

**INFLUENCE OF ADOPTION OF FINANCIAL REPORTING PRACTICES  
BY BOARD OF MANAGEMENT ON GOVERNANCE OF EARLY YEARS  
EDUCATION CENTRES IN KISUMU CENTRAL  
SUB-COUNTY, KENYA**

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**A RESEARCH PROJECT REPORT SUBMITTED IN FULLFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTERS  
OF EDUCATION IN EARLY CHILDHOOD EDUCATION  
UNIVERSITY OF NAIROBI**

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## DECLARATION

This report is my original work and has not been presented for a degree in any other University.

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## **DEDICATION**

I dedicate this research project to my beloved family. I really appreciate the concern and motivation they gave me throughout the study period.

## **ACKNOWLEDGEMENT**

My sincere gratitude goes to my supervisors Prof. Paul Odundo and Dr. Stephen Mutiso for their professional guidance, consultations and encouragements over my study period. May the Almighty God bless them a abundantly. Lastly, I would wish to acknowledge my classmates for their support and encouragements.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>ASE:</b>	Australian Security Exchange.
<b>AP:</b>	Auditory Practices
<b>BoM:</b>	Board of Management
<b>BP:</b>	Budgetary Practices
<b>CDF:</b>	County Development Fund
<b>DN:</b>	Daily Nation
<b>EYE:</b>	Early Years Education
<b>FCP:</b>	Financial Competency Practices
<b>FMS:</b>	Financial Management Seminars
<b>FP:</b>	Financial Performance.
<b>FRP:</b>	Financial Reporting Practices
<b>IAS:</b>	International Accounting Standards.
<b>LCA:</b>	Learner Competencies Achievement
<b>OECD:</b>	Organization for Economic Corporation and Development.
<b>PFM:</b>	Public Finance Management.
<b>ROA:</b>	Return on Assets.
<b>ROE:</b>	Return on Equity.
<b>ROR:</b>	Return on Revenue.
<b>SPSS:</b>	Statistical Package for Social Science.
<b>SR:</b>	Salary Records
<b>SRC:</b>	Salaries and Remuneration Committee.
<b>TIS:</b>	Transparency International Security
<b>US:</b>	Untrained Staff
<b>PP:</b>	Procurement Practices

## **ABSTRACT**

The adoption of sound financial reporting practices in Early Years Education centres (EYE) is rarely done. In situations where EYE centre management boards do not adopt sound financial reporting practices, governance is ineffective since efficiency, commitment and learner competencies achievement are compromised. Through observation and personal experience, it's evident that EYE Boards of management don't embrace sound financial reporting practices to enhance good governance of EYE centres. This study sought to investigate the influence of adoption of financial reporting practices on governance in EYE centres in Kisumu Central Sub-county. Special reference was on budgetary practices, procurement practices, auditory practices and financial competency practices. The study used a survey research design. The target population comprised Early Years Education teachers and head teachers in Kisumu Central Sub-county. After identifying the early years education centres of interest to the study, they were stratified into three zones. The stratus included Manyatta zone, Southern zone and Central zone. Stratified sampling and random sampling were used to select 89 Early Years Education teachers and 89 Early Years Education head teachers. Questionnaires were used to obtain data from the EYE teachers while interview guides were used to collect data from the head teachers. Data were analyzed using both descriptive and inferential statistics. Frequency distribution tables were used to describe the demographic characteristics of the respondents while inferential statistics were used to determine the correlations between the variables. The key finding from the study revealed that, there should be effective auditing in all Early Years Education centres by ensuring all auditing practices are adhered to. The study established that most Early Years Education teachers were not equipped with financial reporting practices which translated to poor EYE governance. A number of employees felt left out in making financial decisions. The study recommends that the board of management of Early Years Education centres should embrace adoption of financial reporting practices to enhance accountability, transparency and good governance in the Early Years Education centres.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Sound financial reporting practices by Board of Management are presumed to improve quality of governance in early years education centres (EYE). In situations where EYE centre management board fails to adopt sound financial reporting practices, accountability and good governance are compromised. These translate to ineffective EYE governance. According to Tyson (2011), report on United States to analyze the adoption of financial reporting practices by Board of Management revealed that the accounting and academic organizations realized low cost of capital and attracted more investors contributing a positive significance to EYE governance. Another study by, Gialu, C. (2010), argues that in the U.S, the adaptation of financial reporting practices by the local learning centres contributed to adequate teacher compensation and commitment hence achieving effective EYE governance. Similar sentiments were reported by Amstrong, M. (2010) upon investigation of the European stock market relationship with the adaptation of Financial Reporting Practices in Europe. Amstrong's report established that there is significantly positive results since meaningful and transparent financial statements were achieved resulting in improved level of efficiency and commitment of employees.

Effective financial reporting practices in EYE centres as initiated by the Board of management contribute to high quality of EYE governance. It creates an environment of transparency hence promoting trust among the EYE stakeholders. According to Bhasian (2012), a study conducted in Asia revealed that the Directors and employees of Satyam

Computer Services Limited engaged in over-statements, fabrications, falsification and misinterpretation of books of accounts. This however, resulted in the adoption of financial reporting practices to fill the gaps that were unaccounted for by the former directors and employees. (Bhasian 2016a).

Additional evidence was revealed by an organization in Australia by the name “One Tell” which collapsed with huge debts due to inability to comply with the financial reporting practices. In another study by Doupnik and Perera (2012) on the influence of adoption of Financial Reporting practices in Sub-Saharan countries of Africa, it was revealed that the adoption resulted in reduced cost of preparation of financial statements and better financial disclosures hence resulting in better EYE governance. Odia and Ogiedu (2013) supported adoption of financial reporting practices in Sub-Saharan countries of Africa has brought about better budgetary, financial competency, auditing and procurement practices all enhancing effective EYE governance.

Despite this however, the Daily Nation (Tuesday 9<sup>th</sup> February, 2018) revealed that majority of public sector entities in Kenya are yet to attain the effective adoption of sound financial reporting practices. Nevertheless, accountants are challenged to support the Kenya’s Auditor general’s effort to curtail misappropriation of public funds. In Kisumu County in particular, a report by the Auditor General on 25 may, 2015 revealed that the financial statement for the 16 months period ending 30<sup>th</sup> June, 2014 did not have sufficient and appropriate audit evidence as compared to other counties in Kenya. This has put Kisumu County into lime light since effective financial reporting practices have not been adopted and very little has been known regarding the EYE programmes. The boards of management of most EYE centres in Kisumu Central Sub-county have failed to

provide adequate salaries, tendering process, human capital and financial training hence resulting to a poor quality of governance in the EYE centres. This has created a gap on financial reporting practices further leading to ineffective governance of the EYE Centres.

In view of these, good governance is a critical management tool in any EYE Centre and requires effective adoption of financial reporting practices by the board of management in order to attain. In support of this statement, Ojeleye and Okoro (2016) argues that good governance is a key function of management in any EYE centres and is determined by the level of efficiency and commitment. Zaman (2011) further supports by saying “Governance provides basis for an organization to enhance sustainable competitive advantage and needs to be given priority among other management functions. Budgetary practices, procurement practices, auditory practices and financial competency practices when effectively adopted by any organization lead to better governance.

Appropriate budgetary practices in EYE Centres positively influence the EYE governance. In circumstances where suitable budgetary practices are adopted by the BoM, there is a likelihood of improvement in the salary and feeding programme records hence resulting in advanced quality of governance in the EYE centres. According to Shield (2007), effective governance is enhanced by adequate salaries, wages and financial allocation for feeding hence resulting in good comments from the Head teacher and commendable LCA. In Kisumu Central Sub-County, inadequate budgetary practices have created more room for teacher turnover in seeking for greener pastures in non-teaching fields posing a great risk to the governance in EYE centres hence pointing a gap in this study.

EYE centres with adequate procurement practices prevent conflicts between the actual financial results and the intended results hence promoting the EYE governance. In Kisumu County, the EYE centers of Kisumu Sub-county are currently experiencing inadequate procurement practices since effective tendering, purchase and supplies processes are all lacking and this is a gap in the financial reporting practices.

Auditory practice as a system of financial reporting describes preparation of performance plans of activities and programs based on finances, assets and human capital all aimed at achieving effective EYE governance. This helps the BoM in planning and forecasting in order to reduce cost and unnecessary spending. In support of this, Kirinki (2010) argues that auditory practices help in planning the financial operation of an EYE centre hence helping the BoM to remain on target regarding the acquisition of the EYE centre resources. Tracy (2013) further asserts that sound auditory practices motivate teachers by providing useful yardsticks for evaluating their performance within the EYE centre hence improving the quality EYE governance.

Effective financial competency practices determine the quality of EYE governance. Every EYE centre has multiple stakeholders or groups of individuals with whom the BoM must interact to carry out its financial competency practices on financial training and qualification. According to Kaplan and Nortam (2010) the financial competency practices have been translated into what has been called an evaluation of the teachers' ability to handle financial issues. In instances where effective adoption of financial competency practices is enhanced, teacher attendance of financial management seminars and facilitation of such seminars by the BoM are implemented hence adequate governance achieved, Noe, Hollenbeck, Gerhard, Wright, 2010). However, in situations

where adoption of financial competency practices is lacking, funds are misused, adequate payment is compromised and teacher training on financial management is ignored hence adequate governance is compromised. Mutsudel (2010) further supports by saying, financial competency practices are determined by the teachers attending training on financial issues and professional qualification hence improving the EYE governance.

This study seeks to determine the influence of adoption of financial reporting practices by the BoM on the governance of EYE centres in Kisumu Central Sub-county, Kenya. Even though studies have been done by different researchers on the influence of adoption of financial reporting system on EYE centres EYE governance, there is still room for the study since their findings have not adequately solved the problem in this study area.

## **1.2 Statement of the Problem**

In Kenya, majority of public and private EYE centres are faced with challenges that bar them from achieving effective governance. The boards of management of these centres are challenged to support the Auditor General's effort to curtail misappropriation of funds. Similar challenges are also faced by EYE centres in Kisumu Central Sub County. The challenges include; lack of audit evidence, misappropriation of funds, lack of transparency and accountability. A report made by the Kisumu County Director of Education in September 2017 in a head teacher's conference confirmed lack of financial transparency and accountability in many institutions within and without Kisumu County. The report showed that out of the one million shillings granted to every public EYE centre by the government for infrastructure development, only five schools could account for their expenditure indicating weak structure of governance in most EYE centres.



The misappropriation of funds, lack of audit evidence, lack of transparency and accountability have resulted to weak structures of governance in early years education centres in Kisumu central sub-county. This study is aimed at solving this problem by developing financial reporting practices model that will be adopted by the board of management of early years education (EYE) centres. The model involves; budgetary practices, procurement practices, auditory practices and financial competency practices.

### **1.3 Purpose of the Study**

The purpose of the study was to determine the influence of adoption of financial reporting practices on the governance in Early Years Education centres in Kisumu Central Sub-county, Kenya.

### **1.4 Research Objectives**

The study was guided by the following objectives;

- i. To establish the influence of adoption of budgetary practices on governance of EYE centres in Kisumu Central Sub-county, Kenya.
- ii. To assess the influence of adoption of procurement practices on governance of EYE centres in Kisumu Central Sub-county.
- iii. To determine the influence of adoption of auditory practices on governance of EYE centres in Kisumu Central Sub-county.
- iv. To examine the influence of adoption of financial competency practices on governance of EYE centres in Kisumu Central Sub-county.

## **1.5 Research Questions**

Problems in the research questions formulated from the objectives were;

- i. Does the adoption of budgetary practices influence governance of EYE centres in Kisumu Central Sub-county, Kenya?
- ii. Does the adoption of procurement practices influence governance of EYE centres in Kisumu Central Sub-county?
- iii. Does the adoption of auditory practices influences governance of EYE centres in Kisumu Central Sub-county?
- iv. Does the adoption of financial practices influence governance of EYE centres in Kisumu Central Sub-county?

## **1.6 Significance of the Study**

The findings of this study are hoped to help parents, teachers and the government to establish the adoption of financial reporting practices by the BoM on the governance of EYE centres. This is prudent in decision making regarding transparency and accountability of the financial status of the institution. In addition to that, it will ensure that EYE teachers are effectively motivated and supported by the EYE centres BoM hence enhancing EYE governance.

More still, these findings may generate in depth data for utilization of EYE policies which require implementation by the Government of Kenya in partnership with other EYE stakeholders. Finally, the study may trigger further research to enrich policy development in education during the early years of development.

## **1.7 Basic Assumptions of the Study**

The study assumed that;

- i. The respondent would supply positive responses to the questionnaire items.
- ii. The information given by the respondents would be confidential and only used for the purpose of the study.
- iii. The findings from the study would be available to the administrators of the EYE centres included in this study for implementation purposes.

## **1.8 Limitations of the Study**

The study encountered the following limitations;

- i. The EYE teachers and head teachers were reluctant to give relevant information for fear of victimization.
- ii. Some respondents were unavailable within the limited scheduled time of the study.

## **1.9 Delimitations of the Study**

The stated limitations in 1.8 were solved in the following ways;

- i. Briefing the EYE teachers and head teachers on the need to give accurate information.
- ii. Interviewing the respondents when they were present in situations where they were unavailable within the limited scheduled time of the study.

## 1.10 Definition of Terms

- Accountability:** The acknowledgement and assumption of responsibility for actions, products, decisions and policies including administration, governance and implementation within the scope of the role or employment position and encompassing the obligation to report, explanation and be answerable for resulting consequences (Collier,2013). As used in this study, it refers to the ability of the EYE centres board of management to explain and be answerable for resulting consequences associated with financial statements.
- Adoption:** Is the degree of acceptance to use of a new idea, practice, and technology or object by an EYE centre organization.
- Auditory practices:** Is the examination and verification of an EYE centre’s financial records and assets by a professional regarding the level of transparency, accountability and statement of cash flow.
- Board of management:** This is the department in an EYE centre that influences the work force and is concerned with the financial reporting practices.
- Budgetary practices:** The steps through which an EYE centre builds its budget on salaries and financial allocation for resources and feeding programme.
- Early Childhood Education:** Refers to the normal teaching of children between ages of 4-5 years before being admitted into grade one in primary schools.
- Financial competency practices:** Refers to the process of producing statements that disclose an organization’s financial status to management, investors and the government (Bowlin& Reed, (2016).As used in this study, it refers to the ability of the EYE teachers to handle financial matters of an EYE centre as determined by their professional qualification and training on financial management.
- Financial reporting practices:** Forms of managing an EYE centre organization so as to provide the right information of financial statements about remuneration techniques, financial performance, budgetary procedures and level of

financial adherence.

- Influence:** This is the capacity of the financial reporting practices to have an effect on the governance of early years education centres.
- Procurement practices:** This is the act of budgeting that involves the process of tendering, supplies and purchasing.
- Reporting:** The process of providing a summarized feedback on financial matters and the related activities.
- Governance:** Refers to the manner in which power is exercised in the management of early years education centres.
- Transparency:** Turbull (2012) defined transparency as, operating in such a way that it is easy for others to see what actions are profound. Hunger (2009) defined transparency as the perceived quality of intentionally shared information from a sender. Stefkorich (2010) defined transparency as lack of withholding relevant information unless necessary, leading to a default position of information provision (rather than concealment). As used in this study, it refers to the act of operating in such a way that it is easy for the EYE stakeholders to see what actions are taken regarding financial information.

### **1.11 Organization of the Study**

Chapter one specifically focused on background to the study, statement of the problem, purpose of the study research objectives and research questions, significance of the study, basic assumptions of the study, limitations of the study and delimitations of the study and definition of significant terms. Chapter two will highlight on the concepts of financial reporting systems and its influence on governance in EYE centre. It will also highlight in the theoretical framework, the conceptual framework and summary of the literature. Chapter three will highlight the methods that will be used to carry out the study. It will further highlight the research design, the target population, the samples size and sampling procedures, data collection instruments, data collection procedures, data analysis techniques and operationalization of variables.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. Introduction**

This chapter sought to explore the influence of adoption of financial reporting practices by Board of management on governance of EYE centres under the following themes; adoption of budgetary practices on governance in EYE centres, adoption of procurement practices on governance in EYE centres, adoption of auditory practices on governance in EYE centres and adoption of financial competency practices on governance in EYE centres. The chapter also explores the theoretical framework, conceptual framework and summary of the literature.

#### **2.2 Adoption of Budgetary Practices and Governance in EYE Centres**

Sound budgetary practices positively influence governance in EYE centres. In instances where EYE board of management adopts sound budgetary practices, there is adequate financial allocation for salaries, resources and feeding programme hence improving the quality of governance. A study by Lock (2008) on budgetary practices and governance in USA learning centres revealed that budgetary practices was a strong determining factor of improving the quality of governance. This was further determined by high level of staff retention, recruitment, good salary and housing. More still, In the USA, public sectors pay low rate of salary as a result inadequate BP compared to that of the private sector and this creates a negative significance on the governance in the public sector (Yankee Institute for Public Policy YIPP 2015).

Effective budgetary practices in Australia are beyond salaries, wages and allowances creating a positive significance on governance (Shield, 2007). More still, as a result of the collapse of “One Tell” company in Australia due to inability to comply with financial reporting practices, there were more debts and this further influenced the budgetary practices negatively leading to a reduced quality of performance.

In Europe, budgetary practices of EYE centres are in the form of basic pay and wages. According to Meyer (2009) the European workers budgetary practices is in the form of basic pay or wages. The basic pay is a fixed periodical financial allocation for payment of non-manual employees in different ways, however good employee’s budgetary practices significantly affects the performance of many EYE centres in Europe. In Germany, budgetary practices have been found to contribute towards realization of better governance in many learning centre. The EYE centres offering good basic pay and higher employees’ wages record increased rates of teachers’ job satisfaction, have low turnover rates, have most productive employees and have good relations resulting in adequate staff performance (Armstrong 2008). In China and Japan, many EYE centres allocate funds above the market rate to retain their employees. In India, most EYE centres Board of management use basic pay to compare their job offers instead of using other forms of motivation not captured in the formal organizational framework.

In Africa, BP adopted by most EYE centre has been ranked as a major challenge affecting the governance especially in the public EYE centres. According to Hedwiga (2011) most EYE centres have been found remunerating their teachers poorly influencing negatively the level of teacher satisfaction, efficiency and general welfare hence reducing the quality of governance. More still, Ologunde et al. (2011) argues, lack of effective BP



contributed to inadequate allocation and record keeping for salaries, teaching resources and feeding programme resulting in high staff turnover rates hence negatively influencing the EYE governance.

In Ghana, decline in level of EYE governance and high rate of teaching staff turnover have been found to be influenced by workers dissatisfaction with BP leading to many cases of industrial strikes (Hanif, 2009). In Nigeria, lack of effective BP has made the EYE teachers seeking better paying jobs in other countries (Oshagbemi, 2010). However in Botswana, BP such as funds allocation for basic salary, housing system, basic healthcare standards and bonuses in early years education sector have attracted more immigrants in the country leading to effective governance (Oshagbemi, 2010). In South Africa, a study by Lind (2012) on the influence of BP on governance revealed that inadequate salary records and allocation is one of the major faults that lead to increased poor governance in most of the EYE centres. Livingstone (2009) further argues that in South Africa, most EYE centres Board of management use only the salary records to compare their budgetary practices neglecting the records for teaching resources and feeding programme.

In East Africa, budgetary practice has been a major challenge affecting the governance of public EYE centres. A study by Johnson (2010) revealed that majority of the EYE teachers in East African regions are not satisfied with their salaries allocation and this demotivates them leading to inadequate governance. In Uganda, according to New Vision journal of Wednesday 26<sup>th</sup> December, 2018, the EYE teachers are poorly remunerated since their salary allocation is substandard and averaging on miserable hence creating a negative significance on the governance.

In Kenya, one of the key issues of public debate and attention is the budgetary practice based on funds allocation for salaries and wages at a time when the public sector wage bill has gone up. In most EYE centres, the quality of the governance is still poor and this could be due to poor budgetary practice applied where the board of management has failed to link the budgetary practices with the motivation and efficiency while carrying on their duties. This has demoralized teachers leading to poor governance in EYE centres (Oshagbemi, 2014). A report by the Ministry of Education (2005) states that, the nursery school level teaching is dominated by the female teachers since the male teachers who are the breadwinners in most families can't afford to accept the low pay offered in most nursery schools.

In Kisumu County, based on the report by the Kisumu County director of Education in September 2017 during one of the head teachers meeting revealed that there is poor budgetary practice of EYE teacher in the county as compared to other counties in Kenya. The director's report further revealed that Kisumu Central Sub-county recorded the lowest EYE teacher's basic pay despite the high cost of living in Kisumu. More still, a report by the EYE Kisumu Central Sub-county officer in March 2018 during one of the EYE head teachers meeting revealed that most of the EYE teachers and other employees are poorly remunerated and their pay is not consistent with the current cost of living in Kisumu. Due to poor budgetary practice in Kisumu Central Sub-County, there are more cases of staff turnover in seeking for job opportunities in non-teaching fields posing a great risk to the governance in the EYE centres hence pointing a gap in this study.

### **2.3 Adoption of Procurement Practices and Governance in EYE Centres**

Early Years Education centres with good procurement practices realize improved quality of EYE governance. In situations where tendering and supplies are efficient, teachers are motivated hence effective governance attained. Ichniowski, Shaw and Prennushi (1997) investigated relationship between procurement practices and employee performance in steel production lines in the US using a sample size of 36 production lines and found that there exist a significant connection between the employee performance and the procurement practice.

More still, in Europe, a report by Oettinger (2018) revealed that the consolidated annual accounts of EYE centres which form part of a highly developed system of procurement practices resulted to high job satisfaction, meaningful tendering, purchasing and supplies hence achieving effective EYE governance. In India, the procurement practices of Tata Steel and JSW steel in January – March 2018 was negatively affected due to raising the capital expenditure between fiscal year 2018 and 2021 by 40% (Nikkei Journal of 17<sup>th</sup> May 2018). As a result of this, the Indian Government has anticipated a reduced quality of governance for the next few years.

Ramazanali, Mohammad and AliAsghar (2014) examined the influence of adoption of procurement practices on governance in Asia using 106 firms listed on Tehran Stock Exchange (TSE) from 2006 to 2011. The findings of their study showed that there is no significance correlation between procurement practices and governance of investment firms and banks. The study failed to consider the opinion of the stakeholder and instead relied mainly on secondary data hence pointing a gap in the study. Furthermore, in

Jordan, Naser (2002) investigated the relation between procurement practices and governance in the implementation of IAS. The study revealed that the level of compliance with the IAS in the line of PP is related to the level of financial income, expenditure, tendering, purchasing and supplies. Sywaiden (2004) also evaluated the level of PP of 65 industrial Jordanian firms in the region. The findings revealed that the quality of governance in the industrial firms is associated with the tendering, profit gained and financial accountability.

In Germany, a study by Lenzard and Verrechia (2000) revealed that German firms that adopted the PP were associated with higher trading volume which further impacted positively on the governance by promoting better working environment and staff welfare. A study by Collar and Yohn (1997) further revealed that the decision of the Board of management to adopt PP encouraged the implementation of tendering resulting to improved EYE governance.

Espinosa (2005) conducted a study in Spain to examine the relationship between PP and governance using a sample of 238 Spanish listed companies for a period between 2000 and 2003. This study revealed that there is a positive relationship between PP and governance. Kittipat and Nopadol (2014) conducted a study in Thailand on the relationship between PP and governance of Thailand listed companies using 101 participants. The findings revealed that the PP had a positive significance on the governance of firm organization as measured by RoA and RoE indicated on the financial reports. It does however prove to be essential that firm managers are to develop, improve and effectively utilize the adoption of FRP in order to gain competitive advantage and sustain growth of the firm organization in Thailand.

In Ghana the adoption of effective PP by EYE centres Board of management has significantly influenced the governance by attaining effective tendering, purchase and supplies hence improving the quality of governance (Akoto et al 2013). According to a study by IMF (2014), there are poor PP in Southern Sudan and Central Africa Republic due to insecurity and this has affected teacher retention hence resulting in a decline of the quality of governance in the EYE centres. In Tanzania, a study by Ponsian et al (2014) revealed that there is sound cash conversation cycle, profitability and hence adequate governance as a result of effective PP.

A study conducted in Kenya by TIS (2014) on the relationship between FP and governance revealed that Kenyans were unsatisfied with the FRP in 41 out of 47 countries concerning the reports on PP, monitoring and feedback.

A study carried out in Kisii County, Kenya by Muthama (2016) on the influence of adoption of FRP on governance in selected public hospitals revealed that procurement practices have positive significance on governance. This further contributes positively to staff motivation and efficiency. Birech, Kevin and Alango' (2016) examined the relationship between PP and governance in EYE centres in Nandi County using 140 respondents. The study used simple and stratified random sampling methods and the data was analyzed using both descriptive and inferential statistical methods. The findings revealed that there exists a strong relationship between PP and EYE governance. Furthermore, Kinyua (2014) established effects of PP on governance in Nakuru County using a sample of Jua Kali Industry. The findings revealed that the use of adequate PP had a positive significance on governance within the JuaKali Industry.

In Kisumu County, the EYE centres of Kisumu Sub-County are currently experiencing poor utilization of funds due to lack of sound training for the EYE centres on matters PP and this is a gap in the adoption of FRP.

#### **2.4 Adoption of Auditory Practices and Governance in EYE Centres**

Melumad and Ziv (1997) defined auditory practices as verification or examination of the financial documents executed by an auditor with the objective of providing him or her ability to express an opinion of those documents in such a way as to make them more meaningful and credible for the organization. Baker, et al. (2002) defines it as an examination of operations, activities and systems of a specific entity, to verify that they are executed or function in conformity with certain objective, budget rules and requirements of an organization. These definitive agree that auditing practices involve examination of the documents of accountability and at the same time verify if they are in accordance with the objective in which they are intended to achieve.

However, they ignore emphasis on independent oversight and the technical expertise of the auditor which are considered useful ingredients of auditing in an organization. According to Abernethy (1970), it is regarded as an examination of company's financial records, documents, books and operational integrity and compliance with laws leading to an audit opinion for the organization. As used in this study, this description intends to achieve the FRP by putting more emphasis on the adequacy of effectiveness of governance and reliability of financial data for the EYE centre.

According to Watts and Zimmerman (1978) auditing should be done by an auditor who is appointed in the interest of both the third parties as well as the management hence

placing the governance as an agent which gains contributions from every stakeholders in the organization. Limperg (1932) suggests that auditing should be done by a trained professional with a view of striving to meet the expectations of the organizational stakeholders regarding accountability which is realized through the issuance of periodic financial reports thereby achieving effective governance. Both propositions suggest that financial auditing is an independent, expert and systematic exercise. However, they both fail to address the issue of frequency, efficiency and effectiveness. EYE centre with more frequent, efficient and effective financial audit realize effective formation of an opinion about the extent of the income and expenditure resulting in accountability which further promotes governance.

Waweru et al. (2008) investigated the relationship between AU and governance in developing countries using a sample of Kenya and how these practice compare with those of Western countries. The findings revealed that there was a shortage of sufficient auditing on EYE centres finances and assets in the developing countries and this negatively affected the quality of EYE governance.

However, in the developed countries, there was cordial relationship with the Board of management, transparent financial reports and improved quality of FRP resulting in improved quality of governance. Samaha (2010) conducted a similar study with same population using a sample of 30 most actively traded companies in Egypt. The findings revealed that there was no direct relationship between AP and governance due to lack of significance in establishing auditors in the active share trading Egyptians companies.

The study done by Waweru et al. (2008) clearly supports the views of Limperg (1932) that AP adopted by EYE centre Board of management on finances and assets promotes transparency, accountability and as a result enhances good governance. Even though the study has revealed more on the accountability and professionalism of the auditor, it failed to recognize that financial auditing should be done objectively and in a cost effective manner with due regard to the needs of the EYE centre intended for auditory practices.

## **2.5 Adoption of Financial Competency Practices and Governance in EYE Centres**

According to Kiria (2013) financial competency practices are the systems of controlling costs through budgets. Zietins, Hankin and Seidner (2018) defined financial competency practices as the act of establishing a budget policy, gathering archival data, collecting data from different departments within the organization and finally setting the budgetary amount to be used for the expenditures. These definitions agree that financial competency practices involve particular systems of controlling costs presented for expenditures in organizations. However, they ignore the aspect of evaluations which is considered useful ingredient of financial competency practices.

According to Oladipo (2008), financial competency practices can be regarded as a hierarchical process starting from a sub-unit level to apex systematically presenting budget formulations, approval, implementations and monitoring and evaluation for the organization. In situations where EYE centres with effective FCP involves every sub-unit in budgeting formulations, approval implementation, monitoring and evaluation, good staff relation is attained and hence effective EYE governance is achieved. In view of the discrepancies noted in the definitions above, the definition for FCP adopted for this



study is derived from Gustafson and Parsson (2010). FCP are the various steps that are followed when preparing the EYE Centres activities of predicting and qualifying future financial requirements in order to achieve the desired goals and objectives of the EYE Centre. This definition is considered appropriate because it enables the different functions of management control and provides a benchmark against which the governance of EYE centres is measured. In support of this statement, Bose (2012), argues that the FCP provide a forecast of revenues and expenditures which is achieved through constructing a model of how the EYE centres might perform financially hence impacting positively on the EYE governance.

According to Silva and Jayamaha (2012), financial competency practices should be projecting future financial performance, influencing the behavior and decision of the employees by translating organizational financial objectives and providing benchmark against which to assess the governance of EYE centres. Covaleski et al, (2003) suggests that FCP should be providing a symbolic value of accounting resource negotiation and bargaining, concealing and mobilizing power, environmental change and organizational change hence achieving effective governance in the EYE Centres. Both propositions suggest that the FCP should establish rules and authoritative guidelines for social behavior. They further suggest that financial procedures should be considered as the core element of an efficient control process and consequently vital part to the umbrella concept of effective EYE governance.

Their views however, both fail to address the issue of institutional environmental differences since they are treating the institutions as though they are static and not dynamic in nature. They have also failed to adequately explain why organization attend

to their environmental productivity instead they have focused more on explaining the environmental meaning hence giving very little impact on governance within the organization. In view of the issue raised above, the relationship between FCP and governance should be characterized effective financial training and teacher qualification.

World Bank (2012) conducted a similar study in the East African Community and concluded that the FCP through the elements of effective preparation, execution and budget reporting by skilled person enhance EYE governance. Njeri and Thuo (2013) investigated the relationship between FCP and governance in Nairobi CBD industries using a sample of SME in hospitality industry. They found out that positive development of financial management skills improves the financial competency practices in SME's in the hospitality industry in Nairobi CBD during the stages of planning, controlling, implementation and evaluation. These studies both agree that effective governance is realized in situations where FCP are adopted by the board of management of an EYE centre. They however failed to give evidence of adequate follow-up done to verify the accountability reports submitted to various relevant authorities.

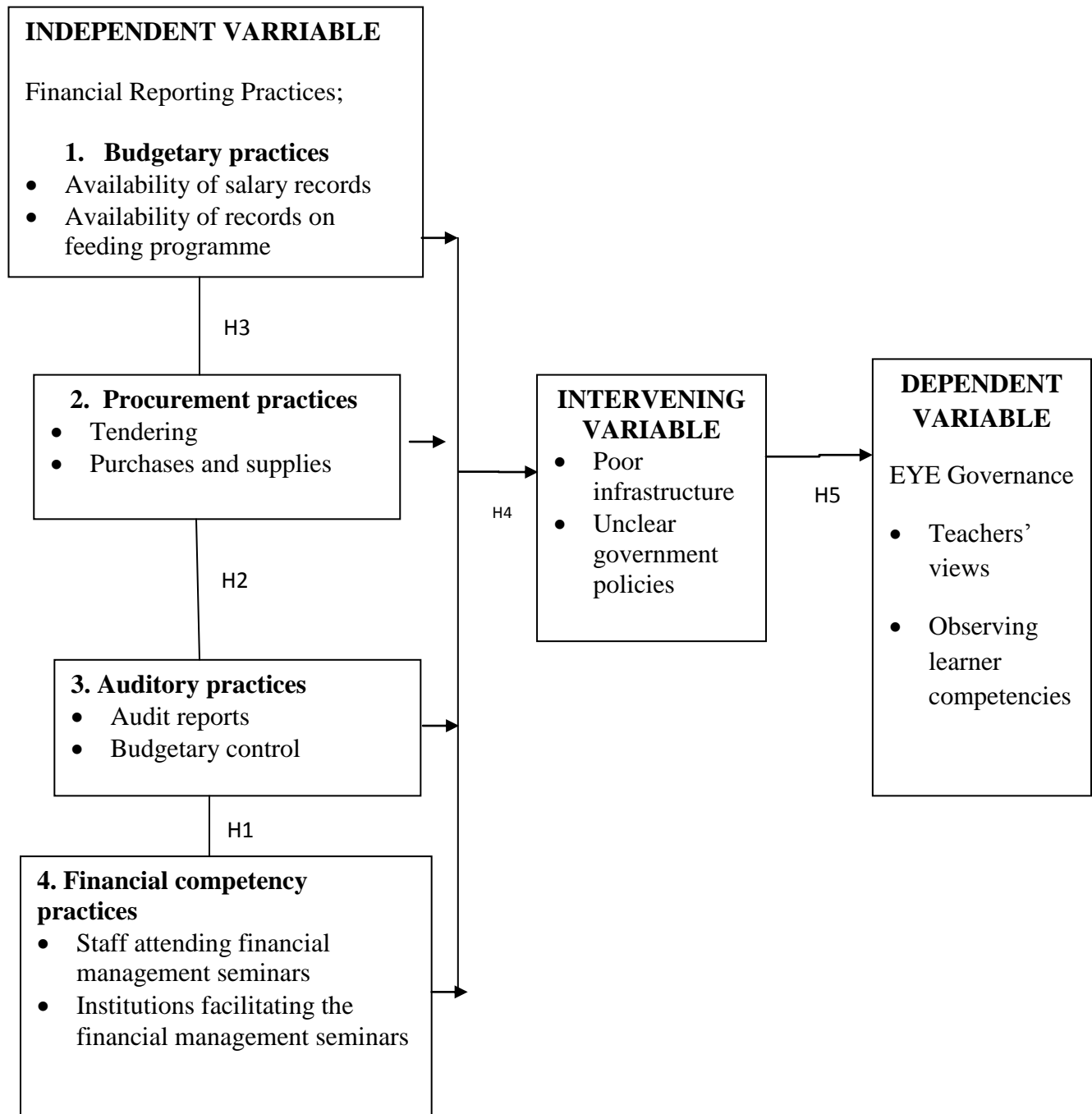
## **2.6 Theoretical Framework**

This study was guided by the theory of external financial reporting advanced by Akintoye (2012). The theory postulates that financial information should be presented to the users of accounting data in human resource accounting organizations. Learning institutions mostly deal with financial, physical and human resource management. The theory demonstrate arrange of financial reporting practices that management board members of different early years education centres can adopt to attain good governance. These

include; budgetary practices, auditory practices, procurement practices and financial competency practices. It further recommends that auditing should be done by auditors appointed by interest of the third party as well as the management board of the institution. This theory viewed financial reporting practices as a tool of evaluating revenues and expenditures of institutions. This can be achieved in EYE centres by constructing a model of how the EYE centres might perform financially hence resulting in good governance (Bose, 2012).

As applied in this study, the theory provides a place for early years education centres' board of management in making employees perform their duties effectively by use of expertise in financial reporting practices. It further aids this study by emphasizing on the need for good governance through effective use of accountability, audit evidence, transparency and sound allocation of funds hence resulting to good governance of early years education centres in Kisumu central sub-county.

## 2.7 Conceptual Framework



**Figure 2.1: Conceptual Framework showing adoption of financial reporting practices by board of management and governance in EYE centres**

The conceptual framework for the study draws its basis on the influence of the independent variable (adoption of financial reporting practices by board of management) on the dependent variable (early years education governance). In the study, four aspects of the independent variable are brought on board. They include; budgetary practices which involve the availability of salary records as well as the feeding programme records. The second aspect is the procurement practices including; tendering, purchases and supplies. Third is the auditory practices which comprise of the budgetary control and audit reports. Lastly, financial competency practices (FCP) where institutions informed by facilitation of financial management seminars (FMS) on staff members by the BoM.

After the process of adoption of financial reporting practices (FRP) by board of management as input, effective governance of early years education (EYE) centres is expected to be achieved as the Dependent variable (outcome). This was measured by observing learner competencies and obtaining teachers perceptions on EYE governance.

However, some intervening variables may have had some negative influence on the outcome among them; poor infrastructure and unclear government policies. These were controlled through statistical methodologies adopted in data analysis and or the degree of error of margin i.e  $\alpha=0.05$  to realize reliable outcome. (See figure 2.1)

## 2.8 Summary of the Literature Review

**Table 2.1: Summary of gaps in the literature reviewed**

S/NO	AUTHOR	STUDY	FINDINGS	GAP
1	Akintoye, IR (2012)	Relevance of human resource accounting	Auditing should be done by auditors appointed in the interest of both the third party as well as the management	The study failed to highlight how EYE centres are being audited and steps to improve auditing.
2	Bose D. (2012)	Principles of management and administration	Financial competency provides a forecast of revenue and expenditure	The study failed to allocate the source of revenue in EYE centres.
3	Gustafson and Parson (2010)	Effects of Management accounting systems and environmental uncertainty	Budgetary procedures should be projecting future financial performance	Did not specify how behaviors of the employees translate organizational financial objectives based on performance.
4.	Shields (2007)	Managing employees performance and reward concept strategies	Effective governance in EYE centres is enhanced by adequate salaries and financial allocations for feeding	Failed to address how financial allocation promotes performance
5	Waweru N. <i>et al</i> (2008)	Audit committee and corporate governance in a developing country	Use of adequate procurement practices had positive significance on employee performance	Did not consider how to instill procurement practice in EYE centres.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter outlines the design of the study indicating the methodology that was used to undertake the study, as well as factors that were involved in setting it up. The chapter starts by outlining the research design, then the target population. After that the sample design procedure is outlined, followed by the data collection instruments. The chapter closes with the data analysis to be used.

#### **3.2. Research Design**

According to Kothari (2004), a research design is described as the heart of any study that acts as a plan or a blue print to be followed to carry out investigation in order to get answers to research questions. This study adopted a descriptive study design since it enables rapid data collection and extensive research to obtain an in-depth data on the area of survey. This study was conducted through a survey. The study was concerned with the investigation of the influence of adoption of financial reporting practices by Board of Management on EYE centres governance. It was specifically intended to investigate the influence of adoptions of financial reporting practices on EYE centre governance. Such issues are best investigated through survey research. The design enabled the investigator to consider issues such as economy of the design, rapid data collection and suitability for extensive research to obtain an exhaustive data on the areas of survey.

### 3.3. Target Population

Mugenda and Mugenda (2003) defined a target population as a whole group of people, events or objects which are used by the investigator to generalize conclusions. This study was conducted in Kisumu Central Sub-County targeting all public and private EYE centres in all the three zones found in the region. There are 107 EYE centres in Manyatta Zone, 95 EYE centres in Southern Zone and 92 EYE centres in Central Zone giving a total of 294 EYE centres. The target population also included 294 head teachers and 1032 teachers.

**Table 3.1: Target Population**

Category	EYE Centres			Number of Teachers			Number of Headteachers		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Manyatta Zone	8	99	<b>107</b>	24	396	<b>420</b>	8	99	<b>107</b>
Southern Zone	6	89	<b>95</b>	24	326	<b>350</b>	6	89	<b>95</b>
Central Zone	19	73	<b>92</b>	57	205	<b>262</b>	19	73	<b>92</b>
<b>Total</b>	<b>33</b>	<b>261</b>	<b>294</b>	<b>105</b>	<b>927</b>	<b>1032</b>	<b>33</b>	<b>261</b>	<b>294</b>

### 3.4. Sample Size and Sampling Procedures

#### 3.4.1 Sample size

According to Oso and Onen (2009), a sample size is a part of the target population that has been procedurally selected to represent it. Babbie (1992) recommended that the sample size should form 30% of the population for effective generalization of the



research findings. Based on this view, the total population of EYE centres in Kisumu Central Sub-County is 294 hence giving a total of 89 EYE centres as the sample size. The respondents constituted two teachers per EYE centre of which one being the head teacher giving a total of 172 respondents.

**Table 3.2: Sample Size**

Category	Target Population			Sample		
	Public	Private	Total	Public	Private	Total
Manyatta Zone	8	99	<b>107</b>	3	29	<b>32</b>
Southern Zone	6	89	<b>95</b>	2	27	<b>29</b>
Central Zone	19	73	<b>92</b>	6	22	<b>28</b>
<b>Total</b>	<b>33</b>	<b>261</b>	<b>294</b>	<b>11</b>	<b>78</b>	<b>89</b>

### 3.4.2 Sampling procedures

The study employed both stratified sampling and simple random sampling. The stratified sampling was adopted since it aims at proportional representation of with a view of accounting for differences in the sub-group characteristics (John and Weitz, 2010). In this study, the main strata were Manyatta zone, Southern zone and Central zone. Each zone was further divided into Public and Private EYE centres. Consequently, 11 Public and 78 Private EYE centres were used.

The EYE centres names and categories were obtained from Kisumu Central Sub-county Education Office. The record of teachers per school in relation to their gender was also obtained from Kisumu Central Sub-county Office. After arranging the

different EYE centres into strata, a simple random sampling was used to select the 89 EYE centres since it gives every respondent an opportunity to be included in the sample and data can be generalized to a large population. More still, selection of an individual does not affect the other in situations where simple random sampling is used (Borg and Gall, 1989).

The selection of 89 EYE centres was done as follows; the name of each EYE centre was written on a piece of paper, then this was folded and put in a box in the category of the EYE centres. When the process was completed, the EYE centres were selected by picking randomly from the piece of papers. The name of the EYE centre picked was noted down and the paper returned to the box. The papers were thoroughly mixed after each process of picking an EYE centre. This exercise was repeated until the required number was reached. The sample size for the teachers was obtained through random sampling for the 89 EYE centres. However, every EYE centre head teacher from the sampled EYE centres was included in the sample giving a total of 2 respondents from every EYE centre.

### **3.5 Data Collection Instruments**

According to Kothari (2008), data collection instruments are tools used for collecting data during a research process. This study adopted the questionnaires for the teachers and interview guides for the head teachers in collecting data during the research process.

#### **3.5.1. Questionnaires**

The study was based on primary data collection using questionnaires for the teachers. Primary data is data collected or observed directly from firsthand experience. The

investigator used questionnaires since they allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2003). Also, the information obtained from questionnaires is free from bias and investigator's influence hence accurate and valid data was gathered. The investigator distributed the questionnaires to the sampled respondents and collected them later for data analysis.

### **3.5.2. Interview guide**

According to Popper (2004), an interview guide is a schedule showing a face to face survey used to explore responses of people in order to get adequate and deeper information during a research study. It was appropriate for the study since the investigator had a chance to elucidate the purpose of the study to the head teachers.

### **3.6. Pilot Testing**

Pilot testing is a method that is used to test the design, methods and instruments before carrying out the research (Cooper & Schindler, 2003). It provides an opportunity to detect and remedy a wide range of potential problems with the research instrument. According to Cooper and Schindler, (2011), the pilot testing should constitute 10% of the sample in another population other than the area targeted for the study. The pre-test questionnaires were randomly distributed to 9 selected teachers in Kisumu East Sub-county. The interview guides were also administered to other 9 head teachers selected in order to gather a cross section feeling of respondents. This helped to ascertain the reliability and validity of the instruments.

#### **3.6.1 Validity of the study**

Validity refers to the extent to which a research instrument measures what it is intended for Mugenda and Mugenda (1999). The information gathered from the field

doesn't only need to be reliable but also to be true and accurate, (Cooper and Schinder, 2006). The content of validity of the data collection instruments were determined through discussing them with the supervisors and the necessary corrections made.

### **3.6.2. Reliability of the instrument**

Reliability refers to the ability of a measurement instrument to produce same answers in the same circumstances, time after time (Mugenda and Mugenda 1999). This means that if respondents answer the same question the same way on repeated occasion, then the instrument can be said to be reliable. Reliability analysis was used to test the internal consistency of the research instruments for the purpose of testing those items with low correlations in order to exclude them from further analysis.

### **3.7 Data Collection Procedure**

The investigator sought permission to carry out the study from the County Director of Education, Kisumu Central Sub County. He was then issued with an authorization letter allowing him to collect data in the sampled EYE centres. During the first visit to the sampled schools, he established a rapport with the administrators and head teachers to request for an opportunity to conduct the research.

### **3.8 Data Analysis**

Data collected from the field was organized and coded according to questionnaire and interview guide items. Both descriptive and inferential statistics were used to analyze the data. Frequency and percentage distribution tables were used to describe the demographic characteristics of the respondents. Inferential statistics were used to determine the relationships and significance between independent and dependent

variables. The inferential statistics used include a regression model, incorporating all the independent variables for this study and some control variables such as sex, age and education of the individual. The regression model was done after conducting the ANOVA (analysis of variance) test, two sample tests and pairwise correlation tests.

### **3.9 Ethical Consideration**

The researcher ensured that the study upheld the high ethical standards during the research. The investigator ensured privacy of the respondents was upheld by not seeking for any information that would reveal their identity. Additionally, the investigator ensured that the respondents were provided with sufficient initial information about the study. Finally, the investigator clearly stated to the respondents that the information sought would purely be used for research purposes.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION AND FINDINGS**

#### **4.1 Introduction**

This chapter presents the results of findings and the discussion of the study. The purpose of the study was to investigate the influence of adoption of financial reporting practices by Board of Management on governance of early years education (EYE) centers in Kisumu Central Sub-County, Kenya.

#### **4.2. Response Return Rate of the Respondents**

This section presents the response return rate. Return rate refers to the percentage of subject who responds to questionnaires (Mugenda & Mugenda, 2003). The study targeted the teachers and head teachers of EYE centres spread throughout the Kisumu Central Sub County. A total of 89 questionnaires were distributed and out of those 84 questionnaires were collected giving a response rate of 94.38%. In general, the return rate was deemed acceptable since it was over 50%, Babbie, (2002).

#### **4.3. Demographic Profile of Respondents**

The study sought to investigate the general information of the respondent which included demographic characteristics. It presents analysis of demographic description of the respondents by gender, age range, highest professional qualification and financial reporting practices used in the schools all the information summarized in Table 4.1.

**Table 4.1: Demographic Profile of Respondents**

<b>Response</b>	<b>f</b>	<b>%</b>
<b>a) Gender of the Respondents</b>		
Male	15	17.86
Female	69	82.14
<b>Total</b>	<b>84</b>	<b>100</b>
<b>b) Age of the respondents</b>		
20-29	56	66.7
30-39	18	21.4
40-49	8	9.5
Above 50	2	2.4
<b>Total</b>	<b>84</b>	<b>100</b>
<b>c) Professional Qualification</b>		
ECDE Certificate	65	77.4
ECDE Diploma	13	15.5
B.ECE.	5	6
Any other	1	1.1
<b>Total</b>	<b>84</b>	<b>100</b>
<b>d) Financial reporting practices</b>		
Budgetary Practices	71	84.5
Procurement Practices	13	15.5%
Auditory Practices	0	0
Financial Competency Practices	0	0
<b>Total</b>	<b>84</b>	<b>100</b>

### **a) Distribution of respondents by gender**

The results from table 4.1, revealed that, majority 82.14% (n = 69) of the respondents were female teachers while only 17.86% (n=15) were male teachers in EYE.

These findings were conformed to the findings by (MoE, 2005) that the teaching at nursery school level is dominated by the female teachers.

The findings were in line with the investigator since this could have been attributed to the fact that male teachers have negative attitude towards teaching young children hence majority of them seek job opportunities in other sectors leaving the EYE centres to be dominated by the female teachers.

### **b) Distribution of respondents by Age**

The results from the table showed that majority 66.7% (n=56) of the respondents are between 20 – 29 years of age. This was followed by 2.4% (n = 18) having 30- 39 years of age and 21.4% (n=18) having 40 – 49 years respectively. Very few EYE teachers 24% (n=2) are above 50 years.

These findings were in line to the findings by Oshagbemi, (2010), that lack of effective budgetary practices have made the EYE teachers seek better paying jobs in other countries.

The findings were in line with the investigators expectation since youths are the majority in the society and many would go for any job opportunity available for them. Also most of them have fewer responsibilities hence they easily accept the less pay being offered in most EYE centres. The findings further shows that a few teachers are in well-paying EYE centres' hence promoting sustainability and EYE teaching is



dominated by youths and middle aged teachers. However, as teachers advance in age, they begin to have more responsibilities that require more financial support hence more pay. Since this is not available in most EYE centres, there is high attrition rate as teachers are seeking better job opportunities out of the teaching profession.

### **c) Distribution of respondents by qualifications**

The respondents were also asked to state their professional qualification and the responses indicated that majority of the respondents 77.4% (n=65) had acquired a certificate in ECDE as their highest professional qualification followed by Diploma in ECDE 15.5% (n=13) then degree in ECDE 6% (n=5) while only 1.1% (n=1) of the respondents had highest qualification of any other that included CPE, KCSE and KCPE.

These findings concur with the findings of Johnson (2010) that majority of the EYE teachers in East African regions are not satisfied with their salaries allocation and this demotivates them hence deprived of improving their academic standards through further studies.

The findings were in line with the expectation of the investigator since majority of the respondents are aware of what is required of them and they have the right professional qualifications. Most teachers are trained due to the fact that Kisumu county government employs EYE teachers hence motivating them to seek training opportunities. More still, in a few schools, learners are handled by teachers who are on teaching practice from various colleges or UT since they can't offered to pay professionally qualified teachers who seems to be expensive. Teachers employed here are those with CPE, KCPE and K.C.S.E. qualifications. The findings on the training level further revealed that majority are at certificate, followed by diploma and a few

with degree qualification. This implies that most teachers have not yet enrolled for further training due to inadequate remuneration in the region hence cannot afford to sponsor their training.

#### **d) Distribution of respondents by financial reporting practices**

The study intended to find out the financial reporting practices used by BoM in their schools and the findings revealed that the dominant system of financial reporting is budgetary practices 84.5% (n=71). Procurement practices was second 15.5% (n=13) while none of the schools used auditory and financial competency practices both of them being at 0% (n=0).

These findings were in line to the findings of Lind (2012), that the influence of budgetary practices on governance revealed that inadequate salary records and allocation as the only tool of financial reporting practices being used is one of the major faults that lead to increased poor governance in South Africa.

The findings were in line with the investigator since all schools require a budget so that they project their expenses. None of the schools use auditory and financial competency practices both of them being at 0% (n=0) imply that the financial managers in most of the schools have little or no idea on all the financial reporting practices. Also, only a few schools are well established and have skilled BoM members and professionally trained staff who ensure adequate procurement before tenders are awarded by the EYE centres.

#### 4.4. Adoption of Budgetary Practices on EYE Governance

**Objective 1: To establish the influence of adoption of budgetary practices on early years education (EYE) governance.**

This objective sought to establish the influence of adoption of budgetary practices on EYE governance. The research question formulated from it was, “Does the adoption of budgetary practices influence governance in EYE centres in Kisumu Central Sub-county, Kenya?” Respondents were required to indicate whether they had records for salaries and whether it had influence on the EYE governance. The results are shown in Table 4.2.

**Table 4.2: Salary Records and EYE Governance**

<b>Availability of salary records</b>	<b>F</b>	<b>%</b>
Available	78	92.9
Not available	6	7.1
<b>Total</b>	<b>84</b>	<b>100</b>

The results from the above table showed that majority of the respondents 92.9% (n=78) confirmed availability of salary records in their school budget while only 7.1% (n=6) of the respondents confirmed they did not have the salary records.

The findings were in line with the findings by Lock (2008), that budgetary procedure is a strong determinant factor of improving the quality of governance.

This shows that most EYE centres have records of employees’ remuneration. The record is mostly prepared by the head teacher who in most of the institutions are

professionally trained hence have knowledge of recording keeping. In a few EYE centres the head teachers do not prepare salary records since they are not professionally trained. However, on how this contributes to governance, this is what one had to say;

*“The presence of salary records in the school budget is good as it gives the teacher the confidence that salary will be available at the end of every month and this motivates one to work harder. Despite the presence, an increment in salary needs to be done so that teachers may be fully motivated. The quality of governance can only be improved when the teacher is concerned that remuneration is worth working for” .*

**Table 4.3: Feeding Programme Records and EYE Governance**

<b>Availability of records on feeding programme</b>	<b>f</b>	<b>%</b>
Available	50	59.5
Not available	34	40.5
<b>Total</b>	<b>84</b>	<b>100</b>

From table 4.3, majority of the respondents 59.5 (n=50) confirmed they have records in feeding programs. The rest of the respondents 40.5% (n=34) confirmed they do not have an allocation for the feeding programs.

These findings conformed to the findings of Shield (2007), that effective governance is enhanced by adequate allocation of salaries, wages and feeding programs.

The findings were in line with the investigator's expectation since a majority of the EYE teachers in Kisumu Central Sub-county take their meals in school but facilitation comes from their salary deductions.

One of the respondents said;

*“There is an allocation of feeding programme because at the end of every month, a percentage of our salary is deducted towards the lunch program and the record is with the welfare officer who is one of the teaching staff”.*

The rest of the respondents said they do not have an allocation for the feeding programs because in some EYE centres, the BoM is not concerned with the staff welfare hence not prioritized for in the school budget. This leads to lack of motivation and eventually affects the quality of governance.

The study assessed 3 selected factors that influence the adoption of budgetary practices on governance. These determinants were categorized as planning and stakeholder involvement, budget allocation and implementation and budget control with 7 items measured under objective one. These factors were assessed to determine the extent of perceived level of influence on governance based on a 5- point Likert scale where 1 = Strongly Agree, (SA), 2 = Agree (A) 3 = Undecided (U), 4 = Disagree (DA) and 5 = Strongly Disagree for (SDA). All the items measured under this objective were analyzed to test for the perceived level of influence in order of priority areas ranked by the respondents. Descriptive statistics were run for all the items to assess for the accuracy of data, frequency, mean score for each item and normalcy. The statistics is shown in Table

**Table 4.4: Adoption of Budgetary Practices (n=84)**

Determinants	SA		A		U		DA		SDA		TOTAL	
	F	%	f	%	f	%	F	%	F	%	f	%
Planning and stakeholders involvement	0	0	1	1.2	20	23.8	53	63.1	10	11.9	84	100
Budget allocation and implementation	0	0	0	0	18	21.4	61	72.6	5	6	84	100
Budget Control	0	0	6	7.1	12	14.3	59	70.2	7	8.4	84	100

**Key;** SA = Strongly agree

A= Agree

U= Undecided

DA= Disagree

SDA= Strongly disagree

From Table 4.4, majority of the respondents 63.1% (n=53) disagree on planning and stakeholders involvement. This implies that the BOM of most of the EYE centres in Kisumu Central Sub- county do not involve stakeholders in planning and budgeting for the school programmes. They are only informed of what has been planned and budgeted for hence do not have a chance to give their views in the entire process of budgeting. 1.2% (n=1) agree on planning and stakeholders involvement representing a few schools with adequate infrastructure, working policies and donor supported. 23.8% (n=20) represent the newly established schools most of them with untrained staff (US) hence have no idea on planning and stakeholders involvement. 11.9% (n=10) represent schools with highly qualified staff. Majority of the staff in such

schools are degree holders with a few being diploma holders hence adequately understand the concept of planning and stakeholders involvement in relation to EYE governance.

On budget allocation and implementation, 72.6% (n=61) disagree. This implies that adequate budget allocation and implementation is not considered by the BoM in most of the EYE centres. 11.9% (n=10) strongly agree. This represents the EYE centres with sound sustainability of the teachers. Such teachers understand well the history of the institution in terms of budgetary practices. The centres therefore at the present time seem not to be performing well in budgetary allocation and implementation unlike before. 21.4% (n=18) represent EYE centres without knowledge on budget allocation and implementation hence low quality of governance.

Based on budget control, most of the respondents 70.2% (n=59) disagreed. This implies that in some EYE centres, budget control is still an issue since it has never been considered in budgetary practices. 7.1% (n=6) agreed that budget control is enhanced. This represents a few EYE centres with well-established structures. Such learning centres in Kisumu Central Sub- county are managed by NGOs. 8.4 (n=7) strongly disagreed. This represents EYE centres with highly educated staff. The staffs adequately understand the concept of budget control and its significance on EYE governance.

This is what one of the respondents had to say:

*“Involving stakeholders in planning budget allocation and implementation as well as budget control influences the EYE governance since the head teacher does not become the sole decision maker.*

*This in return improves governance structure as all feel included in the running of the institution. However, teachers who are always the implementers too need to have a place in the whole process of budgetary process”*

**Table 4.5: Means Recorded across Selected Items**

<b>Item measure on the adoption of budgetary Practices n=84</b>	<b>Min Statistics</b>	<b>Max Statistics</b>	<b>Mean</b>	<b>SD</b>	<b>Skewness Statistics</b>	
<b>Planning and stakeholder involvement</b>						
All stakeholders are involved and incorporates priorities and need	1.00	4.00	1.7556	.07900	1.05004	-.085
Realistic expenditure and revenue forecasts are incorporated in the budget	1.00	4.00	2.8810	.07720	1.36145	-.516
<b>Budget Allocation and implementation</b>						
There is efficient use of funds through budget allocation by ensuring effective planning, performance measurement and cost of measurement	1.00	4.00	2.7042	.0539	.88861	-.494
There exists decentralized budget allocation and implementation which enables different departments involved	1.00	4.00	2.3408	.05706	1.00622	.289
<b>Budget Control</b>						
Use of budget reports in order to ensure that the planned budget objectives are achieved.	1.00	4.00	1.8925	0.7321	1.28268	1.315
Schools management ensure that funds are used proficiently towards the achievement of set standards as enshrined in the budget	1.00	4.00	2.265	0.4767	.85271	-.531
There is adequate financial allocation for salaries resources and centralized feeding programme in the budget	1.00	4.00	2.0437	.04865	.86989	.030

**Key;** SD= Standard deviation



Min statistics= The minimum mean for the sampled group based on Likert scale

Max statistics= The maximum mean for the sampled group based on Likert scale

According to Table 4.5, the study reveals that based on the basis of 0.5 Likert Scale, the order of scores of items measured on the adoption of budgetary practices was as follows;

In reference to planning and stakeholders involvement, stakeholders involvement and incorporation of priorities and needs scored higher ( $\alpha= 1.7556$ ) with a standard deviation (1.5004). This shows that in most of the EYE centres within Kisumu Central Sub County, parents and other stakeholders are empowered on the importance of supporting school programs. This further shows that a few parents are involved in decision making regarding some school programs. In the same vein, realistic expenditure and revenue forecasts being incorporated in the budget scored last ( $\alpha= 2.8810$ ) with a standard deviation (1.36145). This shows that most of the management board members are not adequately trained on budgetary practices hence do not make effective financial decisions on employee salaries in EYE centres in Kisumu Central Sub county. This is in line with Johnson (2010) that majority of employees in East Africa are not satisfied with salaries leading to reduced quality of governance in the EYE centres.

In regard to Budget allocation and implementation, sufficient use of funds through budget allocation by ensuring effective planning, performance measurement and cost of measurement scored second last ( $\alpha= 2.7042$ ) with a standard deviation of (0.88861). This shows that there is lack of appropriate auditing and prioritization for the needed resources. This is in line with Waweru *et al.* (2008) that there is shortage of sufficient auditing on EYE centres finances and assets in the developing countries

and this affects negatively the quality of governance. There exists decentralized budget allocation on implementation which enables budget objectives are achieved scored the fifth position ( $\alpha= 2.3408$ ) with a standard deviation (1.00622). This shows that in most EYE centres, the budget allocation is done at the senior management levels and only focuses on salaries neglecting other essential resources. The above findings are in line with Livingstone (2009) that most EYE centres Board of Management use only the allocation for salaries to compare their budgetary neglecting allocation for teaching materials and feeding programms hence affecting governance.

Based on budget control, the use of budget reports in order to ensure that the planned budget objectives are achieved scored the second best ( $\alpha= 1.8925$ ) with a standard deviation of (1.28268). This shows that in most EYE centres, the staffs are keen in monitoring every progress made by the institution since they compare this with the amount of salaries and wages offered to them. According to the staff, every progress made y the institutions is as a result of their effort which should be rewarded through better remuneration hence reducing the rate of attrition and promoting EYE governance. This is in line with Oshagbemi, (2010) that lack of good remuneration has made the EYE teachers seek better paying jobs in other contries. This is also in line with Ologunfe *et al.* (2011) that lack of effective budgetary practices led to inadequate allocation of salaries, teaching resources and feeding programs resulting in high staff turnover rates hence negatively influencing the EYE governance.

In view to the use of schools management to ensure that funds are used proficiently towards the achievement of set standards obtained the fourth position ( $\alpha= 2.265$ ) with a standard deviation 0.85271. This shows tht maost of the mangemetn board of EYE

centres do not have adequate auditing skills. This is in line with Waweru *et al.* (2008) that there is a shortage of sufficient auditing on EYE centres finances and assets in the developing countries. The presence of adequate financial allocation for salaries, resources and centralized feeding programs scored the third ( $\alpha = 2.0437$ ) with standard deviation of (0.86989). This shows that in most schools within the region, especially in Central Zone, majority of the EYE centres are well established with better salaries and feeding programs unlike in Southern Zone and Manyatta Zone which more of the rural set up. This is what one of the respondents had to say:

*“It is better if you get employment in a school within the town centre than in the rural centre because you will be sure of a better salary. Most of the EYE centres in town also have a centralized feeding programme and adequate infrastructure. This motivates you to work harder”*

This is in line with Oshagbmi, (2010) that adequate allocation of basic salary, housing system, basic health care standards and bonuses in EYE centres in Botswana have attracted immigrants in the country leading to effective governance.

It is worth noting that based on the acceptable range for skewness of  $-1.5$  TO  $1.5$  (Tabachnick and Fidell, 2013), with the use of budget reports in order to ensure planned objectives are achieved being highly skewed. Based on the values for standard deviation, the items measures assessed were closely spread around the mean (Closer to 0) implying more reliable data in general.

#### 4.5. Adoption of Procurement Practices on Governance

**Objective 2: To assess the influence of adoption of procurement practices on governance of years education (EYE) centres**

This objective sought to assess the influence of adoption of procurement practices on EYE governance. The research question formulated from it was, “Does the adoption of procurement practices influence governance in EYE centres in Kisumu Central Sub-county, Kenya?” This study assessed supplier selection procedure as selected factors that influence the adoption of procurement practices. The factor was assessed to determine the extent of perceived level of influence on governance based on 0.5 point Likert Scale where 5 Very Great Extent, 4 Great Extent , 3 Moderate Extent, 2 Less Extent and 1 No Extent. Description statistics were run for all the items to assess for the accuracy of entry of data, frequency, mean score for each item and normality.

**Table 4.6: Index of Adoption of Procurement Practices on EYE Governance**

Item	No Extent		Less Extent		Moderate Extent		Great Extent		Very Great Extent	
	F	%	f	%	F	%	f	%	F	%
References checks	50	57.5	30	35.7	4.	4.8	-	-	-	-
Financial Status Checks	55	65.5	16	19.1	6	7.1	7	8.3	-	-
Surge Capacity	28	33.3	48	57.1	8	9.6	-	-	-	-

**Key;** 1= No extent                      2= Less extent 3= Moderate extent

4= Great extent                      5= Very great extent

Table 4.6 clearly shows that in terms of the proportions with regard to recorded scoring matrices on each item measure, majority of the respondents 57.5% (n=50) believe that the reference check has no influence on governance.

These findings contravene the findings of Henzard (2000), that firms that adopt reference check as a procurement practice are associated with higher trading volumes which positively impact on employee performance hence adequate governance.

The findings were expected since the BoM in most EYE centres, employ only individuals who are in a position to accept low salary. Such positions are therefore occupied by youths who do not have much experience since they are fresh from colleges. From the table, 35.7% (n = 30) agreed that reference checks has influence on governance but to a less extent. This is in line with Akoto (2013) that procurement with poor remuneration affects employee retention resulting in a decline of quality in governance. This shows the EYE centres with procurement policies but still suffer staff turnover due to inadequate remuneration. Only 48% (n=4) confirmed that there is moderate extent showing well established EYE centres with all the learning resources required for learner achievement. They are highly competitive since they have very high staff retention as a result of adequate remuneration.

The findings on financial status checks revealed that 65% (n=55) confirmed no extent. This shows that most of the EYE centres BoM do not assess how well daily finances in terms of income and expenditure are moving since they lack adequate knowledge on financial management and accountancy. 19.1% (n=16) confirmed less extent,

having some of the EYE centres that have BoM with high competency level in financial management and accountability but rarely do they practice this since the school income is still minimal. 7.1% (n=6) confirmed moderate extent showing some of the EYE centres that practice financial status checks both on irregular basis as this depends and in most cases periodically. 8.3 agreed it is to a great extent. This shows the EYE centres with highly qualified employees and auditors who monitor the financial flow on a daily basis hence improving the quality of governance. All these are in line with Waweru *et al.* (2008) that the shortage of sufficient auditing on EYE centres finances and assets in developing countries negatively affect governance.

The findings on surge capacity revealed that majority of the respondents 57.1% (n=58) talked of less extent. This shows that in most of the EYE centres, there are adequate employees despite the low pay. However, sustainability declines as one advances in age due to the emergence of more responsibilities. 33.3% (n=28) talked of no extent. This shows that some of the EYE centres do not have adequate employees. 9.6% (n=8) talked of moderate extent. This shows that some EYE centres have adequate employees however there are cases of working beyond the normal working hours and this negatively affects governance.

This is what one had to say:

*“I prefer working in some of the schools in Kisumu Central Sub-county because they ensure surge capacity hence the human and material resources are always available. However, in such schools there is high chances of working beyond the normal working hours as per the contract agreement”*

This is in line with AliAshar, (2014) that there is no significance correlation between procurement practices and EYE governance.

#### 4.5.1. Perceived Level of Influence of Adoption of Procurement Practices

The study further investigated item measure under each of the selected factors in order to determine the perceived level of influence. Table 4.7 shows the means recorded under the 3 item measure across the 4 selected factors under objective 2. All the items measure assessed were normally distributed and closely spread around the mean.

**Table 4.7: The Means on Items of Procurement Practices**

<b>Procurement Practices n=84</b>	<b>Min Statistics</b>	<b>Max Statistics</b>	<b>Mean</b>		<b>SD</b>	<b>Skewness Statistics</b>
<b>Supplies selection procedure</b>						
Reference checks	1.00	4.00	1.6875	.5169	.92467	1.211
Financial Status Checks	1.00	4.00	2.1531	.4783	.8555	.215
Surge Capacity	1.00	4.00	2.6750	.5756	1.02965	-.391

**Key;** SD= Standard deviation

Min statistics= The minimum mean for the sampled group based on Likert scale

Max statistics= The maximum mean for the sampled group based on Likert scale

Table 4.7 shows that in terms of procurement practices, item surge capacity was highly ranked determinant ( $\alpha=2.6750$ ). This shows that there are several suppliers

around the region who are always willing to be given the tender. However, the distributor of tenders is normally done by the top management based on their personal relationship with the suppliers.

This is what one had to say;

*“When the BoM takes an action against corrupt individuals regardless of their positions, employees see the sense of doing the right thing and even other suppliers will feel free to transact freely. This will ensure that conflict of interest are declared and the environment of doing business remain level play ground hence suppliers are assured of their confidentiality”*

This confirms Waweru *et al.* (2008) findings that financial auditing should be done objectively and in a cost effective way in regards to the needs of the school.

Following closely was the financial status checks ( $\alpha = 2.1531$ ). This shows that most of the EYE centres prepare records of the purchased items for the school use. However, the amount of school income and the balance after expenditure is in most schools only known by the management. There is therefore lack of financial transparency in most of the EYE centres in Kisumu Central Sub-county hence reducing the quality of governance. This is in line with Ologunde *et al.* (2011) that lack of effective budgetary practices lead to inadequate allocation for salaries, teaching resources, feeding programs resulting in high staff turnover rates hence negatively affecting the EYE governance.



Furthermore, the findings revealed that the lowest ranked was reference checks ( $\alpha=1.6875$ ). This shows that the management board members are not competent enough in acquiring some information from the job applicants. Some former employers give false information about their employees.

One of the respondents had to say that;

*“Even though it is the most trusted way of operation, it should be noted that it is operated by human beings hence prone to manipulation since some former employers may be bias. It is only viable if all the management board members are skilled and knowledgeable in obtaining valid information about the applicants from their former employers. This helps in building trust between the employer and the employee hence improving the quality of the EYE governance”*

Another respondent said that:

*“The employer-workers relationship to some extent affects the quality of service delivery as this relationship determines how well the employee obtains the work history of the applicant (Employee)”*

Based on the Skewnes statistics, all the time measures associated were normally distributed and closely spread out around the mean implying a more reliable data.

#### **4.6. Adoption of Auditory Practices on EYE Governance**

**Objective 3: To determine the influence of adoption of procurement practices on early years education (EYE) governance**

This objective sought to determine the influence of adoption of auditory practices on EYE governance. The research question obtained from it was, “Does the adoption of auditory practices influence governance in EYE centres in Kisumu Central Sub-county?” This study assessed 2 selected factors that influence adoption of auditory practices as audit reports and budgetary control. These factors were assessed to determine the extent of perceived level of influence based on a 5- point Likert Scale.

**Table 4.8: Auditory practices**

<b>Auditory Practices n=84</b>	<b>Min Statistics</b>	<b>Max Statistics</b>	<b>Mean</b>		<b>SD</b>	<b>Skewness Statistics</b>
<b>Audit reports</b>						
There is regular examination of financial records and operational integrity and compliance with laws	1.00	5.00	1.5063	.04359	.77981	1.915
There is transparent financial reports and improved quality of financial reporting standard	1.00	5.00	1.9125	.05665	1.01331	1.068
<b>Budgetary control</b>						
There is effective preparation, execution, and budget reporting by skilled person	<b>1.00</b>	<b>5.00</b>	<b>1.8500</b>	.05016	.89723	.405

**Key;** SD= Standard deviation

Min statistics= The minimum mean for the sampled group based on Likert scale

Max statistics= The maximum mean for the sampled group based on Likert scale

Table 4.8 shows that on the basis of a 5-point Likert Scale, there is regular examination of financial records and operational integrity and compliance with laws aspect scored higher ( $\alpha=1.5063$ ) with a standard deviation (0.77891). This shows that most EYE centres lack professional auditors hence rely on auditing being done by the BoM who are not always skilled. This is in line with Limperg (1932) that auditing should be done by a trained professional with a view of striving to meet the expectations of the organizational stakeholders through issuance of periodic financial reports thereby achieving sound EYE governance.

Consequently, the findings based on the presence of financial reports and improved quality of financial reporting standard scored ( $\alpha=1.9125$ ) with a standard deviation (1.01331). This shows that there is lack of enough evidence of financial flow within the EYE centres. In some EYE centres, it is the class teacher who does the collection of school fees from the learners in their respective classes. These teachers are at some time tasked with a responsibility of teaching hence they do not have adequate time for the preparation of the financial records.

One of the respondents said;

*“I was employed for teaching in this school but not collection of school fees from the pupils. Now that this is a forced responsibility, I just have to do it even if I don't have sufficient knowledge in it”*

with regard to Budget control, the presence of effective preparation, execution and budget reporting by skilled person scored ( $\alpha=1.8500$ ) with a standard deviation (0.89723). This shows that in most EYE centres in Kisumu Central Sub-county, the board of managers' deal mostly with the management of physical resources

neglecting financial and human resources management. They therefore do less concerning budget preparation, executive and preparation and as a result impacting negatively on governance. This is in line with Lind (2012) that inadequate salary allocation is one of the major faults that lead to increased poor governance in most EYE centres. This is further confirmed by the Ugandan New Vision Journal of Wednesday 26<sup>th</sup> December, 2018 that the EYE staffs are poorly remunerated since their salary allocation is substandard and averaging on miserable hence creating a negative significance on EYE governance.

This is what one of the respondents had to say:

*“Budget preparation in this learning centre is inappropriate and poorly executed since the BoM is not concerned with adequate prioritization of the employee’s salary”*

#### **4.7 Adoption of Financial Competency Practices on Governance**

**Objective 4: To examine the influence of adoption of financial competency practices on governance of early years education (EYE) centres**

This objective sought to examine the influence of adoption of financial competency practices on governance. The research question obtained from it was, “Does the financial competency practices influence governance in EYE centres in Kisumu central Sub-county, Kenya?” Respondents were asked if the BoM ensure that all the teachers attend financial management seminars. The results are as shown in Table 4.9

**Table 4.9: Teachers Attendance to Financial Management Seminars (FMS)**

<b>Attendance</b>	<b>f</b>	<b>%</b>
Yes	6	7
No	78	92.9
<b>Total</b>	<b>84</b>	<b>100</b>

It is clear from Table 4.9 that majority of the respondents 92.9% (n=78) reported that BoM doesn't ensure that all the teachers attend financial seminars. This shows that in most of the EYE centres, the BoM has no idea that it is important for teachers to attend the FMS. To them, every professionally trained teacher is capable of handling financial matters hence a confirmation that the EYE centres do not have professionally trained financial managers leading to poor governance. This is in line with World Bank (2012) that financial competency practices through the elements of preparation, executive and budgeting enhances governance.

This is what one of the respondents had said:

*“We are normally taken for the upward and downward mobility training. Most of us are capable of handling most tasks within the school for example auditing, and public relations and this has further enabled the management to achieve effective governance”*

The study assessed two items that influence the adoption of budgetary financial competency practices on governance. These determinants were categorized as

attendance to financial management seminars and institutions facilitating the seminars.

The items were assessed to determine the extent of perceived level of influence on EYE governance based on a 5 point likert scale where 1 = Strongly Agree (SA), 2 = Agree, 3 = (Undecided), 4 ( Disagree), DA and 5 Strongly Disagree (SD). All the items measured under this objective were analyzed to test for perceived level of influence in order of priority areas ranked by the respondents. Descriptive statistics were run for all the items to assess for the accuracy of data, frequency measure for each and normalcy. The statistics is shown in Table 4.10.

**Table 4.10: Influence of Adoption of Financial Competency Practices (n=84)**

Determinants	SA		A		U		DA		SDA		TOTAL	
	F	%	F	%	f	%	F	%	F	%	f	%
Attendance to financial management seminars improve the quality of governance	-	-	6	7.1	-	-	78	92.9	-	-	84	100
Institution facilitates the seminars improve the quality of governance	-	-	6	7.1	8	9.5	70	83.3	-	-	84	100

**Key:** SA = Strongly agree

A= Agree

U= Undecided

DA= Disagree

SDA= Strongly disagree

Table 4.10 shows that majority of the respondents 92.9 (n=78) disagreed that attendance to financial management seminars improve the quality of governance. This shows that in most of the EYE centres, teachers have a belief that financial issues are the responsibility of the people employed as accounts and clerks but not the teaching staff. They argue that the teachers work is concerned with classroom presentation and instilling desired knowledge, skills, attitudes and values to the learners. The rest of the respondents 7.1% (n=6) agreed that attendance to financial management seminars improve the quality of governance. This shows that in some of the EYE centres, the BoM is comprised of members who are highly knowledgeable on matters finance and are aware that financial management is a collective responsibility.

Based on the institutions facilitating the seminars, improve the quality of governance, majority of the respondents 83.3% (n=70) disagree. This shows that in majority of EYE centres in Kisumu Central Sub County; there is no training in financial management being organized either by the individual institutions or the county government. However, in a few of the EYE centres in the region, 7.1 (n=6) agreed that the individual institutions facilitates the seminars improves the quality of governance. This shows that in some of the institutions, EYE teachers are involved in the financial decisions and a collective focus into the future financial performance hence improving the quality of governance. This is in line with Silva and Jayamaha (2012) that budgetary procedures should be projecting future financial performances and providing benchmark against which to assess the EYE governance.



**Table 4.11: Means Recorded across Selected Items.**

Item measured	Min statistics	Max statistics	Mean	SD		Skewness statistics
Item measured in the adoption of financial competency practices n=84	1.00	5.00	1.5063	0.4359	0.77981	1.915
Attendance to financial management seminars improves the quality of governance	1.00	5.00	1.5063	0.4359	0.77081	1.915
Institutions facilitating the seminar improves the quality of governance	1.00	5.00	1.9125	0.05665	0,82733	1.908

**Key;** SD= Standard deviation

Min statistics= The minimum mean for the sampled group based on Likert scale

Max statistics= The maximum mean for the sampled group based on Likert scale

According to Table 4.11, the study reveals that based on 0.5 likert scale, attendance to financial management seminars improves the quality of governance scored higher ( $\alpha=1.5063$ ) with a standard deviation (0.77981).

This shows that most of the EYE centres employees in the region have not been sensitized on the importance of seeking training on financial management. This was followed closely by institutions facilitating the seminar improves the quality of governance scoring ( $\alpha=1.9125$ ) with a standard deviation of 0.82733. This shows that most of the EYE centres lack of adequate support from the parents who are the main stakeholders. The cost of living has gone high since most parents can effectively afford to provide the children with basic needs. Due to poor payment of school fees, the institutions do not have adequate funds to support the employees for training in financial competency hence affecting negatively the quality of governance.

This is what one of the respondents had to say;

*“Currently the school has no funds to support us for the training since the parents are no longer paying school fees in good time, most of the learners have huge fees arrears being attributed to the increased cost of living. There is high rate of inflation around the region”*

#### **4.8 Head Teachers and Financial Reporting Practices in EYE Centres**

Finally, the head teachers of the EYE centres were subjected to an interview schedule that sought to verify their awareness on Financial Reporting Practices (FRP).

**Table 4.12: Head Teachers and Financial Reporting Practices (FRP)**

Item	Response		Non Response		Total	
	F	%	F	%	F	%
Do you understand the meaning of the financial reporting practices?	70	83.3	14	16.7	<b>84</b>	<b>100</b>
Have you implemented financial reporting practices in your EYE centres?	20	23.8	63	76.2	<b>84</b>	<b>100</b>
Do financial reporting practices influence governance of your institution?	6	7.1	78	92.9	<b>84</b>	<b>100</b>
Are financial reporting practices your initiative as the head teacher?	4	4.8	80	95.2	<b>84</b>	<b>100</b>

**Key;** Response = Those who showed positive response on awareness of FRP

Non-response = Those who showed negative awareness on FRP

The results indicated that, majority of the respondents 83.3 (n=70) agreed they understand the meaning of financial reporting practices. This shows that most of the EYE teachers are professionally trained and this gave them a chance to study a topic on financial management. 16.7% (n=14) of the respondents admitted they have no knowledge on financial reporting practices. This shows that some of the EYE centres

teachers are not professional trained hence have no knowledge on financial management.

Based on the implementation of financial reporting practices, 76.2 % ( n=64) reported they have no implementation in the respective EYE centres. This is because the board of management of most EYE centres is comprised of individuals who are not trained in financial management hence have no idea on budgeting, procurement, auditing and financial competency practices hence lack of implementation. 23.8% (n=20) agreed they implement financial reporting practices in EYE centres. This shows that there are some EYE centres with well-trained management board members who therefore insist on the use of the financial practices strategies. Such EYE centres are well established with sound budgeting, procurement, auditing and financial competency practices and as a result high quality governance achieved. Based on the influence of financial reporting practices on governance, majority of the respondents 92.9% (n=78) reported there is no influenced. This shows that since most of the EYE centres lack implementation of the financial reporting practices hence the BoM believes that adoption of FRP has no influence on governance.

More still, some of the EYE centres that practice adoption of FRP are not genuine in the implementation as some managers engage in financial fraud. This is in line with a study conducted in Kenya by TIS (2014) in the relationship between financial performance and governance that revealed that Kenyans were not satisfied with the financial reporting practices in 46 out of 47 counties concerning the reports on procurement practices, monitoring in feedback 7.1% (n=6) agreed. FRP influence EYE governance. This shows that in a few EYE centres with qualified employees, there is adequate implementation leading to effective governance.

This is in line with Birech, Kevin and Alang'o (2016) that there exist a strong relationship between procurement practices and governance. The findings on financial reporting practices being an initiating in the EYE centres revealed that majority 95.2% (n=80) agreed FRP is an initiating. This shows that the employees feel discouraged and hence demoralized at work due to poor remuneration, a clear indication that financial reporting practices are lacking. In a few EYE centres where there is implementation, a section of management board members are corrupted hence the FRP are not mismanaged. 4.8% (n=4) agreed it is their initiative. This represents a few EYE centres with effective implementation of FRP hence head teachers feel it is the right direction to take.

#### **4.8.1 Perceived Level of influence of adoption of FRP**

The study further investigated item measure each of the selected factors in order to determine the perceived level of influence. Table 4.13 shows the means recorded under the measure across the four selected items. All the items were normally distributed and closely spread around the mean.

**Table 4.13: The Means Recorded across the Items**

Item measured	Min statistics	Max statistics	Mean	SD		Skewness statistics
Do you understand the meaning of financial reporting practices?	1.00	4.00	2.4469	0.4327	.77398	-.964
Have you implemented financial reporting practices in your EYE centres?	1.00	4.99	2.2625	.04767	.85274	-.531
Do financial reporting practices influence governance in your institution?	1.00	4.00	2.0156	.05913	1.05777	.512
Are financial reporting practices your initiative as the head teacher?	1.00	4.00	2.3441	.049780	.87656	.572

**Key;** SD= Standard deviation

Min statistics= The minimum mean for the sampled group based on Likert scale

Max statistics= The maximum mean for the sampled group based on Likert scale

Table 4.13 shows that understanding the meaning of financial reporting practices was highly ranked ( $\alpha=2.469$ ) with a standard deviation of 0.77398. This shows that majority of EYE centres employees' are professionally trained and hence have basic concepts on financial reporting practices. This was followed by the initiative of financial reporting practices by the head teachers in their respective institutions. This implies that there exists a positive impact as a result of the implementation of financial reporting practices in a few EYE learning centres. This has made the head teachers of such EYE centres to embrace the adoption hence promoting the quality of governance.

These findings on the implementation of financial reporting practices in EYE centres was ranked third ( $\alpha=2.2625$ ) with a standard deviation of 0.85271 implying that in most of the EYE centres. The decisions regarding finances are made by the school managers who in most cases are not trained on financial issues. However in some schools, there is implementation which is faced with a variety of challenges such as misuse of funds, inadequate audit skills, poor payment of school fees and excessive workload due to inadequate employees. The findings on the influence of financial reporting practices on EYE governance was ranked last. This shows only a few EYE centres practice the adoption of financial reporting practices. However, they dwell so much on budgetary procurement practices hence neglecting the auditory or financial competency practices hence reducing the quality of governance.

This is in line with the (Daily Nation Tuesday 9<sup>th</sup> February, 2018) that majority of public sector entities in Kenya yet to attain the effective adoption of sound financial reporting practices and accountants are challenged to support the auditor general effort to curtail misuse of public funds.

Based on the skewness statistics, all the items measured were normally distributed and closely spread around the mean implying more reliable data.

#### **4.8.2 The rate of EYE governance as a result of adoption of financial reporting practices**

The study sought to find out the rate of EYE governance as a result of the influence of adoption of financial reporting practices. Respondents were asked to rate the EYE governance and the results are as shown in Table 4.14.

**Table 4.14: Rate of EYE governance**

<b>Rate</b>	<b>f</b>	<b>%</b>
Very High	-	-
High	6	7.1
Average	-	-
Low	64	76.2
Very Low	14	16.7
<b>Total</b>	<b>84</b>	<b>100%</b>

It is clear from Table 4.18 that majority of the respondents 76.2% (n=64) said the EYE governance is low. This shows that there is lack of implementation of sound financial reporting practices in most EYE centres. 16.7% (n=14) said it is very low showing that in some EYE centres, the teachers are not trained hence have little or no knowledge on the financial reporting practices.

7.1% (n=6) said the rate of EYE governance is high. This implies that in some few EYE centres there is adoption of financial reporting practices since BoM and all other members of staff are professionally trained.



## CHAPTER FIVE

### SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

#### 5.1. Introduction

This chapter presents summary of the findings as obtained in the analysis. The summary has been led to the recommendations for further studies, finally it closes with conclusions.

#### 5.2. Summary of the Findings

From the findings, it shows that majority 82.14% (n = 69) of the respondents were female teachers while only 17.86% (n=18) were male teachers in EYE. However, most 66.7% (n=56) of the respondents are between 20 – 29 years of age, followed by 2.4% (n = 18) having 30- 39 years of age, followed by 21.4% (n=18) having 30 – 39 years with very few EYE teachers above 50 years 24% (n=2). This is a clear indication that EYE teaching is dominated by youths and middle aged teachers.

In relation to professional qualification it shows that majority of the respondents 77.4% (n=65) had acquired a certificate in EYE as their highest professional qualification followed by Diploma in EYE 15.5% (n=13) then degree in EYE 6% (n=5) while only 1.1% (n=1) of the respondents had highest qualification of any other that included CPE, KCSE, KCPE and P1 Certificate. This shows that the respondents know what is required of them.

In terms of distribution of respondents by system of financial practices used by BoM in their schools, the study revealed that the dominant system of financial reporting is budgetary practices 84.5% (n=71) while procurement practices is second 15.5%

(n=13) whereas none of the schools use auditory and financial competency practices both at 0% (n = 0).

In adoption of budgetary practices and governance the study established that majority of the respondents 92.9% (n=78) had salary allocation in their schools while only 7.1% (n=6) of the respondents had no such allocation. However, based on determinants influencing adoption of budgetary practices, the study realized that 63.1% (n=53) disagree on planning and stakeholders involvement while 23.8% (n = 20) Strongly Disagree. On budget allocation and implementation 72.6% (n=5) Strongly Disagreed, 21.4% (n=18) were undecided while 6% (n=5) Strongly Disagreed. Based on budget control most of the respondents 70.2% (n=59) disagreed, 14.3% (n= 12) were undecided, 8.4% (n= 7) Strongly Disagreed while only 7.1% (n=6) Agreed.

The study reveals that based on 0.5 Likert Scale, Stakeholders involvement and incorporation of their priorities and needs scored higher ( $\alpha = 1.7556$ ) with a standard deviation (1.05004) followed closely by use of budget reports in order to ensure that the planned objective are achieved ( $\alpha = 1.8925$ ) with a standard deviation (1.28265). Third is adequate financial allocation for salaries ( $\alpha = 2.0437$ ) with standard deviation (0.86969). Realistic expenditure and revenue forecasts had mean ( $\alpha = 2.8810$ ) and standard deviation (0.7720). The fourth ranked is school management ensure that funds are used proficiently towards the achievement of set standards ( $\alpha = 2.2625$ ) with standard deviation (0.04767). It is worth noting that based on the acceptable range for skewness of -1.5 to 1.5 (Tabachnick & Fidell, 2013), all the measures were closely spread around the mean (closer to 0) implying more reliable data. Based on adoption of procurement practices, on EYE governance, the study showed that in

terms of the proportions with regard to recorded scoring matrices on each item measure, majority of the respondents 59.5% (n=50) believes that there is no reference check while 35.7% (n=30) agreed it is done to less extent and only 48% (n= 4) confirmed that there is moderate check. On financial status, check 65% (n= 55) confirmed no extent 19.1% (n= 16) less extent, 7.1 % (n = 6) moderate extent while only 8.3% (n=7) talked of great extent based on surge capacity majority of respondents 57.1% (n=48) talked of less extent, 33.3% (n=28) no extent while 9.6% (n= 8) moderate extent. Based on perceived level of influence of adoption of procurement practices, the study showed that supplier selection procedure of surge capacity was highly ranked determinant ( $\alpha= 2.6750$ ), followed by financial status checks ( $\alpha= 2.1531$ ). The lowest ranked being reference checks ( $\alpha= 1.6875$ ). Based on the skewness statistics, all the time measures associated were normally distributed and closely spread around the mean implying more reliable data.

In adoption of auditory practices on EYE governance, the findings showed that specifically based on a 5 Likert Scale, there is regular examination of financial records and operational integrity and compliance with the law aspect scored higher ( $\alpha= 1.5063$ ) with the lowest standard deviation (.77891) followed closely by there exists shortage of sufficient auditing on EYE centres aspect ( $\alpha= 1.5719$ ). However, based on the acceptable range for skewness of -1.5 to 1.5 (Tahachnick & Fidell, 2013) financial reports; improved quality of financial reporting standard and cost effective reporting were the categories which were normally distributed.

Based on financial competency practices, majority of the respondents 92.9% (n=78) reported that BoM doesn't ensure that all the teachers attend financial seminars. This revealed that in most of the EYE centres, the BoM has no idea that it is important for

teachers to attend the financial seminars. The rest of the respondents 7.1% (n=6) agreed that attendance to financial management seminars improve the quality of governance. Based on the institutions facilitating the seminars, improve the quality of governance, majority of the respondents 83.3% (n=70) disagree. Some of the respondents 7.1 (n=6) agreed that the individual institutions facilitates the seminars improves the quality of EYE governance.

Based on the level of awareness on financial reporting practices (FRP), majority of the respondents 8.3 (n=70) agreed they understand the meaning of financial reporting practices showing that most of the EYE teachers are professionally trained. 16.7% (n=14) of the respondents admitted they have no knowledge on financial reporting practices indicating that some of the EYE centres teachers are not professional trained. 76.2 %( n=64) reported they lack implementation in their respective EYE centres. 23.8% (n=20) agreed they implement financial reporting practices in EYE centres. This shows that there are some EYE centres with well-trained management board members who therefore insist on the use of the financial practices strategies.

Based on the influence of financial reporting practices on governance, majority of the respondents 92.9% (n=78) reported lack of influence as a result of the belief that FRP has no influence on governance.

The findings on financial reporting practices being an initiative in the EYE centres revealed that majority 95.2% (n=80) agreed FRP is an initiative. This shows that the employees feel discouraged and hence demoralized at work due to poor remuneration. In a few EYE centres where there is implementation, a section of management board members are corrupt hence the FRP are mismanaged. 4.8% (n=4) agreed it is their

initiative representing a few EYE centres with effective implementation of FRP hence sound EYE governance achieved.

Understanding the meaning of financial reporting practices was highly ranked ( $\alpha=2.469$ ) with a standard deviation of 0.77398. This shows that majority of EYE centres employees' are professionally trained and hence have basic concepts on financial reporting practices. This was followed by the initiative of financial reporting practices by the head teachers in their respective institutions. This implies that there exists a positive impact as a result of the implementation of financial reporting practices in a few EYE learning centres. This has made the head teachers of such EYE centres to embrace the adoption hence promoting the quality of governance.

Based on the skewness statistics, all the items measured were normally distributed and closely spread around the mean implying more reliable data.

### **5.3. Recommendations**

Basing on this study findings, the following recommendations were made;

- i. In regard to budgetary practices, based on the study findings, the board of management should ensure the availability of adequate records on salaries and feeding programme and understand clearly the government policies in relation to the records.
- ii. There should also be sound involvement of the stakeholders and incorporate their priorities and needs in the EYE centre governance.
- iii. The staff should be involved in financial management and auditing practices adhered to for effective governance to be attained.

- iv. The government should come up with guidelines that ensure that effective patterns of management are used by the management board of different early years education (EYE) centres.

#### **5.4. Conclusion**

The main purpose of the study was to establish the influence of adoption of financial reporting practices by BoM on governance of EYE centres in Kisumu Central Sub County Kenya. Regarding the stated research objectives, the following findings emerged from the study.

1. The study established the influence of adoption of budgetary practices by BoM on EYE governance. On this, the study revealed that in most EYE centres, the procedures for budgetary practices are not strictly followed. At the same time, in a few learning centres where the procedures are followed, availability of salary records is adequate. This gives the employee confidence that salary is available and the end of the month hence motivating them to work harder.
2. The study established the influence of adoption of procurement practices by BoM on governance of EYE centres. The study revealed that in situations where EYE centre managers advertise for tenders, there are always several suppliers from the region who are willing to tender their application. Once a supplier is identified, confidentiality is enhanced regarding the information between the school and the preferred suppliers hence creating an enabling business environment.

3. The study established the influence of adoption of auditory practices by BoM on governance of EYE centres. The study revealed that when regular examination of financial records is enhanced, improved quality of financial reporting standards is realized hence budgetary control achieved.
4. The study established the influence of adoption of financial competency practices on governance of EYE centres. The Study revealed that in most EYE centres, employees are lacking adequate knowledge on financial matters. However, in a few EYE centres, the entire staff had been taken for trainings on financial management. Such teachers have high competency level in handling financial matters within the school.

#### **5.5. Suggestion for Further Research**

This study was conducted in Kisumu Central Sub County only, leaving aside other sub-counties in Kisumu County and in Kenya as a whole. Since there is need for adoption of financial reporting practices by board of management on governance of EYE centres, the researcher thus suggested the following for further research;

1. Adoption of financial reporting practices was confounded by poor infrastructure and unclear government policies. It was not clear on how some policies influence the adoption of budgetary practices. Therefore, further research was recommended to establish the influence of early years education (EYE) policies on adoption of budgetary practices.
2. The structure of governance in early years education (EYE) centres involves; the staff, pupils and the parents. This study focused on the information from

the teachers and head teachers. A study may be conducted to establish the effects of parental involvement on governance of early years education (EYE) centres.

3. Throughout the study, it was revealed that the board of management in most early years education (EYE) centres believe that the teaching should not be involved in decision making regarding financial management. It was suggested that a study be carried out on the influence of early years education (EYE) staff involvement in financial management.
4. It was evident during the data collection process that most head teachers had some knowledge on financial reporting practices. However, the management board did not grant them an opportunity to implement the idea. A research was therefore suggested to investigate into the effects of the early years education (EYE) centres management pattern of leadership on head teacher performance.

## **5.6. Contributions to the body of Knowledge**

The study made the following contribution to the body of knowledge contained in Table 5.1.



**Table 5.1: Contributions to the Body of Knowledge**

NO	OBJECTIVE	CONTRIBUTION
1	To establish the influence of adoption of budgetary practices on governance in EYE centres in Kisumu central sub county, Kenya.	The study revealed that when salary records in the school budget is effective. It gives the employees confidence that salary will be available at the end of every month. This motivates the employees to work harder hence improving
2.	To assess the influence of adoption of procurement practices on governance in EYE centres in Kisumu Central sub county Kenya.	The study revealed that whenever an advertisement is made about the tenders, there are always several suppliers around the region who are always willing to be given the tender. Once the tender is granted, the supplier information is always treated with confidentiality and this creates a conducive atmosphere for the business. The strict codes of conduct ensure that purchasing procedure is followed and goods delivered in good time.
3	To determine the influence of adoption of auditory practices on governance in EYE centre in Kisumu Central Sub-county Kenya	The study revealed that when regular examination of financial records is enhanced, transparent financial reports are realized hence adequate governance achieved.
4	To examine the influence of adoption of financial competency practices on governance in EYE centres in Kisumu Central Sub-county Kenya.	The study revealed that whenever the teachers attend the financial management seminars, they acquire the financial management skills. This would further allow them to internalize all the financial reporting practices required for effective governance of the EYE centres.

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## **APPENDICES**

### **APPENDIX 1: LETTER OF TRANSMITAL**

Dear Respondent,

RE: PARTICIPATION IN RESEARCH.

My name is David Otieno Akayi a master's student in the University of Nairobi. My specialization is in EYE. I have successfully winded my course work and been cleared to go for field work.

I am pleased to inform you that you have been identified as a potential respondent in my study. Kindly feel encouraged to supply informed answers to the questionnaire attached overleaf.

Note that, the information you supply will be handled confidentially and only used for the purpose of this study.

Your contribution will be valuable for the success of this undertaking.

Yours faithfully,

David Otieno Akayi

## APPENDIX II: QUESTIONNAIRE FOR THE TEACHER

The questionnaire is designed to seek information on the “**Influence of Adoption of Financial Reporting Practices by Board of Management on governance of EYE Centres in Kisumu Central Sub-county, Kenya**”.

### PART A: BACKGROUND INFORMATION

1. What is your Gender? Male  Female
2. What is your highest academic qualification?  
ECDE Certificate  ECDE Diploma   
BECE  Any other: .....
3. How long have you been in your current status in years? \_\_\_\_\_
4. What is your age bracket in years? 18-25  26-30  32-35   
36 and above
5. Which system of financial reporting practice is used by the BOM in your school?  
Budgetary practices  Procurement practices   
Auditory practices  Financial competency practices   
Others (Specify): .....

### PART B: BUDGETARY PRACTICES

6. a.i. Do you have records for salaries in your school?  
Yes  No
- ii. How does this contribute to the governance in your school?  
.....
- b.i. Do you have records on feeding programme in your school?  
Yes  No
- ii. How does this contribute to the governance in your school?  
.....
7. Rate the adoption of budgetary practices and its influence on the governance in the areas indicated. Key to the scale is :  
**SA: Strongly Disagree; A: Agree; U – Undecided ; DA – Disagree; S.D.A. – Strongly Disagree** Tick the box that applies.

	<b>Budgetary practices</b>	SA	A	U	DA	SDA
	<b>Planning and Stakeholder Involvement</b>					
a)	All stakeholders are involved and incorporates their priorities and needs in the budget					
b)	Realistic expenditures and revenue forecasts are incorporated in the budget					
	<b>Budget allocation and implementation</b>					
c)	There is efficient use of funds through budget allocation by ensuring effective planning, performance, measurements and cost measurement					
d)	There exists decentralized budget allocation and implementation which enables different departments to be involved in the process					
	<b>Budget Control</b>					
e)	Use of budget reports in order to ensure that the planned objectives are achieved					
f)	Schools management ensure that funds are used proficiently towards the achievement of the set performance standard as enshrined in the budget					
g)	There is adequate financial allocation for salaries and feeding programme in the budget					



**PART C: PROCUREMENT PRACTICES**

8. Indicate how supplier selection procedures affect EYE centre governance. Kindly point out the level of extent to which you approve with the following statements

1) No extent 2) Less extent 3) Moderate extent 4) Great extent 5) Very great extent

	<b>Supplier selection procedures</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>a.</b>	<b>Reference checks</b>					
	Contacting previous customers to confirm supply performance and obedience to contract					
<b>b.</b>	<b>Financial status checks</b>					
	Possibility supplier will announce bankruptcy prior to satisfying organization requirements					
<b>c.</b>	<b>Surge capacity</b>					
	Supplier’s ability to add delivery on short notice					

**PART D: AUDITORY PRACTICES**

9. a. Does the BOM observe the following areas of auditory practices in your school?

Audit reports Yes [ ] No [ ]

Budgetary control Yes [ ] No [ ]

b. If yes, how does it impact on the EYE governance?

.....  
 .....

10. Rate the auditory practices in your institution in relation to its influence on EYE governance.

Key to the scale is **SA: Strongly Agree; A: Agree; U – Undecided: DA – Disagree; S.D.A. – Strongly Disagree**

Tick the box that applies.

	<b>Auditory reports</b>	SA	A	U	DA	SDA
a)	There is regular examination of financial records, documents, books and operational integrity and compliance with laws					
b)	There is transparent financial reports and improved quality of financial reporting standards					
	<b>Budgetary control</b>					
a)	There is effective preparation, execution and budget reporting by skilled person					

**PART E: FINANCIAL COMPETENCY PRACTICES**

11. a. Does the BOM ensure that all the teachers attend financial management seminars?

Yes [ ] No [ ]

b. If yes, who facilitates the training?

The county government [ ] Individual’s own initiative [ ]  
any other (specify).....

c. How does the training influence the governance in your institution?  
.....

d. Rate the governance in your institution in relation to financial competency practice.

Key to the scale is **SA: Strongly Agree; A: Agree; U – Undecided: DA – Disagree; S.D.A. – Strongly Disagree. Tick the box that applies.**

		SA	A	U	DA	SDA
a.	Attendance to financial management seminars improves the quality of governance					
b.	Institutions facilitating the seminar improves the quality of governance					

Thank you for participation

### **APPENDIX III: INTERVIEW SCHEDULE FOR THE HEADTEACHERS**

1. Do you understand the meaning of the financial reporting practices?

Yes [    ]                      No [    ]

2. Have you implemented financial reporting practices in your EYE centre?

Yes [    ]                      No [    ]

3. Do financial reporting practices influence governance of your institutions?

Yes [    ]                      No [    ]

4. a) Are financial reporting practices your initiative as the head teacher?

Yes [    ]                      No [    ]

b) If yes, what are some of the strategies used to ensure effecting financial reporting your institution?

5. What are some of the challenges faced in trying to implement the financial reporting practices in your institution?

6. How do you rate the EYE governance in your institution?

5                      4                      3                      2                      1

Very High    High                      Average                      Low    Very Low

**APPENDIX IV: AUTHORIZATION LETTER FROM THE UNIVERSITY**



**UNIVERSITY OF NAIROBI**  
OPEN, DISTANCE AND e-LEARNING CAMPUS  
SCHOOL OF OPEN AND DISTANCE LEARNING  
KISUMU CAMPUS

The Secretary  
National Council for Science and Technology  
P.O Box 20623-00100  
**NAIROBI, KENYA**

08<sup>TH</sup> MAY, 2019

Dear Sir/Madam,

**RE: DAVID AKAYI - REG NO: E57/10217/2018**

This is to inform you that **David Akai** named above is a student in the University of Nairobi, College of Education and External Studies, School of Education, Kisumu Campus.

The purpose of this letter is to inform you that **David** has successfully completed his Masters course work and Examinations in the programme, has developed Research Proposal and submitted before the School Board of Examiners which he successfully defended and made corrections as required by the School Board of Examiners.

The research title approved by the School Board of Examiners is: *"Influence Of Adoption Of Financial Reporting Practices by Board of Management on Teacher Performance of ECE Centres in Kisumu Central Sub-county, Kenya"*. The Thesis is part of the pre-requisite of the course and therefore, we would appreciate if the student is issued with a research permit to enable him collect data and write a report. Research project reflect integration of practice and demonstrate writing skills and publishing ability. It also demonstrates the learners' readiness to advance knowledge and practice in the world of business.

We hope to receive positive response so that the student can move to the field to collect data as soon as he gets the permit.

Yours Faithfully

  
**Dr. Nicholas Kuti, PhD**  
COORDINATOR - ODeL  
KISUMU CAMPUS

CO-ORDINATOR  
SCOE - KISUMU CAMPUS  
08 MAY 2019  
P. O. Box 825 - 40100,  
KISUMU


## APPENDIX V: RESEARCH PERMIT FROM NACOSTI



**THIS IS TO CERTIFY THAT:**  
**MR. DAVID OTIENO AKAYI**  
of UNIVERSITY OF NAIROBI, 9516-40100  
KISUMU, has been permitted to conduct  
research in *Kisumu County*

Permit No : NACOSTI/P/19/43294/31109  
Date Of Issue : 26th June, 2019  
Fee Received :Ksh 1000

on the topic: **INFLUENCE OF ADOPTION  
OF FINANCIAL REPORTING PRACTICES  
BY BOARD OF MANAGEMENT ON  
TEACHER PERFORMANCE OF ECE  
CENTRES IN KISUMU CENTRAL  
SUB-COUNTY, KENYA**

for the period ending:  
24th June, 2020

  
Applicant's  
Signature

  
  
BY Director General  
National Commission for Science,  
Technology & Innovation


**THE SCIENCE, TECHNOLOGY AND  
INNOVATION ACT, 2013**


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

**CONDITIONS**

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


National Commission for Science, Technology and Innovation  
P.O. Box 30623 - 00100, Nairobi, Kenya  
TEL: 020 400 7000, 0713 788787, 0735 404245  
Email: [dg@nacosti.go.ke](mailto:dg@nacosti.go.ke), [registry@nacosti.go.ke](mailto:registry@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)

  
REPUBLIC OF KENYA

  
National Commission for Science,  
Technology and Innovation  
**RESEARCH LICENSE**

Serial No. A 25531  
CONDITIONS: see back page

## APPENDIX VI: RESEARCH AUTHORIZATION LETTER FROM NACOSTI



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

Tel: +254-20-2219471,  
2241349, 3314671, 2219420  
Fax: +254-20-318247, 318249  
Email: [info@nacosti.go.ke](mailto:info@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)  
When replying please quote

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

Ref. No: **NACOSTI/P/19/43294/31109** Date: **26<sup>th</sup> June, 2019.**

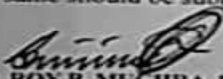
David Otieno Akayi  
University of Nairobi  
P.O Box 30197-00100  
**NAIROBI.**

**RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *"Influence of adoption of financial reporting practices by board of management on teacher performance of ECE centres in Kisumu Central Sub-County, Kenya."* I am pleased to inform you that you have been authorized to undertake research in **Kisumu County** for the period ending **24<sup>th</sup> June, 2020.**

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

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



**DR. ROY B. MUGHIRA, PhD.**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Kisumu County.

The County Director of Education  
Kisumu County.

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

**APPENDIX VII: RESEARCH AUTHORIZATION LETTER FROM THE  
COUNTY COMMISSIONER**



**THE PRESIDENCY**

**MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

Telephone: Kisumu 2022219/Fax: 2022219  
Email: [ckisumucounty@gmail.com](mailto:ckisumucounty@gmail.com)

**COUNTY COMMISSIONER  
KISUMU COUNTY  
P.O. BOX 1912-40100  
KISUMU**

**Ref CC/KC/ED/3/VOL4/161**

**Date: 19<sup>th</sup> July, 2019**

The Deputy County Commissioner  
**KISUMU CENTRAL-SUB COUNTY**

**RESEARCH AUTHORIZATION: DAVID OTIENO AKAYI**

Reference is made to a National Commission for Science and Technology and Innovation letter ref: NACOSTI/P/19/43294/31109 of 26<sup>th</sup> June 2019 the above subject matter.

The above named is a student of University of Nairobi, he has been authorized to carry out a research on *"Influence of adoption of financial reporting practices by board of management on teacher performance of ECE centres in Kisumu Central Sub County."* The research ends on 24<sup>th</sup> June 2020.

Kindly accord him any assistance that he may need.

  
**ABDI M. HASSAN  
COUNTY COMMISSIONER  
KISUMU COUNTY**

**Copy to:**

David Otieno Akayi  
University of Nairobi  
P.O. Box 30197-00100  
**NAIROBI**

**APPENDIX VIII: RESEARCH AUTHORIZATION LETTER FROM  
MINISTRY OF EDUCATION**



REPUBLIC OF KENYA

**MINISTRY OF EDUCATION  
State Department of Early Learning & Basic Education**

Telegrams: "schooling", Kisumu  
Telephone: Kisumu 057 - 2024599  
Email: countyeducation.kisumu@gmail.com

COUNTY DIRECTOR OF EDUCATION  
KISUMU COUNTY  
PROVINCIAL HEADQUARTERS NYANZA  
3<sup>RD</sup> FLOOR  
P.O. BOX 575 - 40100  
KISUMU

**When replying please quote**

REF: CDE/KSM/GA/19/3/VOL.IV/7

19<sup>th</sup> July, 2019

**TO WHOM IT MAY CONCERN**

**RE: RESEARCH AUTHORIZATION  
DAVID OTIENO AKAYI - NACOSTI/P/19/43294/31109**

The above named is from University of Nairobi.

This is to certify that he has been granted authority to carry out research on *"Influence of adoption of financial reporting practices by board of management on teacher performance of ECE centres in Kisumu Central Sub-County, Kisumu County"* for the period ending **24<sup>th</sup> June, 2020**.

Any assistance accorded to him to accomplish the assignment will be highly appreciated.

**JAMES M. OBUKUI  
For: COUNTY DIRECTOR OF EDUCATION  
KISUMU COUNTY**