participative decision making than men. Brown & Caylor (2002), suggest that, having more women on boards is associated with stronger attention to the handling of conflicts of interest.

The Basic Education Act 2012, indicates under the Appointment and term of Chairperson and members The Selection Panel convened under subsection (1) that Cabinet Secretary shall observe the principle of gender equity, regional and ethnic

balance, transparency, openness and competitiveness and shall have due regard to the principle of equal opportunities for persons with disabilities.

## **2.7 Influence of nature of job done by Board of Management on financial management**

Keith (2001), emphasizes that nature of BOM members job can affect five main areas of school management namely: administrative, staffing, communication, financial allocations, instrumental programs and physical facilities. Management or administrative support is one of the extremely critical conditions of successful implementation of a new change in education. The school Board of Management as the highest office in the organizational structure of secondary schools plays an important role in aiding school management and administration. Teachers and other education stakeholders do not take change seriously unless central administrators demonstrate through actions that they should. Schools need to come up with strategies to raise funds for the purpose of equipping them with the necessary learning materials and facilities. Although, organizational and managerial skills are essential parts of administration, yet majority of school Board of Management members do not have prior experience in administration.

Sifuna (2000) indicated that a board member, at whatever level, should be involved in the implementation of decision as that is an essential part in the success of the whole managerial process and improves academic performance in secondary schools. Secondary school administration takes a similar form almost

everywhere else in the world. The reasons for this widely agreed form, are not purely managerial but by the needs of the countries objectives and goals. Therefore, this shows that the school Board of Management have to cooperate with and rely upon others, education authorities, school staff, pupils, parents and the general public to equip the school with necessary facilities (ibid).

Eshiwani (2003), indicated that the chairman of the Board of Management is the Chief Executive Officer in the school management structure and together with the board sets the conditions for implementation of the resolutions that they have passed. The School Board of Management should therefore show support and active knowledge and understanding of the realities of attempting to put change into practice. People are willing to implement new policies they cannot do so unless certain administrative, financial and material criteria are met. According to Eshiwani academic performance is a result of a number of factors.

From the above review the Board of Management is the steering organ of the school system. They should come up with strategies of equipping the school with necessary facilities, formulate appropriate policies, and supervise their implementation to achieve the desired objectives. This study therefore seeks to investigate the factors influencing board of managements' effectiveness in financial management in public secondary schools in Westlands District, Nairobi County. The study hopes to come up with recommendations that will improve the management of the schools in the country.

## **2.8 Summary of related literature reviewed**

From the foregoing, it was evident that competency in financial management is critical for any school to improve its services delivery. BOM members should be competent and have the skills and abilities to manage the school funds. They should be capable of budgeting, accounting and carrying out basic internal audit of the school funds. Their capacity to do so is affected by such factors as level of education, professional background and in-service training in financial management and experience as BoM members. There have been several studies done on BOMs management of public secondary schools in the country. However, in Westland District no recent study has focused on the factors influencing BoMs in financial management. Thus, the need to undertake this study to find out the situation in the district.

## **2.9 Theoretical framework**

This study focused on human relations and the human resource model of management which form the dual model theory, human relations model and human resource model. The traditional model emphasizes controlling and directing. The underlying assumption is that members of the enterprises comply if tasks and procedures are specified and members are properly trained (Cascio, 1989). The human relation model is modified and gives attention to social and egoistic needs. It recognizes the fact that fair treatment and pay are not enough, but managers emphasize controlling, although preventive states are also taken to

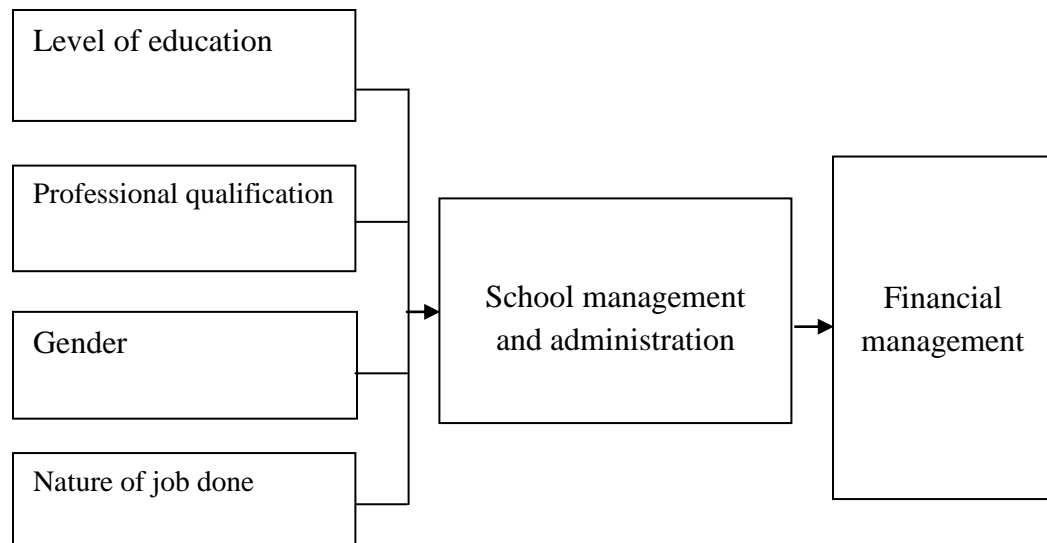
obtain the desired contribution of organizational members. The human resource model sees the manager as a developer and facilitator to help subordinates achieve performance aims. There is a great deal of participation in goal setting. Further, if problems occur, several factors rather than single cause are advanced as potential reasons for the difficulties. Although self direction and self control are important to this model, the need for other control is also recognized.

Extensive research by Nyongesa (2007), led to conclusion that managers actually subscribe to two models. One for the subordinate and the other for themselves hence the adoption of human relations and human resource management models. The two models capture attitudes towards people, the extent involvement in decision making, core relationships between educational level of BOM members and the effective and efficient management of schools, core competencies needed for effective and efficient management and factors that hinder positive work relationship between Board of Management members' and principals against the theories. The traditional model emphasizes controlling and directing which can be compared to BOM expertise in financial management.

## **2.10 Conceptual framework**

Figure 2.1 represents a conceptual framework on the influence of Board of Managements' financial management. It shows the variables which effectively contribute to the success of a school by prudent financial management.





**Figure 2.1 Conceptual framework on effectiveness of BOM members in financial management**

The above model shows the factors that may determine the competency of BOMs in financial management. The level of education, professional qualification, gender and nature of job in financial management for instance budgeting, accounting and auditing influences BOMs financial management in secondary schools. The dependent variable is financial management while the independent variables are the factors influencing BoM financial management. It is expected that where the professional qualification and level of education are high, there will be effective and efficient financial management leading to outstanding school performance. Where the reverse is true, the results would be a dysfunctional BoM leading to financial mismanagement.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes research design, target population, sample size and sampling techniques, research instruments, validity of instruments and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations.

#### **3.2 Research design**

Kothari (2004), research design is defined as a framework that shows how problems under investigation will be solved. The study adopted a descriptive survey design. This design was used to determine reasons or causes for the current status of the phenomenon under study.

Patton (2002), this research design does not allow manipulation of the variables. This design was used since it helped to obtain information concerning the current phenomenon and wherever possible to draw valid general conclusions from facts discussed.

#### **3.3 Target population**

Target population is a set of people or objects the researcher wants to generalize the results of the research (Jwan, 2010). The target population of this study

comprised 10 secondary schools, 150 BOM members, 245 teachers and the DEO in Westlands District, Nairobi County, Kenya.

The total population was therefore 396 that included all the BOM members, teachers and the DEO in the 10 public secondary schools in Westlands District (DEO, Westlands District, 2014). The teachers and BOM members and DEO were involved because the teachers and the BOM members understood the factors that influence financial performance in secondary schools.

### **3.4 Sample size and Sampling techniques**

Sampling procedure means selecting a given number of respondents from a representative of a defined population (Orodho, 2004). The main function of sampling is to allow the researcher to conduct the study on individuals from the population so that the result of the study conclusion will be applied to the entire population. Mugenda and Mugenda (2003), suggest that for descriptive studies, it is adequate to consider 30 percent of the target population.

It is on the basis of the above discussion that the researcher selected 30% of the 285 teachers from the 10 secondary schools to involve 86 teachers; 43 male and 43 female, and 30% of the 150 BOM members to involve 45 BOM members and the one DEO. The study adopted purposeful, systematic and simple random sampling. The BOM members were stratified in to two to involve 8 male and 7 female members. Purposive sampling was used to select different BOM members;

chairman, secretary, treasurer and members in the sampled school to participate in the interview. The sample size was 132 respondents.

**Table 3.1: Sample size**

<b>Respondents</b>	<b>Target</b>	<b>Sample</b>
BOM members	150	45
Teachers	285	86
District Education officer	1	1
<b>Total</b>	<b>396</b>	<b>132</b>

### **3.5 Research instruments**

These are tools that are used by the researcher to collect data from the sampled respondents in a study (Kombo & Tromp, 2006). The main instrument for data collection was questionnaires. The questionnaire was a convenient tool especially where there are large numbers of subjects to be handled. It facilitated easy and quick derivation of information within a short time (Patton, 2002). A questionnaire was used to collect data from the teachers. The semi-structured questions were asked together with some open ended questions. It was necessary to combine the closed and a few open-ended response items. Most of the items adopted a Likert scale (1-Strongly disagree, 2-disagree, 3-undecided, 4-Agree, 5-strongly agree). The open-ended format was used to allow for more spontaneity

response and provide opportunities for self-expression from respondents (Mutai, 2000).

The researcher preferred this tool because it is economically convenient in terms of time. Section A dealt with a general overview of the academic and professional qualification of the respondents. Section B dealt with the objectives of the study such as level of education, professional qualification, gender and nature of job of BOMs influence on financial performance in secondary schools.

Data from the BOM members and DEO was collected through interview schedule. An interview schedule is an oral administration of a questionnaire or an interview schedule. Mugenda and Mugenda (2003) face-to-face interviews allow the interviewer to get as much information as possible.

Document analysis was used to capture the relevant information. This instrument was very important given its factual nature that it gives without favour or alteration. It also saved time since the researcher picked the intended information directly for the document.

### **3.5.1 Validity of instrument**

Fraenkel and Wallen (2000) validity is quality attributed to proposition or measures to the degree to which they conform to establish knowledge or truth. Validity therefore refers to the extent to which an instrument can measure what it ought to measure. Piloting was done on respondents that were not involved in the

actual study. The content validity of the instrument was determined in two ways. First the researcher discussed the items in the instrument with the supervisor, lecturers from the department and colleagues. Advice given by these people helped the researcher determine the validity of the research instruments. The advice included suggestions, clarifications and other inputs in order. These suggestions were used in making necessary changes.

In content validity, the researcher essentially checked the operationalization against the relevant content domain for the construct. In criteria-related validity, the researcher checked the performance of her operationalization against some criterion which is direct comparison and standard judgment. In predictive validity, the researcher assessed the operationalization's ability to predict something it should theoretically be able to predict.

### **3.5.2 Reliability of instrument**

Patton (2002), states that the reliability of a test refers to the ability of that test to consistently yield the same results when repeated measurements are taken of the same individual under the same conditions. To establish the reliability of the questionnaire, pre-testing through piloting was done in the neighbouring Starehe district since it has public secondary schools that have BOM members whose role is financial management.

To determine the coefficient of reliability, Pearson moment's correlation formula will be used. This established the extent to which the questionnaire elicits the same responses every time it is administered. Pearson's product moment's correlation (r) was used to determine the coefficient stability of the data collection instrument. Borg and Gall (1996), say that Pearson's Product moment coefficient of correlation is one of the best-known measures of association.

$$r_{xy} = \frac{N\Sigma XY - (\Sigma X)(\Sigma Y)}{\sqrt{[N\Sigma X^2 - (\Sigma X)^2][N\Sigma Y^2 - (\Sigma Y)^2]}}$$

Where	r	=	Pearson r
	$\Sigma X$	=	The sum of raw X scores
	$\Sigma y$	=	The sum of raw Y scores
	$\Sigma xy$	=	The sum of the product of each X times each Y
	$\Sigma X^2$	=	The sum of the square of each X- score
	$\Sigma Y^2$	=	The sum of the squares of each Y – score.
	N	=	The number of paired x & y scores

A reliability of at least 0.5 was considered high enough for the instrument to be used for the study (Kerlinger, 1978). The results obtained from the pilot study assisted the researcher in revising the questionnaire by consulting experts for judgment to make sure that it covers the objectives of the study.

### **3.6 Data collection procedures**

The researcher got an introduction letter from the University and the National Commission of Science, Technology and Innovation (NACOSTI). Research clearance was obtained from Westlands Sub-County Education Office. Appointment with the head teachers of the schools was sought in order to visit and develop rapport with the respondents. The questionnaire was administered to the BOM members of the sampled schools. The researcher personally visited selected schools of study and administered the questionnaires. Various important documents that included the financial performance records in schools were scrutinized.

### **3.7 Data analysis techniques**

Data analysis is the process of bringing order, structure and meaning to the information collected (Mugenda & Mugenda, 2003). Kothari (2008), data analysis includes sorting, editing, coding, cleaning and processing of data. Data was processed (edited, classified and coded) and analyzed using descriptive statistics through the facilitation of (Statistical Package for Social Sciences) SPSS. Descriptive statistics was employed in analyzing qualitative data where frequencies and proportions were used in interpreting the respondent's perception of issues raised in the questionnaires so as to answer the research questions.



Descriptive statistics such as frequency distribution and percentages was calculated and data presented in form of tables and graphs. The data from interview schedule was analyzed using SPSS version 22.

### **3.8 Ethical considerations**

The respondents were given a clear indication of the purpose and outcomes of research. The participants were also given confirmation that the data collected would be used in complete confidentiality and shall purely be used for education purpose. Privacy and confidentiality was observed all through. The researcher adhered and respected the time schedule agreed upon with the government officers and schools administration.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND DISCUSSION

#### 4.1 Introduction

This chapter deals with data analysis, presentation and discussions. The data presented analyzes the influence of Board of Managements' financial management on public secondary schools in Westlands District, Nairobi County, Kenya. This chapter covered the response rate, influence of Board of Management members' level of education, professional status, gender and nature of job done on financial management.

#### 4.2 Response rate

The response rate of the study is indicated in Table 4.1.

**Table 4.1 Response rate**

<b>Respondents</b>	<b>Sample size</b>	<b>Responded</b>
BOM members	45	30
Teachers	86	75
District Education Officer	1	1
<b>Total</b>	<b>132</b>	<b>106</b>

Out of 101 respondents Table 4.1 indicates that included 45 BOM members, 86 teachers and the District Education Officer. 106 responded, of which 30 were

BOM members, 75 teachers and one District Education officer. This represented an 80.30% response rate, which is considered satisfactory to make conclusions for the study. This can be related to Mugenda & Mugenda (1999) who said a 50% response rate is adequate, 60% good and above 70% rated very good. This implies that basing on this assertion; the response rate in this case of 80.30% is very good.

### 4.3 General information

The researcher started by analyzing the demographic information of the respondents. The study involved the gender of respondent, duration of time worked and level of education.

The finding of the gender of BOMs and teachers respondents is shown in Table 4.2.

#### 4.2.1 Gender of respondents

**Table 4.2 Distribution of BOMs and teachers by gender**

Gender	BOM members		Teachers	
	Frequency	Percentage	Frequency	Percentage
Male	8	53%	40	53%
Female	7	47%	35	47%
<b>Total</b>	<b>15</b>	<b>100%</b>	<b>75</b>	<b>100%</b>

The findings on Table 4.2 indicate the gender of the respondents. Majority 53 percent of the BOM members were male. The teachers majority 53 percent were male. This implies that the study sample both gender and so the results is a view of both sexes. It also might indicate that TSC has not observed gender balance in the employing of teachers. Maitland (2009), suggested that having a gender mix on the board of directors is invariably better than a single gender board as it encourages people to air different opinions from their gender perspectives. If half the people the board is serving are women and no women are on the board to offer a view, that's a much distorted picture the company risks creating.

The respondents were asked their working experience, the results are presented in Table 4.3.

#### 4.2.2 Working experience of respondents

**Table 4.3 Working experience of the respondents**

Years	BOM member		Teachers	
	Frequency	Percentage	Frequency	Percentage
Below 5 years	5	33%	24	32%
5 – 7 years	8	55%	22	29%
8 – 10 years	1	6%	14	19%
Above 10 years	1	6%	15	20%
<b>Total</b>	<b>15</b>	<b>100%</b>	<b>75</b>	<b>100%</b>

The results on Table 4.3 indicate the working experience of the respondents. Slightly more than a half 55 percent of the BOM members had worked for between 5 - 7 years. Many 32 percent teachers had worked for below 13 years. This implies that the study sample had enough experience to know the factors influencing BoMs' effectiveness in financial management in public secondary schools in Westlands District.

#### **4.4 Influence of Board of Management members' level of education on financial management**

The first objective investigated the influence of BOM members' level of education on the effectiveness in financial management in public secondary schools in Westlands District. This was covered by studying the level of education of the respondents and financial management in schools.

The researcher studied the level of education of the respondents. This was to establish if the BoM members' are qualified to handle their position as financial managers of the secondary schools. The results on the level of education are presented in Table 4.4.

#### 4.4.1 Level of education of respondents

**Table 4.4 Level of education of the respondents**

Education level	BOM members		Teachers	
	Frequency	Percentage	Frequency	Percentage
Diploma	0	0%	16	21%
Degree	11	73%	45	60%
Masters	3	20%	12	16%
Phd	1	7%	2	3%
<b>Total</b>	<b>15</b>	<b>100%</b>	<b>75</b>	<b>100%</b>

The results on Table 4.4 show the level of education of the respondents. Majority of the BOM members 73 percent had degree as their highest level of education. The majority of the teachers 60 percent had degree as their highest level. This means that BOM members' level of education is a factor that might influence board of management members' effectiveness in financial management in public secondary schools in Westlands District, Kenya. The findings concurred with Brown and Duguid (2003) who found that highly skilled personnel enhance production of high quality outcomes and effective quality improvement in an enterprise.

The researcher studied the relationship between financial management practice and BoM level of education and the results are shown in the Table 4.5.

#### 4.2.2 BOM level of education and financial management

**Table 4.5: Cross tabulation between BOM level of education and financial management**

Level of Financial management education practices		Very effective	Effective	Fairly effective	Ineffective
Diploma	Ensure proper policies and procedures in financial management	9 (12%)	6 (8%)	34 (45%)	26 (35%)
Bachelors	Efficient and economic management of the schools finances	35 (47%)	29 (38%)	5 (6%)	6 (9%)
Masters	Hold regular BOM meetings	40 (53%)	24 (32%)	9 (12%)	2 (3%)
PhD	Proper accounting records	41 (54%)	19 (25%)	10 (13%)	5 (8%)

The findings on Table 4.5 indicates that many 45 percent of the teachers respondents indicated that BOM's with diploma were fairly effective in ensuring proper policies and procedures in financial management. Majority 85 percent indicated that BOM with Bachelor's degree were effective in efficient and

economic management of the schools finances, 85% indicated that BOM with masters degree held regular BOM meetings while 79 percent indicated they BOM with PhD were effective in proper accounting records. Therefore the board members with Bachelors degree and above are effective in financial management.

These findings are supported by Mestry (2004), a view also supported by Clarke (2008), that the governing body of every public school must ensure that there are proper policies and procedures in place for the effective, efficient and economic management of the schools finances and the school governing body must also have systems in place to monitor and evaluate the correct implementation of the policies and procedures and to report thereon. The finance policy is arguably one of the most important policies that a school governing body has to put in place. Clarke (2008) states that one of the main purposes of the schools financial policy is to put in place a system of controls (checks and balances) to ensure that the schools finances are safeguarded and correctly managed.

In an education organization its financial administration activity means bringing all possible input from staff, parents, students and the community together to render the service of quality education (Bisschoff, 1997). In this respect, organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities (Kruger 2005; Ntseto 2009).



Ngugi (2004), analyzed the effectiveness of BOMs in Kajiado District and noted political interferences, illiteracy and the manipulation of the BOMs by the Principals as being rampant. In a policy statement on BOMs for secondary schools dated 16/6/2004, the MoE observed that in the past some schools had nominated illiterate persons and had them appointed to the BOM. Such members had failed to advise and guide the schools, particularly on issues of quality education and proper financial resource management.

Ikiugu (2006) carried out a study in Meru Central District on BOM competence in financial management. The study found out that 43.3 percent of the BOM members reported that they were adequately prepared to handle financial management, while majority 56.7 percent indicated that they were incapable, mainly because they were not trained in financial management and low levels of education.

Clarke (2008), Mestry (2006), and Bisscho and Mestry in Mestry (2004), the schools finance policy should, as a minimum requirement, comprise of the following: Cash Management - which includes but is not limited to: safe storage of cash; daily banking of monies received; proper accounting records; financial transactions supported by source documents and monthly reconciliation of the cash book with the bank statement Internal Controls - which includes: internal checks (checking of one person's work by another); segregation of duties; internal audits; functioning Finance Committees (FINCOM); establishment of audit

committees. Audit trails - that is the ability to check every stage of any transaction.

#### **4.5 Board of Management members' professional status and financial management**

The second objective examined the influence of BOM professional status on the effectiveness in Financial Management. The researcher studied the BOMs professional status in performing certain financial management practices. This was done by conducting a cross tabulation between BOM professional status and financial management, analyzing Financial Management practice and professional status.

The researcher studied the relationship between financial management practice and BoM professional status. The results of cross tabulation are presented as shown in the Table 4.6.

#### 4.5.1 BOM professional status and financial management

**Table 4.6: Cross tabulation between BOM professional status and financial management**

<b>Professionalism</b>	<b>Professional</b>		<b>Non professional</b>	
<b>Financial management practices</b>	<b>Effective</b>	<b>Ineffective</b>	<b>Effective</b>	<b>Ineffective</b>
Ensure proper policies and procedures in financial management	51 (68%)	24 (32%)	33 (44%)	42 (56%)
Efficient and economic management of the schools finances	48 (64%)	27 (36%)	34 (42%)	44 (58%)
Hold regular BOM meetings	52 (69%)	23 (31%)	28 (38%)	47 (62%)
Proper accounting records	56 (75%)	19 (15%)	24 (32%)	51 (68%)
Ensure proper policies and procedures in financial management	40 (53%)	35 (47%)	17 (36%)	48 (64%)
Efficient and economic management of the schools finances	41 (54%)	34 (46%)	31 (41%)	44 (59%)

The findings on Table 4.6 indicate that majority 93 percent of the teachers respondents indicated that BOMs who were professional were more effective than those who were nonprofessional. Majority 87 percent indicated that the

professional Board of Management members were effective in staff induction than the nonprofessional. Majority also indicated that the experienced were effective in staff development, motivation, and compensation. This therefore implies that experience helps the BoM in performing financial management practices in schools.

#### 4.2.1 Financial management practices and professional status

**Table 4.7: Financial Management practice and professional status**

<b>Financial management practice</b>	<b>Very important</b>	<b>Moderately important</b>	<b>Important</b>	<b>Fairly important</b>	<b>Not important</b>
Prepare and discuss the school budget that prioritize activities	44 (59%)	16 (22%)	11 (14%)	4 (5%)	0 (0%)
Mobilize parents/stakeholders to source for funds	47 (62%)	14 (18%)	12 (16%)	2 (3%)	1 (1%)
Monitor school expenditure	51 (68%)	15 (20%)	3 (4%)	6 (8%)	0 (0%)
Prepare and discuss the school budget that prioritize activities	52 (69%)	13 (17%)	4 (5%)	6 (9%)	0 (0%)
Mobilize parents/stakeholders to source for funds	42 (56%)	15 (21%)	11 (14%)	5 (6%)	2 (3%)
Monitor school expenditure	41 (55%)	19 (25%)	8 (11%)	4 (5%)	3 (4%)

The findings on Table 4.7 indicates that majority 59 percent of the respondents indicated that BOM's financial management practice found it important to prepare and discuss the school budget that prioritize activities. Majority 62 percent indicated that it's important to mobilize parents/stakeholders to source for funds, 68 percent indicated that it's important to monitor school expenditure while 69 percent indicated that they find that it's important to prepare and discuss the school budget that prioritize activities. This implies that BOM ability to handle financial management in schools might be influenced by their administrative experience in mobilization of funds, monitoring expenditure and priotization of activities. The performance of BOM members who have administrative experience as compared to those who lack is phenomenon since administrative experience enhances performance in financial management.

#### **4.6 Influence of Board of Management members' Gender on Financial Management**

The fourth objective sought to establish the influence of BOM members' gender on the effectiveness in financial management. The study probed the gender composition of the Board of Management in the schools, gender distribution of the BOM in schools and the composition of the executive committee of the BOM. It was important to study influence of gender because many of the board members in different schools are male dominated. This study therefore sought to investigate

if one gender performed better in financial management than the other and if this is the reason why they are preferred to form part of the board members.

The researcher studied the gender composition of your Board of Management in the schools. The findings are shown in Table 4.8.

#### **4.2.1 Gender composition of BOM**

**Table 4.8: Gender composition of BOM**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	52	69
Female	23	31
<b>Total</b>	<b>75</b>	<b>100</b>

The data on Table 4.8 indicates that majority 69 percent of the teachers respondents indicated that gender composition in their Board of Management is dominated by male. Schools with women board members can expect significantly higher returns and better overall financial management for a number of reasons including, gender diversity at the board level solve problems faster and more effectively than like-minded boards (Dobbin & Jung, 2007). The high number of male BOM members might mean that they are better performers in financial management than their female counterparts.

The researcher studied the relationship between BoM gender and financial management practices in the schools. This was studied in order to establish if a given gender perform better in financial management practices. The findings are shown in Table 4.9.

**Table 4.9: Cross tabulation between BOM gender and financial management**

<b>Gender</b>	<b>Male</b>		<b>Female</b>	
	<b>Effective</b>	<b>Ineffective</b>	<b>Effective</b>	<b>Ineffective</b>
<b>Financial management practices</b>				
Ensure proper policies and procedures in financial management	49 (65%)	26 (35%)	35 (47%)	40 (53%)
Efficient and economic management of the schools finances	50 (67%)	25 (33%)	29 (38%)	46 (62%)
Hold regular BOM meetings	39 (52%)	36 (48%)	43 (57%)	32 (43%)
Maintaining proper accounting records	50 (67%)	25 (33%)	39 (52%)	36 (48%)
Accountability in financial management in the schools	44 (58%)	31 (42%)	40 (53%)	35 (47%)

The findings on Table 4.9 indicates that majority 65 percent of the teacher respondents indicated that the male BoM members were effective in Ensure proper policies and procedures in financial management while 47 percent indicated that the female were effective. Majority 67 percent indicated that the male were effective in efficient and economic management of the schools finances while 38 percent indicated that the female were efficient. Majority 52 percent indicated that the male BOM effectively held regular BOM meetings while 57 percent indicated that the females were effective in holding the meetings. The study findings also indicated that the male BOM were more effective in accountability in financial management in the schools and maintaining proper accounting records. This might imply that the male BoM members perform better in financial management practices than the female.

#### **4.7 Influence of Nature of Job done on the Board by Board of Management on Financial Management**

The third objective sought to establish the influence of BOM members' nature of job on the effectiveness in financial management. The study investigated the various factors in BOM members' nature of job done and their influence on financial management.

The researcher studied the relationship between BOM members' nature of job done and financial management. The findings are shown in Table 4.10.



**Table 4.10 Influence of BOM members' nature of job done on financial management**

<b>Statements</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
The BOM work schedule influences financial management in schools	8 (11%)	5 (7%)	0 (0%)	37 (49%)	25 (33%)
BOM commitments influences financial management	2 (4%)	0 (0%)	0 (0%)	29 (38%)	44 (58%)
Political interference influences financial management by BOMs	0 (0%)	0 (0%)	0 (0%)	20 (26%)	55 (74%)
Interference from the head teacher influences BOM financial management	12 (16%)	8 (11%)	9 (12%)	21 (28%)	25 (33%)

The data on Table 4.10 indicates that majority 82 percent of the teacher respondents indicated that BOM members work schedule influences financial management in schools. Majority of the teachers also indicated that interference

from the head teacher influences BOM financial management; Political interference influences financial management by BOMs and BOM commitments also influences their financial management in secondary schools.

Silverman and Subramaniam (1999), stated that attitude development is important because teachers, coaches and the society regard daily attitudes as a form of assessment for them and for assessing other people's strengths. To meet the demands of work activities, people need certain skills. For BOM, skills are critical because the success of organizations depend on the quality of its leadership. Unskilled leaders are unlikely to provide efficient and effective leadership.

Research by Mutai (2003), concluded that managers need three essential skills to do their activities. According to him top BOM need conceptual skills, middle managers need human skills and lower level managers need technical skills. This study examined conceptual skills because the board is the top management of a school. Robbins and Coulter (2007), contend that conceptual skills are skills managers use to think and conceptualize about abstract and complex situations. The application of these skills permits managers to see the organization as a whole with sub-units linked and fitting together.

Chandan (2007), on his part argues that managers must understand that each unit contributes towards the overall success of the organization. This therefore means that the Board of Management members performance in financial management

can be enhanced by training them in conceptual skills that will help them as managers to see the organization as a whole with sub-units linked and fitting together.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter includes the summary of the study, conclusions, recommendation and suggestions for further research.

#### **5.2 Summary of the study**

The study aimed to find out the influence of Board of Managements' financial management on public secondary schools in Westlands District, Nairobi County, Kenya. The researcher singled out four factors that she deemed are influencing Board of Management members' financial management in public secondary schools in Westlands District.

The study targeted 285 teachers, 150 BOM members and the one DEO. The study sampled 86 teachers; 43 male and 43 female, 45 BOM members and the one DEO. The total sample size was 101 respondents. Stratified sampling was used to select 86 teachers and 15 BOM members from the 10 public secondary schools. Stratification helped to involve teachers from all the schools. Purposive sampling was then used to select the District Education Officer. Questionnaires and interview schedules were used for data collection.

Reliability analysis was done through test-retest method. Pearson's product moment's correlation was used to test reliability. Validity was ensured through

discussion with the experts including supervisors and colleagues. Primary data was collected and analyzed using quantitative and qualitative techniques and presented in tables and graphs. Secondary data was obtained from journals and schools data base. Data collected was analyzed using SPSS (Statistical Package for Social Sciences). Descriptive statistics and thematic statistics were used.

The findings on the influence of BoM members' level of education on the effectiveness in financial management in public secondary schools in Westland District revealed that a majority of the BOM members 73 percent had a degree as their highest level of education. The majority of the teachers 60 percent had degree as their highest level. This means that BOM members' level of education is a factor that might influence board of management members' effectiveness in financial management in public secondary schools in Westlands District, Kenya. Majority 45 percent of the teachers respondents indicated that BOM's with diploma were fairly effective in ensuring proper policies and procedures in financial management. Many 85 percent indicated that BOM with Bachelors degree were effective in efficient and economic management of the schools finances, 85 percent indicated that BOM with masters degree held regular BOM meetings while 79% percent indicated they BOM with PhD were effective in proper accounting records.

The findings of the influence of BoM members professional status on the effectiveness in financial management in public secondary schools in Westlands

District were that a majority 62 percent indicated that it's important to mobilize parents/stakeholders to source for funds, 51 (68%) indicated that it's important to monitor school expenditure while 69 percent indicated that they find that it's important to prepare and discuss the school budget that prioritize activities. Majority 59 percent of the respondents indicated that BOM's financial management practice found it important to prepare and discuss the school budget that prioritizes activities. The majority 93 percent of the teachers' respondents indicated that BOMs who were professional were more effective than those who were nonprofessional. Majority 87 percent indicated that the professional Board of Management members were effective in staff induction than the nonprofessional. Majority also indicated that the experienced were effective in staff development, motivation, and compensation. This therefore implies that experience helps the BoM in performing financial management practices in schools.

The findings on the influence of BoM members' gender on the effectiveness in financial management in public secondary schools in Westlands District revealed that a Majority 69 percent of the teachers respondents indicated that gender composition in their Board of Management is dominated by male. Majority 65 percent of the teacher respondents indicated that the male BoM members were effective in Ensure proper policies and procedures in financial management while 47 percent indicated that the female were effective. Majority 67 percent indicated that the male were effective in efficient and economic management of the schools

finances while 38 percent indicated that the female were efficient. Majority 52 percent indicated that the male BOM effectively held regular BOM meetings while 57 percent indicated that the females were effective in holding the meetings. This means that the board members should be composed of both gender.

The findings on the study of the influence of BoM members' nature of job done on the effectiveness in financial management in public secondary schools in Westlands District indicated that the majority 82 percent of the teacher respondents indicated that board members work schedule influences financial management in schools. Majority of the teachers also indicated that interference from the head teacher influences BOM financial management; Political interference influences financial management by board members and board members commitments also influences their financial management in secondary schools.

### **5.3 Conclusions**

It can be concluded that BoM members' level of education influences the financial management in public secondary schools in Westland District revealed that a majority of the BOM members 73 percent had a degree as their highest level of education. The majority of the teachers 60 percent had degree as their highest level. This means that BOM members' level of education is a factor that might influence board of management members' financial management in public secondary schools in Westlands District, Kenya. Majority 45 percent of the

teachers respondents indicated that BOM's with diploma were fairly effective in ensuring proper policies and procedures in financial management. Many 85 percent indicated that BOM with Bachelors degree were effective in efficient and economic management of the schools finances, 85 percent indicated that BOM with Masters Degree held regular board members meetings while 79% percent indicated the board members with PhD were effective in proper accounting records.

The findings lead to a conclusion that there is positive influence of BoM members' professional status on financial management in public secondary schools in Westlands District. It is important to mobilize parents/stakeholders to source for funds, it' is also important to monitor school expenditure. It is important to prepare and discuss the school budget that prioritizes activities. BOM's financial management practice found it important to prepare and discuss the school budget that prioritizes activities. BOMs who were professional were more effective than those who were nonprofessional. Professional Board of Management members were effective in staff induction than the nonprofessional. The experienced BOMs are effective in staff development, motivation, and compensation. This therefore implies that experience helps the BoM in performing financial management practices in schools.

It can also be concluded that BoM members' gender financial management in public secondary schools in Westlands District. Gender composition in their



Board of Management is dominated by male. Male BoM members were effective in ensuring proper policies and procedures in financial management while the female were effective. The males are effective in efficient and economic management of the schools finances. Male BOM effectively hold regular BOM meetings while females were effective in holding the meetings.

It can be concluded that BoM members' nature of job done influences the financial management in public secondary schools in Westlands District. The BOM members work schedule influences financial management in schools. Interference from the head teacher influences BOM financial management; Political interference influences financial management by BOMs and BOM commitments also influences their financial management in public secondary schools.

#### **5.4 Recommendations**

The study will makes the following recommendations:

- i. The BoM members' should be sensitized on the importance of higher level of education on financial management in schools. They should be encouraged to enroll for developing courses on financial management to better their knowledge and help them in financial management in public secondary schools.

- ii. Through the Ministry of Education, every school should be mandated to have BoM members appointed after gaining the required professional qualification in financial management in secondary schools. The school management should be advised on the need to include checking the BoM members' professional qualification in the financial management.
- iii. The head teachers should motivate BOM members' to attend of seminars/workshops. This can be done through provision of time and schedule for BoM members to attend refresher courses in financial management.
- iv. The BOM members should 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.

### **5.5 Suggestions for further research**

The following are areas for further research;

- i. The effect of financial management on academic performance of secondary students.
- ii. The influence of students' absenteeism on academic performance in public primary schools.

- iii. The influence of subordinate staff on school management in public secondary schools.
- iv. The training of BoM members and its influence on the financial management in secondary schools.

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**APPENDICES**  
**APPENDIX I**  
**LETTER OF INTRODUCTION**

Agnes Syombua Kalungu

University of Nairobi

P.O. Box 29012,

Nairobi.

13<sup>TH</sup> May, 2015.

**Dear Sir/Madam,**

**RE: PARTICIPATION IN RESEARCH**

I am a student from University of Nairobi pursuing a Master Degree in Education in Corporate Governance. I am carrying out a research study: *“Influence of Board of Managements’ financial management on public secondary schools in Westlands District, Nairobi County, Kenya.”* Please allow me to collect from your school. The interview is meant to help in fulfilling the research objectives.

The researcher assures you of confidentiality of the respondents.

Yours faithfully,

Agnes Syombua Kalungu

## APPENDIX II

### QUESTIONNAIRE FOR TEACHERS

This questionnaire is to collect data for purely academic purposes. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire.

Answer all questions as indicated by either ticking in the box or filling in the blank.

#### Section A: Background of respondents

1. What is your gender? Male  Female

2. What is your age bracket?

Below 30 years  30-35 years

36-40 years  Over 40 years

3. What is your highest level of education?

Primary level  Secondary level

College level  University level

4. How many years have you worked as a teacher?

5-7 years  8-10 years

10-13 years  Over 14 years

**Section B: Influence of level of education of BOM on financial management**

Below are statements related to level of education on financial management, tick appropriately: 5- Very effective, 4- Moderately effective, 3- Effective, 2- Fairly effective, 1- Ineffective

<b>Financial Management practice</b>		<b>Very effective</b>	<b>Moderately effective</b>	<b>Effective</b>	<b>Fairly ineffective</b>	<b>Ineffective</b>
1	Ensure proper policies and procedures in financial management					
2	Efficient and economic management of the schools finances					
3	Maintaining proper accounting records					
4	Procure goods and services as per laid down regulations					
5	Ensure the curriculum is implemented through effective supervision of teachers					
6	Provide teaching and learning resources					
7	Review the school academic Performance					

**Section C: Influence of professional status of BOM on financial management**

Below are statements related to influence of professional qualification on financial management, tick appropriately: 5-(SA) Strongly Agree, 4-(A) Agree, 3-(UN) Undecided, 2-(D) Disagree, 1-(SD) Strong Disagree

<b>Professionalism</b>	<b>Professional</b>		<b>Non professional</b>	
	<b>Effective</b>	<b>Ineffective</b>	<b>Effective</b>	<b>Ineffective</b>
<b>Financial management practices</b>				
Ensure proper policies and procedures in financial management				
Efficient and economic management of the schools finances				
Hold regular BOM meetings				
Proper accounting records				
Ensure proper policies and procedures in financial management				
Efficient and economic management of the schools finances				

**Section D: Influence of gender influence financial management**

Below are statements related to influence of gender influence financial management, tick appropriately: 5-(SA) Strongly Agree, 4-(A) Agree, 3-(UN) Undecided, 2-(D) Disagree, 1-(SD) Strong Disagree

	<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	BOM gender influences financial performance					
2	Male BOM perform better in financial management than female					
3	There is fair gender composition in the board					
4	Both gender participate in financial management					
5	There is gender disparity in BOM members roles in financial management					

**Section E: Influence of nature of job done by Board of Management on financial management**

Below are statements related to nature of job done by Board of Management influence on financial management, tick appropriately: 5-(SA) Strongly Agree, 4-(A) Agree, 3-(UN) Undecided, 2-(D) Disagree, 1-(SD) Strong Disagree

	<b>Statement</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
1	BOM nature of jobs influences financial management					
2	The BOM work schedule influences financial management					
3	BOM commitments influences financial management					
4	Political interference influences financial management by BOMs					
5	Interference from the head teacher influences BOM financial management					

**Section D: Influence of gender influence financial management**

Below are statements related to influence of gender on financial management, tick appropriately: 5-(SA) Strongly Agree, 4-(A) Agree, 3-(UN) Undecided, 2-(D) Disagree, 1-(SD) Strong Disagree

Gender	Male		Female	
	Effective	Ineffective	Effective	Ineffective
<b>Financial management practices</b>				
Ensure proper policies and procedures in financial management				
Efficient and economic management of the schools finances				
Hold regular BOM meetings				
Proper accounting records				
Ensure proper policies and procedures in financial management				
Efficient and economic management of the schools finances				

Below are statements related to influence of gender influence financial management, tick appropriately: 5-(SA) Strongly Agree, 4-(A) Agree, 3-(UN) Undecided, 2-(D) Disagree, 1-(SD) Strong Disagree

	<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	BOM gender influences financial performance					
2	Male BOM perform better in financial management than female					
3	There is fair gender composition in the board					
4	Both gender participate in financial management					
5	There is gender disparity in BOM members roles in financial management					



### Appendix III

#### Interview schedule for BOM and the DEO

- i. What is your gender? \_\_\_\_\_
- ii. What is your age bracket?
- Below 30 years       30-35 years
- 36-40 years       Over 40 years
- iii. What is your highest level of education?
- Primary level       Secondary level
- College level       University level
- iv. How many years have you worked as a teacher?
- 5 - 7 years       8-10 years
- 10-13 years       Over 14 years
- v. To what extent does Board of Management level of education influence financial management in public secondary schools in Westlands District?
- vi. What is the influence of Board of Management professional qualification on financial management in public secondary schools in Westlands District?
- vii. How does Board of Management gender influence financial management in public secondary schools in Westlands District?

- viii. To what extent does the nature of job done by Board of Management influence financial management in public secondary schools in Westlands District?


# APPENDIX IV

## Research clearance permit

**THIS IS TO CERTIFY THAT:  
MS. AGNES SYOMBUA KALUNGU  
of UNIVERSITY OF NAIROBI, 684-625  
nairobi, has been permitted to conduct  
research in Nairobi County**

**on the topic: FACTORS INFLUENCING  
BOARD OF MANAGERMENTS'  
EFFECTIVENESS IN FINANCIAL  
MANAGEMENT IN PUBLIC SECONDARY  
SCHOOLS IN WESTLANDS DISTRICT,  
NAIROBI COUNTY, KENYA**

**for the period ending:  
31st December, 2014**

  
.....  
**Applicant's  
Signature**

**Permit No : NACOSTI/P/14/6121/4099  
Date Of Issue : 2nd December, 2014  
Fee Received :Ksh 1,000**



  
.....  
**Secretary  
National Commission for Science,  
Technology & Innovation**

### CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.



REPUBLIC OF KENYA



National Commission for Science,  
Technology and Innovation

**RESEARCH CLEARANCE  
PERMIT**

Serial No. A **3807**

CONDITIONS: see back page

## APPENDIX V

### Research authorization letter



#### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 310571, 2219420  
Fax: +254-20-318245, 318249  
Email: secretary@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref: No.

Date:

**2<sup>nd</sup> December, 2014**

**NACOSTI/P/14/6121/4099**

Agnes Syombua Kalungu  
University of Nairobi  
P.O. Box 30197-00100  
**NAIROBI.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Factors influencing Board of Managements’ effectiveness in financial management in public secondary schools in Westlands District, Nairobi County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for a period ending **31<sup>st</sup> December, 2014.**

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

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**DR. S. K. LANGAT, OGW**  
**FOR: SECRETARY/CEO**

Copy to:

The County Commissioner  
Nairobi County.

The County Director of Education  
Nairobi County.