

**AN INVESTIGATION OF THE CAUSES OF POOR FINANCIAL
MANAGEMENT BY HEADTEACHERS OF PUBLIC SECONDARY
SCHOOLS IN NAIROBI PROVINCE.**

**UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION**

BY

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THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
EDUCATION IN EDUCATIONAL ADMINISTRATION AND
PLANNING.**



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2004

DECLARATION

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

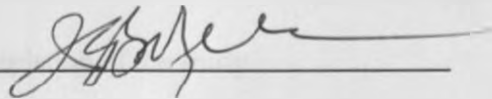
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By

A handwritten signature consisting of a large, stylized 'E' followed by 'K' and 'K' in a cursive script, all enclosed within a horizontal oval shape.

Kinuthia, Eric Kibinu

This research project has been submitted for examination with my approval as university supervisor.

A handwritten signature in a cursive script, appearing to read 'George N. Reche', written over a horizontal line.

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DEDICATION

This research work is dedicated with a lot of love, respect and appreciation to my wife Lucy Njoki, our children, John Kinuthia and Daisy Gaciku, as an inspiration in their quest to realize their dreams.

ABSTRACT

There have been a number of cases mainly reported through the local print and electronic media of mismanagement and misappropriation of finances in public secondary schools. The purpose of this study was to establish the causes of poor management of finances and their remedies. Another purpose of this study was to investigate whether there is any significant differences or relationship between selected characteristics of the headteachers including age, gender, academic qualifications, professional qualification, administrative experience and effective financial management of public secondary schools in Nairobi Province. Other factors including competence of the school boards, bursars and headteachers training in financial management and preparations of school budgets were also investigated. Additional areas of investigation included.

- ❖ Collection of school fees and other monies due to the school
- ❖ Budgeting and forward planning
- ❖ Project funding and management
- ❖ Skills in writing of accounts books and accounting procedures
- ❖ Tendering of goods and services
- ❖ School governance
- ❖ Supervision of accounts staff
- ❖ Authorization of expenditure; and
- ❖ Auditing of school accounts amongst others

In the review of the literature for this study, the areas highlighted included financing of education, budgeting, financial accounting, auditing, and malpractice in the management of finances. A conceptual framework was developed encompassing the reviewed theoretical dispensation.

The target population was sampled to include all the 47 headteachers in public secondary schools in Nairobi Province. The questionnaire return rate was 100% for the primary respondents, the headteachers and 80% for the secondary respondents, the school bursars. The sample consisted of 45 headteachers and 41 school bursars with 5 headteachers and 5 bursars participating in a pilot study. The pilot study helped in enhancing the validity and reliability of the questionnaires. The reliability of the headteachers questionnaire was found to be 0.88, a level which is acceptable.

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Analysis of variance, ANOVA, and two-tailed t-test and correlation coefficient were used to test the ten null hypotheses. This was to establish whether there is any significance relationship between headteachers selected characteristics and other factors and effective financial management. The results revealed that there were no significant differences or relationships between any of the selected headteachers characteristics and effective financial management.

Though there were limitations due to the confidentiality of some aspects of the chosen area of study, attempts were made to access authentic documents, which supported various arguments advanced as to the causes of poor management of public schools finances. Remedies were suggested which may when implemented improve on financial management in public secondary schools. Other sources of school finances were also suggested.

The study was ex-post facto in design. The basic instruments used to collect data were two questionnaires with one designed for the headteachers and the other for bursars. Both questionnaires contained three parts with part I and part II of both questionnaires containing questions extracting demographic information, Part II of the headteachers questionnaire contained matrix and unstructured questions with part III of the bursars questionnaires containing unstructured questions.

The items in the questionnaires were tested for content validity and reliability by using the pilot study. Likert Rating Scale was used in the structuring of some items in both questionnaires.

The study came up with research findings and recommendations. The findings included:

- ❖ No significant relationship was found between effective financial management and age, gender, academic and professional qualifications and training in financial management of the headteacher.
- ❖ No significant relationship was found between effective financial management and school size, BOG members competence, headteachers budget preparation, school type, bursars age and academic qualifications.
- ❖ Most headteachers attached more importance to areas related to financial management that include budgeting, collection of school fees, receipting and banking daily and entry of accounts books in relation to school administration and management.
- ❖ The following were indicated as major causes of poor financial management; Inadequate training in financial management, insufficient understanding of accounting procedures and incompetent accounts personnel.
- ❖ Most school bursars were carrying out tasks or activities, which were not within their jurisdiction and leaving out tasks, which were their responsibility.

Recommendations included the following;

- ❖ Employing adequate and skilled accounting personnel with requisite academic qualifications, who should also be regularly in-serviced with relevant contemporary skills.
- ❖ Computerizing accounts departments in schools and using ICTs in financial management of schools wherever feasible.

- ❖ Appointment of competent school boards and divorcing politics from such appointments.
- ❖ Having regular and transparent audit inspections and cash surveys.
- ❖ Empowering and involving PTAs in financial management, and
- ❖ Following the set guidelines and policies in management of school finances, including proper budgeting and writing of accounts books.

In addition to the above, the following additional remedies were recommended;

- ❖ Working as per the budget
- ❖ Buying school items and merchandize in bulk and applying the set procurement procedures
- ❖ MOEST to give more financial support to schools
- ❖ Schools to charge fees according to their needs and to be more accountable
- ❖ Better remuneration package for accounts personnel
- ❖ School fee to be paid on time through banks and using cheques wherever possible and
- ❖ Appointing qualified, transparent and accountable individuals as headteachers

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LIST OF ABBREVIATIONS

ANOVA	: Analysis of Variance
B A	: Bachelor of Arts
B.COM.	: Bachelor of Commerce
B.ED.	: Bachelor of Education
BOG	: Board of Governors
BSc.	: Bachelor of Science
CPA (K)	: Certified Public Accountant (Kenya)
DEB	: District Education Board
Dip. Ed	: Diploma in Education
DN	: Daily Nation
E.A.S.	: East African Standard
EMU	: Efficiency Monitoring Unit
ICTs	: Information Communication Technologies
IT	: Information Technology
KATC	: Kenya Accountants Technician Certificate
KCSE	: Kenya Certificate of Secondary Education
KESI	: Kenya Educational Staff Institute
KSSHA	: Kenya Secondary Schools Heads Association

KUPPET	:	Kenya Union of Post Primary Teachers
M.ED	:	Master of Education Degree
MOEST	:	Ministry of Education Science and Technology
NHIF	:	National Hospital Insurance Fund
NSSF	:	National Social Security Fund
PAYE	:	Pay As You Earn
PDE	:	Provincial Director of Education
PGDE	:	Post Graduate Diploma in Education
PTA	:	Parents Teachers Association
SPSS	:	Statistical Package for Social Science
TSC	:	Teachers Service Commission

CHAPTER ONE

INTRODUCTION

Background of the Study

Over the recent past, there have been allegations that public secondary school headteachers mismanage financial and other resources available to them. There have been a great concern on how the monies raised through collection of fees and other sources is being embezzled, misappropriated or simply being mismanaged by headteachers leading to massive losses of public funds culminating in poor delivery of educational services in public secondary schools.

The Code of Regulation for the teachers (Republic of Kenya 1986; 26) spells out what constitutes loss of public funds or school funds as follows:

- ❖ Actual loss or destruction or damage (other than wear and tear) to or failure to account for the disposal of public money or property, movable or immovable;
- ❖ Non-collection of any monies due or belonging to the Government of Kenya, Board of Governors or District Education Board;
- ❖ Payment made or liabilities incurred without authority or in excess of that authorized;
- ❖ An unauthorized use of institutional vehicles or any other property; and
- ❖ Compensation and similar, legal and court cost and any other additional expenditure or liability incurred which was avoidable and need not have been incurred.

Despite the fact that headteachers have access to the code of regulations poor management of finances in Kenyan schools continue unabated. Thus the need to investigate what might be the cause or causes of this state of affairs. There are penalties, which are to be meted to the culprits of such malpractices, which include:

- ❖ Recovery of the amount in question by the Teachers Service Commission (TSC) from the teachers salary or any other money due to him from the Commission on behalf of the Kenya Government, Board of Governors, the school committee and the District Education Board;
- ❖ The teacher may be sued and such money recovered in any court of competent jurisdiction;
- ❖ Any recovery by the Commission shall not be precluding, any other disciplinary action by the Commission in accordance with the Code; or criminal proceedings being taken against the teacher by the body concerned.

Code of Regulation for Teachers (1986; 26) the question which needs to be answered is whether the TSC has been bringing the culprits to book. Over the years colossal sums of money has been raised to finance school projects and programmes identified by the stake holders and according to the planned budget. Areas of expenditure may include procurement of goods and services needed for the implementation of the set curriculum, development of physical facilities, purchasing of equipment, payment of salaries, wages and allowances to the Board of Governors (BOG) employees and for general planning and administration. The headteacher is charged with the responsibility of administering the school finances on behalf of the BOGs who are the school managers as per Education Act Cap 211 (1980)

A manual for the Heads of Secondary Schools in Kenya (1987; 1), specifies that

“As the financial controller as well as the accounting officer of the school, the head is responsible for all revenue and expenditure. He requires initial and regular in-services courses in financial management so as to be fully conversant with school accounting and bookkeeping procedures and must be capable of supervising and controlling the work of the bursar or the accounts clerk.”

Thus the need for training in financial management for practicing headteachers is recognized as essential for effective performance in this area, and efficient supervision of accounts staff including the school bursar. This research study revealed the situation as regards to in-service training on financial management. Perhaps the rampant financial mismanagement of the school funds is caused by lack of training.

Sessional Paper No.6 (1988; 45) has acknowledged that the government recognizes the need for headteachers to be trained in financial management and be updated on a regular basis. Specifically it states;

“All heads of educational institutions and those who administer educational finances be trained on financial management and be updated on regular basis.”

The above shows that there is need to find out whether teachers are familiar with new and updated techniques in financial management. The Wangai Report, Republic of Kenya (2001; 49) points out that some Board of Governors do not have the capacity to measure up to the onerous responsibility of managing the school because of their educational background and noted that appointment of unqualified and incompetent BOG members has a bearing on the quality of the management of schools. It recommended that:

“BOG members be appointed from persons of integrity and who are dedicated, committed, competent, and experienced with a minimum qualification of Form Four level of education or its equivalent.” (Republic of Kenya, 2001; 50). Wangai Report.

The responsibility of the collection and expenditure of the funds is bestowed upon the headteacher. In a study done by Onyango (2001, 124) on the competence of headteachers in the area of management of school finance and business, the researcher found out that the headteachers did not possess adequate proficiency in the following areas of competence;

- ❖ Preparation of financial estimates or budgets,

- ❖ Management and control of school finances,
- ❖ Raising funds for development projects,
- ❖ Generating funds within the school,
- ❖ Tendering and
- ❖ Management of business

The study by Onyango involved a few sampled schools in Nairobi Province. It was not conclusive on whether inadequate proficiency in the listed areas have led to ineffective financial management. Local media reports, audit findings by MOEST officials and reports compiled by Efficiency Monitoring Unit (EMU) of the Office of the President, details numerous cases involving heads of public secondary schools in financial malpractices. The reports have raised issues concerning incompetence of the headteachers in handling colossal amounts of money and whether they were adequately trained and equipped with essential skills requisite for efficient financial management. In fact questions are being raised whether the headteachers can initiate and implement successfully multimillion projects sometimes touted during various schools fora. A visit to some schools reveals stalled projects of varying magnitudes in financial commitments. This called for an investigation as to why the stalling.

Procurement of goods and services is an aspect of the schools management which is an issue of concern. The MOEST has published a document on tendering procedures and the question was whether public secondary schools were using it and using it efficiently. The issues raised called for a research into the causes of poor financial management in these vital public institutions and the possible remedies to minimize loss of public funds and enhance sound financial management in public secondary schools.

Statement of the Problem

Reports from various authoritative sources including EMU and provincial auditors report indicated that mismanagement of public secondary school financial resources has escalated in recent past. Some of the quoted cases involved some headteachers spending money in prestigious projects like swimming pools or luxurious bus projects at the expense of implementing programmes or projects which contribute directly to the teaching-learning process and the implementation of the core curriculum. Funds meant for erecting and equipping laboratories and libraries have been diverted into other uses leading to misappropriation. Incidences where headteachers have used school finances without proper authority and documentation are numerous and are on the increase in Nairobi Province and even other provinces. This constitute loss of public funds according to Code of Regulation for Teachers (1986, 26).

The catching headlines reading “Headteachers steal 20m from parents; East Africa Standard, (EAS), Thursday, January, 13, (2000; 1) and “Scandal of Sh.13m Headteachers trip,” East Africa Standard (EAS), Monday, September 11, (2000; 1) and the subsequent articles, express the magnitude of the scourge to some extent. In the first article, the case of one national school in Nairobi was highlighted while in the second article; a case of nineteen heads of public secondary schools in Nairobi Province and headteachers from other provinces was highlighted. The accusation here was that parents were not consulted and headteachers are not following the required procedure and authority to incur expenditure of that magnitude.

The highlighted cases showed that there was a dire need to establish the causes of such poor management of the school finances and this was the subject of this study. Available documents and reports indicated that exorbitant fees was being charged in former high cost schools, yet a visit to some of them reveals dilapidated buildings, grounded vehicles, obsolete and non-functioning equipment and machinery, overgrown lawns, hedges and unkempt grounds.

Maintenance and renovation of buildings, including painting is rare. The situation is pathetic yet fees were being collected albeit with difficulties. Hence one is tempted, and rightly so, to assume that the problem was not lack of finances to develop and maintain the school plant or buy new equipment, the challenge lies in the management of such finances. A critical look at the way the headteachers handle financial management in the public secondary schools revealed the causes of ineffective and inefficient management of finances and remedies sought

Purpose of the Study

The main purpose of the study was to find out the causes of poor financial management by headteachers in public schools in Nairobi Province. The second purpose was to investigate whether there was significant relationship between effective financial management and the characteristics of the headteacher.

To achieve the purpose the following objectives were formulated:

Objectives

1. To establish whether the headteachers were given regular and appropriate training on financial management and their competence
2. To find out whether school bursars and board of governors' members had requisite skills and competence to effectively play their role in management of school finances.
3. To ascertain the extent to which financial policies and instructions were followed and implemented by headteachers including,
 - ❖ Drawing and implementing school budgets,
 - ❖ Tendering for goods and services
 - ❖ Fees guidelines and
 - ❖ Accounting instructions manual

4. To reveal the current scenario with respect to financial management of public secondary schools in Nairobi Province, and identify areas of weakness.
5. To identify the causes of poor financial management and suggest possible remedies to stem or reverse the trend.

Hypotheses of the Study

The following hypotheses were generated from the statement of the problem.

- H₀1:** There is no significant relationship between the age of the headteacher and effective financial management by the headteacher.
- H₀2:** There is no significant relationship between the gender of the headteacher and effective financial management by the headteacher.
- H₀3:** There is no significant relationship between the academic qualification of the headteacher and effective financial management by the headteacher.
- H₀4:** There is no significant relationship between training in financial management of the headteacher and effective financial management by the headteacher.
- H₀5:** There is no significant relationship between the type of the school and effective financial management by the headteacher.
- H₀6:** There is no significant relationship between the competence of the school board and effective financial management by the headteacher.
- H₀7:** There is no significant relationship between preparation of the school budget by the headteacher and effective financial management by the headteacher.
- H₀8:** There is no significant relationship between the schools' bursar age and effective financial management by the headteacher.

H₉: There is no significant relationship between the schools' bursar academic qualification and effective financial management by the headteacher.

H₁₀: There is no significant relationship between the schools' size and effective financial management by the headteacher.

Research questions

The research was based on the following questions: -

1. What kind of training were the headteachers given in the areas of
 - ❖ Sourcing school funds,
 - ❖ Budgeting,
 - ❖ Project planning, implementation and management,
 - ❖ Procurement of goods and services,
 - ❖ Accounting and financial controls and
 - ❖ Auditing,
 prior to and after their appointment as school heads and by whom.
2. What policy options and strategies were there to ensure continuous, adequate and appropriate training of headteachers in financial management skills?
3. Which problems were the headteachers encountering while sourcing and expending school finances?
4. How competent were the headteachers, school bursars and BOG members in financial management?
5. Which financial controls were the headteachers using to ensure prudent expenditure of school funds?
6. What were the causes of poor financial management in public secondary schools by the headteachers and how can they be controlled?

7. To what extent have the public secondary schools in Nairobi Province embraced Information Technology in their accounting and financial management systems?

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Significance of the Study

There have been a lot of hue and cries by stake holders who include students, parents, politicians and the general public on how funds raised by parents are being mismanaged by headteachers in the recent past and even now. In Nairobi Province a few public secondary schools have been highlighted by both print and electronic media as institutions where mismanagement of finances was rampant. East African Standard, Thursday, January 13, (2000:1) and East African Standard, Monday, September 11, (2000: 1), revealed such malpractices.

These schools were run using public funds. Thus this study sought to establish how and why this practice was rampant and the factors fueling it and through the findings suggest several remedies which if applied will help stem the tide of the prevailing malpractices. Issues concerning financial management including collection and use of school fees and other funds are center of interest to everyone especially in the current state of the Kenyan economy according to Wangai Report, (Republic of Kenya, 2001, 31). All the stakeholders will want to see efficient and effective management of the scarce and dwindling financial resources.

Most families invest almost all their wealth in education Maliyamkono and Ogbu (1999, 156), explains that:

“Issues of management of school funds are important for a number of reasons. Firstly, parents, students, and respective local communities who support the schools as well as the local, regional and central level Ministry of Education official need to be assured that available funds are not mismanaged. Secondly, efficient funds management can promote better use of the limited available funds”,

Thus it is only fair that the investors get maximum benefit and returns to their investment with minimal costs and wastage. The findings of this study may help these investors achieve this albeit to a moderate extent.

The findings may also contribute significantly to the development of more practical approaches to the training of headteachers in financial and project management thus enhancing prudent utility of the finances available through government grants, bursary, awards, money generating activities and cost sharing strategies. Continued poor financial management by headteachers may lead to apathy by the “investors” which have disastrous effects including low enrolment and high drop out rates in public secondary school in Nairobi Province. This study may assist through its findings in establishing and enhancing proper and effective management of school funds, raising the credibility of the headteachers, which result in an increase in investment levels, culminating in high enrolment in public secondary schools in Nairobi.

Currently public confidence in the way the headteachers are managing school funds is at its lowest ebb and results from this study if critically analyzed may offer solutions to restore some if not all confidence. Millions of shillings raised by public through taxation and other revenue collecting techniques were being lost through poor management by the headteachers entrusted with task.

Delimitations of the Study

According to Kilemi and Wamahu (1995, 165), aspects of research that render themselves to delimitations include, the topic area itself, the size of the population and the geographical locations where the study is to be conducted. The scope of this study was delimited in a number of ways. First the study was restricted geographically to Nairobi Province. Therefore, care should

be taken in extrapolating the results of the study to other geographic areas. Secondly the study was delimited to headteachers of public secondary schools in Nairobi hence the results of this study may not be descriptive of the headteachers management of finances in private or community secondary schools. Finally the study was delimited to the school bursars as secondary respondents due to their strategic positioning in the schools financial management to the exclusion of all other school personnel.

Limitations of the Study

Matters dealing with perusing of financial records and other statements, questions about budgeting and use of finances when raised in any forum or introduced in any way to any party elicits an attitude of none cooperation and self defense. Thus this study was significantly hampered in some cases by such attitudes. Since the headteachers, the target population in this study may have sensed “ danger” in the outcome of the research findings, giving of false information may not be ruled out according to Mugenda and Mugenda,(1999, 166).

Another limitation was unwillingness by the headteachers to avail confidential records or documents needed to ascertain authenticity of some of arguments advanced by the researcher regarding varying practices in financial management by the target population. One other limitation arose from the confidential nature of the chosen area of study. Relevant and related literature was scanty and not specific. Research materials and writings on the management of finances in public secondary schools in Nairobi province were scarce and unavailable. Documented cases of financial mismanagement were classified and beyond reach. Thus reports appearing in the local print and electronic media contributed quite significantly to the background information on the chosen area of study.

Basic Assumptions of the Study

and Mugenda (1999, 215) define an assumption as, "any important fact presumed to be actually verified". Assumptions in a particular study are unique under the conditions at study is carried out. This study was based on the assumption that;

respondents were to complete the questionnaire with total honesty and to the best of knowledge.

reference materials were to provide unbiased facts on issues related to the study area.

principals of public secondary schools in Nairobi Province interact with their bursars members of BOGs well enough to know their competencies.

Definitions of Significant Terms in the Study

g: Refers to acting in accordance with the educational plan upon which the budget is the process involves recording, classifying and summarizing financial transactions.

to Education Act Cap. 211 (Revised 1980)

Refers to investigation of the financial transaction, and processes laid in an attempt to the school's transactions, accounts and resulting financial statements conform to accepted accounting practices.

governors: Refers to a committee whose members are constitutionally nominated to Kenya's Education Act, 1970, Cap. 211, Part 3 to oversee the functions of the school manage the school's affairs on behalf of the Minister.

Refers to a specific plan for implementing the schools objectives, policies and in a given year. It includes the expected total revenue and expenditure for each year.

Refers to a member of the non teaching staff in a school in charge of the accounting

Code: Refers to the Code of Regulations for Teachers.

Estimates: Refers to unapproved revenue and expenditure for a given year.

Grants: Refers to the money provided by the government through the Ministry of Education to public maintained schools to meet their recurrent expenditure.

Harambee: Refers to putting together resources for the common good.

Manager: Refers to any person or a body of persons responsible for the management and conduct of a school and includes a board.

Minister: A political appointee in charge of the Ministry of Education Science and Technology .

Principal: Refers to a headteacher of a secondary school or colleges.

Public funds: Refers to the money or finance provided by Government or public.

Public school: Refers to a school maintained or assisted out of public funds.

School: Refers to an institution in which not less than ten pupils receive regular instructions or an assembly of not less than ten pupils for the purpose of receiving regular instructions.

Secondary School: Refers to a post primary institution where pupils receive regular instructions for four years from Form one to Form four.

Teacher: Refers to a person registered by the Teacher's Service Commission (TSC) in accordance with Section 7 of the TSC Act, (1967)

Organization of the Study

This study was organized in five chapters, the first chapter which is the introduction contains information on the background of the study. The statement of the problem, the purpose of the study including objectives, research questions, the significance of the study, delimitations of the study, limitations of the study, basic assumptions and definitions of significant terms as used in

the study are contained in this chapter. The second chapter contains literature review which was organized following the main themes which are: functions of the headteacher, headteacher as a financial manager sourcing school funds, budgeting, and mobilization of funds, accounting of funds, auditing of funds, causes of poor management of school funds and strategies to minimize poor financial management. The third chapter is the research methodology. This chapter comprises of the research design, target population, sample and sampling procedures, the research instrument, instrument validity, instrument reliability, and data collection procedures and data analysis techniques. The fourth chapter comprises of the analysis of the research findings and their discussion. Lastly, the fifth and the final chapter contains the summary of the study findings, conclusions, recommendations, and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The literature of the study was organized around the following broad themes: the roles of a school head, the head as a financial manager, sources of school fund, budgeting, accounting, auditing, mismanagement and fraud, causes of poor financial management and suggested remedies to mismanagement of school finances. Conceptual framework was included in this chapter.

The Roles of School Headteachers

The major roles of a school head involves administrative and management function. Module 2 (1997, 12) affirms that management role involves planning, designing initiating actions, monitoring activities, and demanding the results on the basis of allocated resources. Policymaking, policy control and monitoring are envisaged in this role. The administrative role on the other hand involves implementation of the formulated educational policies and guidelines. These policies emanates mainly from the legal frame work governing provisions of educations in the country

Okumbe (1998, 15) lists six main functions of educational management namely: formulation of educational goals, procurement of necessary resources, organization and coordination of activities, influencing and stimulating human resources, integrating and evaluation of school

activities. The headteacher carries the listed functions within the formulated policies, goals and objectives in the following broad areas in secondary schools' operations:

- ❖ Curriculum and instruction
- ❖ School plant organization and general administration.
- ❖ Student personnel management.
- ❖ Staff personnel management
- ❖ Finance and business management, and
- ❖ School community relations

The chief executive of a school is the head and the success of any school depends on how effective the headteacher is as an administrator.

Mbiti (1973, 49) summarizes the role of the school head thus:

“...His major task is to make the schools purpose clear to everyone; to see that the necessary equipment and monetary resources are available for the school use, and to motivate his staff, the pupils and the parents to produce a lively school as well as excellence in work performance.”

Mbiti goes on to say that the school head has responsibility to: the employer, the profession, the community, parents, the school staff and the pupils.

Module 2, (1997, 12) enumerates other roles of the school heads as: leadership, supervision, pastoral, and change agent. Leadership involves the use of authority, power and influence in the process of managing and administering resources including finances at work to produce desired results. Griffin (1996, 14), says that, the school head remains the pilot of the system and the ultimate responsibility for all of it rests upon the shoulders of the head. He picks out two aspects of a school where the head must maintain a firm personal grip. These are finances and discipline.

This study was mainly concerned with the former

Headteachers as Financial Managers

Okumbe (1998, 197) says that financial management in education is concerned with the cost of education, sources of income to meet educational costs and the spending of the income in an objective manner in order to achieve the educational objectives. At school level the head is concerned not only with the cost, the sources of funds and how they are spent but also whether the desired objectives have been attained through prudent utilization of financial resources. Module 5, (1997, 1), gives managing of funds as one of the major task of a school head. It continues to say that the success of any school programme depends on the way financial inputs are managed and this in turn, affects the overall performance of each school.

To be effective, financial managers and school heads must have sufficient skills and requisite knowledge in the following areas:

- ❖ Sources of school funds,
- ❖ School budgeting,
- ❖ Mobilizing financial resource,
- ❖ Basic framework and mechanism of financial management,
- ❖ Expending and accounting for school funds and
- ❖ Auditing school accounts books.

Financial management, amongst other things, involves recognizing and respecting other authorities, regulations and practices governing the receiving, keeping and spending of funds. The head as a financial manager must be conversant with national, ministerial, financial and sectoral policies regulating and controlling utilization of financial resources. Such policies are derived from:

- ❖ Education Act, 1980.
- ❖ Code of Regulations for Teachers, (Revised 1986).

- ❖ Accounting Instruction Manual (1991).
- ❖ Educational Commissions and
- ❖ Sessional Papers on educational issues.

A manual for the heads of secondary schools in Kenya also contains the duties and responsibilities of the head as a finance manager it says:

“As the financial controller as well as the accounting officer, the head is responsible for all revenue and expenditure. He requires initial and regular in-service courses in financial management so as to be fully conversant with school accounting and bookkeeping procedures and must be capable of supervising and controlling the work of the bursar or the accounts clerk”. (Heads Manual, 1987, 1)

Griffin (1996, 19), says that, the years have passed when schools were snugly and safely financed through Ministry grants. The head must nowadays be both a fundraiser and a public relations expert. Hence, the aspect of sourcing funds is a major function of the school heads as a finance manager. For an average head, the sources of money are limited to fees and to an occasional special fund raising function. The head must of necessity cultivate trust by the BOGs and PTAs, to whom financial power is increasingly passing. Such bodies expect the head to budget and control funds with great care especially during these times of severe economic stringency. Thus the function of a head as finance manager is key to achievement of educational goals and the head must be skilled in this area. Kamunge Report, (Republic of Kenya 1988, 147) recommended that all heads of educational institutions and those who administer finances be trained on financial management and be updated on a regular basis.

Accounting Manual Instructions, (1991, 23) says, that, the head of institutions are personally answerable to their BOGs, PTAs, to the Ministry of Education and indeed to the general public for all expenditure arising from all grant-in-aid and donations, contributions, school funds,

caution money, fees and all other revenue accruing to or raised by PTAs and BOGs. The finance officer/bursar works under the instruction of the head in all matters and are only responsible to their heads of institutions. It is the duty of the school head to control expenditure. Thus the role of a head as a financial manager cannot be overemphasized. In playing the role of a financial manager in a school the head works in conjunction with the BOG, as the school manager, according to Education Act Cap. 211 and PTAs as the development and fundraising partners.

Sources of School Funds

For any school to operate effectively and efficiently it must have adequate funds, Module 5, (1997, 3) identifies three major sources of school funds, namely: parents, government, and community groups. The inability by the government to meet even basic schools financial needs have made contributions from the parents not only necessary but also increasingly so.

The report of the Educational Administration Conference (1988, 6) indicated that, the government funds are limited and the education sector must therefore share equitability whatever funds are available with all other services such as health, agriculture and communications. The report said that, the cabinet has directed that MOEST should find ways and means of gradually reducing recurrent expenditure from 35% to 30%. The National Development Plan, 1997–2001, says that the policy of cost sharing between the Government, parents, and communities, which has been in place since 1988 is to be maintained in financing education with 16.0% of the recurrent expenditure going to Secondary Education, rising to 25% over the period 1992/93 to 1995/96. (Master plan, 1998, 158) and down to 16.2% over the National development plan, 1997-2001 period.

Thus parents and communities continue to finance education mainly in the area of :

- ❖ Paying official tuition fees.
- ❖ Paying PTA contributions

- ❖ Paying a specific fee for building projects such as teacher's houses.
- ❖ Parents may give their time and skills in building activities and coaching in sports
- ❖ Paying teachers for any additional lessons, coaching, special duties or general welfare.
- ❖ Paying for resources such as books, uniforms furniture and laboratory equipment
- ❖ Paying for transport and meals.

Other sources of school funds include income-generating project and programme initiated by the school or the parents. These may include: farming and production unit. The schools may also higher out its facilities including vehicles especially when not in use by the students. Griffin (1996, 19) mentions charity and sponsorship as other sources of school finance. The money from the government to finance education in different ways include:

- ❖ Grants to schools
- ❖ Bursary awards
- ❖ Payment of salaries to teachers
- ❖ Financing the construction and rehabilitation of school plant
- ❖ Technical assistance to schools including materials and equipment for special projects.

Module 5, (1997, 5) gives other government contributions to financing education being indirect for example training of teachers, providing inspectors and auditors and providing syllabi and other materials. Maliyamkono and Ogbu (1999, 147) enumerates the following as main sources of school revenue:

- ❖ Fees payment
- ❖ Government subsidies
- ❖ Schools initiated income generating activities, and
- ❖ Community contributions, through organized public fund-raisers.

Other sources of income enumerated:

- ❖ Levies other than fees,
- ❖ Interests on bank deposits,
- ❖ Rental of facilities, and
- ❖ External donations.

In a paper presented on 27th May 2002 during the Annual Conference of KSSHA (Nairobi Branch), Mukuria a Schools Auditor listed the following as sources of school funds apart from school fees and harambees:

- ❖ Trust from charitable organizations
- ❖ Sponsored walks
- ❖ Alumni organization
- ❖ Fund raising presentation
- ❖ Hire of facilities including halls, fields and swimming pools
- ❖ Minor fund raising in form of a fete festival or entertainment
- ❖ Raffles.

Communities and community groups are often among the key sources of funds to schools by being main sponsors of schools. Leaders in the community mobilize the groups to raise funds in the following ways:

- ❖ Mobilizing community groups in development projects
- ❖ Community leaders playing the leading role in mobilizing the masses to participate more effectively in school projects.
- ❖ Fund raising for individual schools in an area.

- ❖ Involving community groups and former students in self help projects for the purpose of generating funds and
- ❖ Levying education taxes on members of the community.

Adopted from module 5, (1997, 6)

Okumbe (1998, 209) lists eight sources of revenue including:

- ❖ Grants from the government or other interested agencies,
- ❖ Tuition and boarding fees paid by the student,
- ❖ House and furniture rents,
- ❖ Electricity and water charges,
- ❖ Activity fees,
- ❖ Building fund
- ❖ School farm and other income generating activities and
- ❖ Sale of old and obsolete equipment.

Although fundraising may appear as not the core business in schooling and is not, no school head can afford to put it last in the priority list of tasks and responsibilities in school management in particular. School heads as managers should be encouraged to explore all the possible sources of funds for the benefit of their schools and all stake holders.

Budgeting and Use of School Funds

Okumbe (1998, 197) says that, a budget is an educational programme, which is expressed in financial terms and is made for a period of time, usually one year. A school budget has three components, namely:

- ❖ An educational plan,
- ❖ An expenditure plan and
- ❖ A revenue plan.

A budget can also be defined as:

“A financial and/or quantitative statement prepared and approved prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective” Adopted from Mukuria (2002)

It should contain, the following elements:

- ❖ Programs, project or activities to be accomplished should be defined.
- ❖ Identification of resources in terms of manpower, materials and time
- ❖ Cost of resources to obtain the financial cost of material and
- ❖ Presentation of the budget for approval.

Module 5, (1997, 10) defines budgeting as a process of preparing a statement of anticipated income and the proposed expenditure. It is a process of a summary of the programmes of the school reflecting of the expected revenue and expenditure. It is a plan which guides a head through the various school activities, as well as towards achieving the objective of the school. A budget will show what results will be if the present school financial plans are put into effect and facilitates evaluation of the financial performance of the school. Okumbe (1998, 198) gives several purposes of the school budget which include:

- ❖ Estimation of receipt and expenditure,
- ❖ Enables a comprehensive and equitable view of all services,
- ❖ Basis of accounting
- ❖ Determination of quality and quantity services,
- ❖ A plan for attaining of purposes,
- ❖ Confers authority to charge and spend, and
- ❖ Enables economic administration of an educational organization.

School budgeting will involve, identification of programs, projects or activities and the resources needed and their costs.

Vosecky (1957) outlines eleven principles for appraising school budgetary practice, namely:

- i. The head and the governing body should be responsible for the budget.
- ii. The budget document should be the result of the cooperative efforts of all who are concerned with the educational needs of the students.
- iii. The budget preparation should be a continuous process with the annual budget being part of a long-range program.
- iv. Formulation of a definite educational plan.
- v. Preparation of an expenditure plan.
- vi. Preparation of a revenue plan.
- vii. Presentation and interpretation of the budget to stakeholders.
- viii. Adoption of the budget.
- ix. Recording of the adoption in the official minutes of the adopting body.
- x. The administration of the budget is the responsibility of the headteacher on behalf of the legal body
- xi. There should be provision for a continuous appraisal of the budget documents and the budgetary procedures.

Wangai Report, Republic of Kenya (2001, 28) discloses that headteachers lack managerial skills in planning, budgeting and expenditure control, bookkeeping, procurement procedures and human resource management. Consequently, it is noted that lack of skills in budgeting and bookkeeping leaves most heads at the mercy of bursars and finance officers who could easily mismanage school finances. It could also lead to misallocation of resources resulting in lack of essential commodities and services.

There are two budget designs commonly used by schools. The traditional or line item budget design, with income as its first component and the more desirable but complex performance or school budget designs with educational objectives as the first component. In both, cases the budget design should provide extensive and accurate estimates of income and expenditure, with the latter being categorized into recurrent and capital or development expenditure. Once the school budget is approved by the relevant authorities the next phase is to implement, monitor supervise and control the budget so as to achieve the expected levels of school performance in the fulfillment of the school mission and the set objectives. The monitoring and supervision is a continuous process in budget implementation and require the following:

- ❖ Check that the expenditure is made in compliance with the budget authorization.
- ❖ Note whether there is a surplus or a deficit at the end of the year and whether there is a possibility of building reserves.
- ❖ Assess the implementation of the budget with a view to preparing subsequent budgets more accurately, and
- ❖ Provide continuity in the school accounting system on the basis of subsequent balance sheets.

A school head needs to control the budget by ensuring votes are not overspent, money received is appropriately entered and virement if necessary is authorized. In budgetary allocations, the school head, must seek to channel resources available to the educational activities, which yield the greatest impact and are likely to solve the envisaged educational problems. Thus budgeting prioritization is essential in a school as the available finances and other resources may not meet all educational requirements.

Expending and Accounting for School Finances

Financial management covers the administration of financial resources including money, how to generate and use it. Funds contribute the nerve center of the school and must be properly expended for the school to meet the educational goals and its objectives. Thus all heads must be conversant with financial accounting and must possess basic skills requisite for prudent bookkeeping and efficient financial accounting.

Okumbe (1998, 213) says that financial accounting is concerned with the maintenance of records in which financial transaction of an educational organization like in school are summarized. It is the process of recording, classifying and summarizing financial transactions of an educational organization and interpreting the results of this transaction. The school budget once approved forms an important basis of financial accounting.

Financial accounting in a school serves the following objectives:

- ❖ It ensures that the financial resources are used for the intended purposes only.
- ❖ It ensures a proper business management for promoting economy
- ❖ It enables education authorities to have a quick but effective check on both the rate of expenditure and proper financial control.

It should be noted that MOEST has issued specific instruction with regard to the spending of, and accounting for school funds in Financial and Accounting Instruction Manual for Educational Institutions (Revised 1991).

Mukuria (2002) notes that most of the mismanagement occurs at this stage and internal controls should be instituted and continuously followed. In the study done by Onyango (2001, 124) on the competence of headteachers in the area of management of school finance and business the

researcher found out that the headteachers did not possess adequate proficiency in the following competences:

- ❖ Preparation of financial estimates or budgets,
- ❖ Management and control of school finance,
- ❖ Raising funds for development project,
- ❖ Generating funds within the school,
- ❖ Tendering, and
- ❖ Management of business.

Koech Report, Republic of Kenya (1999, 259) paints a very gloomy picture of the competence of heads in both financial management and financial accounting and reveals that;

“The whole issue of poor financial management in educational institutions has also contributed to increased cost and poor returns (value) for amounts spent. It is only in educational institutions where annual turnovers of ten million Kenya shillings are managed by accounts clerks. Some headteachers have no idea of the most elementary sound financial practices. The same managers have no skill in project management and yet they are charged with planning and implementing expensive projects, which often fail to be completed due to poor supervision and misappropriation of funds.”

In view of the above observation, the Koech Report Republic of Kenya (1999, 259) has the following recommendations:

- ❖ Heads be properly prepared and equipped with the necessary institutional and financial managerial skills to enable them manage schools more effectively and efficiently and,
- ❖ The Ministry strengthens the monitoring and supervision of the management of funds in the schools through measures such as annual audits and impromptu audit inspection exercise, to ensure efficiency and cost effectiveness in the use of resources.

The importance of financial records cannot be over emphasized. They serve as:

- ❖ The basis of decision making on any financial matter,
- ❖ A basis for tracking the growth or declining of the school assets or liabilities Guidelines to indicate the financial position of the school, and
- ❖ A basis for determining the value of school property.

There are systematic ways of accounting for budget implementation by keeping basic records, which are essential for a school or the effective handling of finances. Some of these records or books of accounts are:

- i. **Receipt books**: These should be printed, serialized and issued at least in duplicate for all monies received. They should also be received for monies expended.
- ii. **Payment vouchers**: These are documents detailing the purpose of any payment made, the date of payment, the amount, the budgetary vote or item within which the expense is being incurred and the authority that has sanctioned the payment. They can be in book form or loose sheets, which can be filed.
- iii. **The cashbook**: This is a book of accounts in which all-financial transactions with respect to receipts; payments and banking are recorded daily. It has to be balanced on daily basis. Cheques received or paid out all forms parts of the day's income and expenditure respectively.
- iv. **The Journal**: This is a record of financial transactions done on daily basis. The sales day, purchase day, sales return and the purchase return books are special journals as they record daily transactions. The journal proper on the other hand, is used for recording the transactions that cannot be entered into the books of original entry because of their special nature. These include the purchase of an asset, writing off

bad debts, depreciation of assets and correction of errors in posting from the cashbook.

A "narration" which provides an explanation of the transaction accompanies the journal entries.

- v. **The Ledger**: This is an extract of all transactions, which are recorded in the cashbook against each approved vote-head of the estimates. These are summarized monthly.
- vi. **Fees Registers**: These record each student's fee payment and capture any outstanding balance.
- vii. **Commitment Registers**: These records indicate the balance of a particular vote head and any commitments already made and are a good control record for budgeting.
- viii. **Stores Ledgers**: These are records for all stores received in a school and are in three categories namely:
 - ❖ Permanent stores ledgers: Records of stores of a life span exceeding two years
 - ❖ Expendable stores ledgers: records of stores that are neither permanent nor consumable, and
 - ❖ Consumable stores ledgers: Records stores that change form or nature when used.
- ix **Inventory**: This is a stock register of both equipment for both permanent and expendable stores.

The heads of schools must of necessity be familiar with the listed books of accounts and their use in all financial and business transaction in their institutions when procuring for goods and purchase, services the heads must use Local Orders and Local Service Orders and all deliverance

to the school must be accompanied by delivery notes and invoices well written and must be checked against the goods received. Payment of each good or service rendered should be authorized by the relevant authorities and paid through cheques. Cash transactions should be completely discouraged, and when unavoidable must be for small amounts. Use of tender boards for procurement of goods and services in public secondary schools is now a requirement by MOEST for all institutions. This should be done as stipulated in Legal Notice No. 51. The Exchequer and Audit (public procurement), Regulations 2001.

The basic accounting process is used to analyse data available in the financial records. These are:

- ❖ Preparation of financial statements such as: income statements, balance sheets, reconciliation statements and flow of funds statements.
- ❖ Analysis and preparation of financial statements to arrive at hidden facts and draw corresponding conclusions.
- ❖ Preparation of comprehensive financial reports and
- ❖ Rendering of financial advice on decision to be made in the light of the conclusion reached.

Adopted from Module 5, (1997, 46)

Trial balance that is compiled every month enables an education organization to ascertain the accuracy and objectivity of the obtained financial data. The trial balance shows a list of all the balances that appear at any given date of the month in the ledger and the cashbook of an educational organization. Okumbe (1999, 222), says that the principle behind a trial balance is that when the debit and credit entries are made without any errors, then the total of debits must equal the total of credits at any given time. The trial balance also helps in providing information useful for the preparation of the profit and loss account. The columns in the trial balance include

vote-head, Ledger folio number, debit, credit, commitments and balance of money available as at the end of the month.

The balance sheet, which is made at the end of the accounting period or year, is a summary of the ledger account balances remaining in the books of accounts. The balance sheet shows the amount and sources of capital employed on one hand and the form in which such capital is employed on the other hand.

The bank reconciliation statements enable the school to confirm the details in the cashbook with respect to bank statements at the end of every month. Difference in the two records may be as a result of:

- ❖ Certain cheques received by the school not banked even though debited in cashbook.
- ❖ Some banked cheques may not have been recorded in the bank statement.
- ❖ Some payees may not have presented their cheques to the bank.
- ❖ Certain cheques may have been 'dishonored' for one reason or the other, and
- ❖ Bank charges may have been entered into the statement but not in the cash book.

Auditing School Account Books

Auditing school accounts is the final stage in the process of managing school finances. The school head has a statutory responsibility to prepare and present to the school governing authorities an audited financial report at the end of each financial year.

Okumbe (1998, 228) describes auditing as the process of investigating financial records of an educational organization in order to ascertain the objectivity and accuracy of the financial statements with the major objectives being:

- ❖ To determine whether the financial statements made by an educational organization are accurate in both calculation of figures and in application of the recommended accounting guidelines.

- ❖ To determine whether an educational organization uses procedures, which comply with the legal provisions, policies, and procedures stipulated by MOEST, and
- ❖ To identify any operational problems in the accounting procedure used by educational organization so as to provide remedial recommendation for improvement.

There are two types of auditing, namely internal auditing which enables the school to appraise the effectiveness of its financial management techniques and control, and external auditing whose main aim is to ascertain that the school has complied with the stipulated financial control mechanisms. The financial auditing helps in detecting financial management flaws to before it is too late to alleviate them, and either making recommendations regarding deficiencies and suggestions for improvement or identifying shortfalls and giving suggestions for investigations.

In Wangai Report, (Republic of Kenya ,2001, 30-31), the task force was informed of delays in auditing of school books of accounts creating lack of an up- to –date status of school financial health and it observed that delay in auditing of school books of accounts allows many financial malpractices to go undetected resulting in loss of funds.

Koech Report,(Republic of Kenya,1999, 236) reveals that secondary schools audit reports were not up to date in the entire republic. It goes further to say that:

“Although it had been explained that there were personnel, equipment and transport constraints, this explanation was greatly outweighed by the fact that some heads of schools could, and had, with this kind of knowledge, misappropriated and embezzled funds in the sure knowledge that it would take many years before the books were audited and by which time the trails will have been lost. It was also noted that there was no Government control on the issue of official receipt books, and that most schools print their own receipt books which they use for misappropriation and embezzlement of funds”.

The above shows that may be one of the major causes of poor management of finances in public secondary schools is lack of auditing and or delay in audit reporting to the relevant authorities. Other causes may be lack of an independent audit unit and no centralized distribution of official receipt books to ensure accountability.

The audit unit of the MOEST does not have the capacity to audit schools regularly, says Wangai Report, (Republic of Kenya, 2001, 30) and gives the following recommendations aimed at improving the situation:

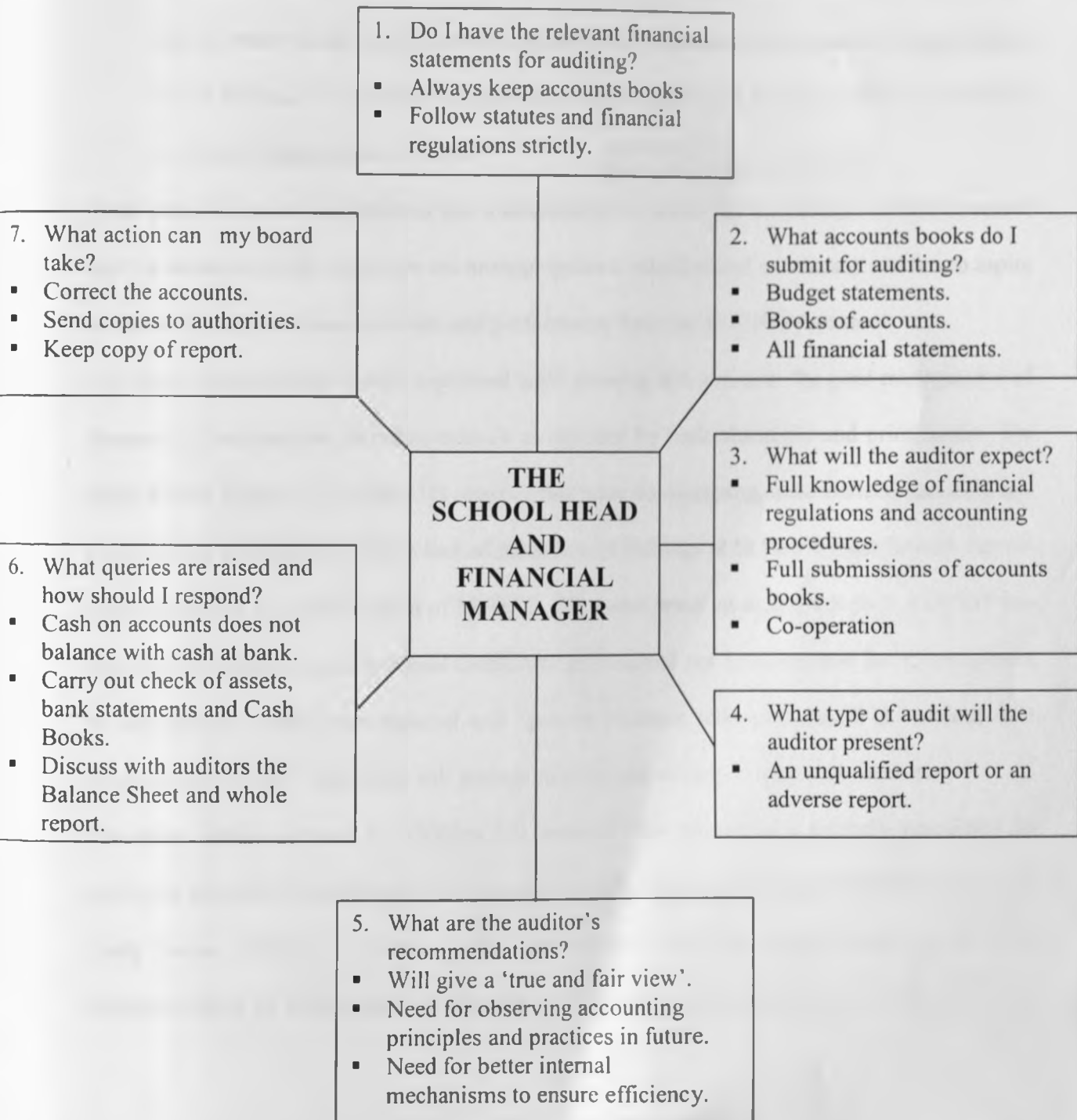
- ❖ Schools be allowed to use the services of recognized and approved audit firms with the authority of the Auditor and Controller General through MOEST.
- ❖ The cost of auditing be met by BOGs and PTAs.
- ❖ The audit disposal mechanism in the MOEST be revitalized to allow speedy disposal of audit reports.
- ❖ School management presents yearly reports including statements of accounts for the previous year at the PTAs Annual General Meetings.

Module 5, (1997, 51) explains that an auditor officially examines and verifies the books of accounts and writes a final report, which gives a true and fair view of the financial status of a school. Qualified auditors are the only ones authorized to carry on this kind of exercise in any formal organization. They are skilled in the techniques of auditing and they are governed by international professional ethics.

Figure 1 is a summary diagram of the auditing process adopted from Module 5, (1997, 57)

Figure 1: Auditing Process

Figure 1 : A summary diagram of the auditing process adopted from module 5, (1997,57)



Mismanagement of Finances and Causes

In a paper titled; 'Knowledge and Leadership' presented during a seminar for headteachers on 23rd June 1999 by Joseph Kaguthi, Director of Personnel Management in the Kenya Government observed that:

“Appointment to be a headteacher had become to some heads an ‘open cheque’ for among other things financial mismanagement and malpractices evidenced by unjustifiable levies that lead to increased dropout rates and in fights with BOGs and PTAs over issues to do with management of funds”.

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In the same forum, it was implored that a Headteacher in his or her leadership role has to ensure that the resources of the school are not misappropriated, misallocated or misused and has to aspire to realize the highest value in service and performance from the available resources.

The above sentiments have been expressed amid growing concern over the poor management of finances by headteachers in public schools as reported by both electronic and print media. The Daily Nation January 31, (2001,p31) reported that poor bookkeeping, unauthorized spending and irregular sale of assets have led to loss of thousands of shillings at St Paul’s High School, Kevote Embu according to an audit report of MOEST. The report went on to say that sh 1, 133, 937 was fraudulently omitted from the school cashbooks and it could not be accounted for. Overpayment to unspecified creditors was reported and “general creditors remained unpaid or serviced over along period of time”. This study will attempt to reveal the causes of such malpractice.

The daily Nation January 13, (2000,p 13) reported “the government recently suspended 14 principals accused of misusing funds”. A report by Daily Nation correspondent Silas Nthiga, on Daily Nation October 1, (2003, p 19), sites illegal levies by heads as another form of mismanagement of school finances. Parents are being forced to fund teacher’s trips, including

bills in luxurious hotels to motivate them. All the cases are indications of poor financial management existing in our public secondary schools.

Mukuria (2002, 8) enumerates the following reasons for mismanagement of finances in public secondary schools:

- ❖ Weak internal controls.
- ❖ Lack of defined roles for staff.
- ❖ Lack of segregation of duties.
- ❖ Non-involvement of BOGs.
- ❖ Dual role of heads as financial and administrative managers.
- ❖ Poor bookkeeping.
- ❖ Lack of technical knowledge of accounts staff.
- ❖ Non-ownership feeling of the educational managers.
- ❖ Bureaucratic processes.
- ❖ Corruption involving all stakeholders.
- ❖ “Insider” interests in financial transaction, and
- ❖ Lack of and/or non-implementation of budgets.

Strategies to Curb Poor Financial Management by Headteachers

Koech Report, (Republic of Kenya, 1999, 259), says that, lack of control by MOEST has made education unaffordable to majority of parents at secondary level and the situation is made worse by the fact that although many parents complain of mismanagement of school funds, very few corrupt or inept headteachers are ever disciplined. Finances raised do not in the final analysis go into teaching and learning, the core business of a school resulting in most cases into students' unrest due to substandard services brought about by mismanagement of their parents hard earned

money. Secondly poor financial management in secondary schools has also contributed to increased costs and poor returns for the amount spent. Based on the above observations, the following strategies might help reduce or minimize poor management finances:

- ❖ Heads to be trained and be equipped with necessary and adequate financial managerial skills to enable them manage school finances more effectively and efficiently.
- ❖ MOEST to strengthen the monitoring and supervision of the management of funds in the school through measures such as annual audits and impromptu audit, inspection exercises, to ensure efficiency and cost effectiveness in the use of available resources.
- ❖ The government to strengthen the planning and monitoring capacity of MOEST, in order to enhance planning and policy analysis for better financial management.
- ❖ A comprehensive and thorough investigation of the state of financial management and carried out in all public secondary school in Nairobi and the findings to form a basis for weeding out corrupt and inefficient heads.

Wangai Report,(Republic of Kenya 2001,31-32), gives the following recommendations which if enacted will stem the tide of poor financial management in our public secondary schools:

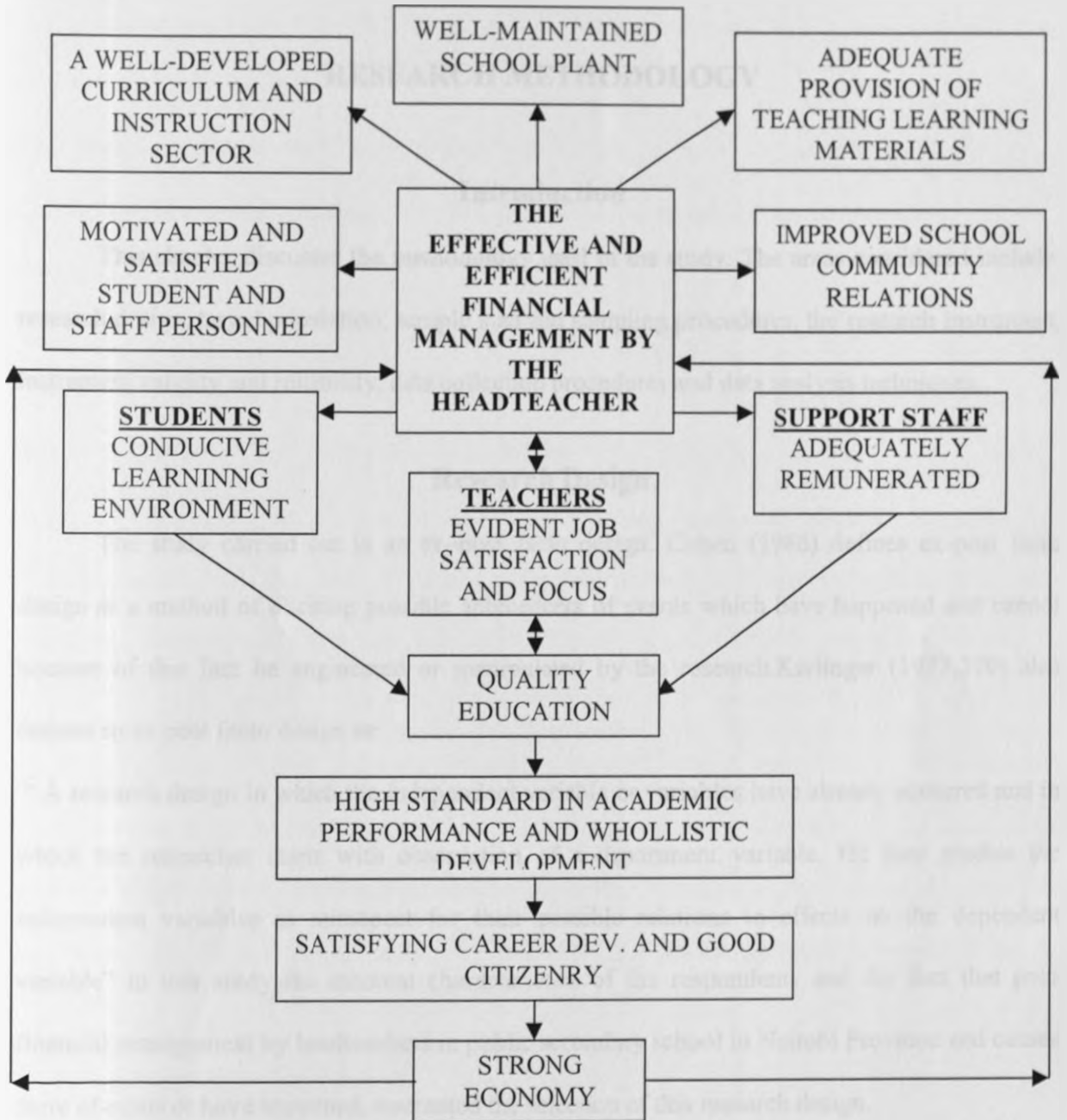
- ❖ In the view of the fact that the audit unit of the MOEST does not have the capacity to audit school account regularly:
 - i. School be allowed to use the services of recognized and approved audit firms with the authority of the Auditor and controller general through MOEST
 - ii. The cost of auditing be met by BOGs / PTAs.
 - iii. The audit disposal mechanism in the MOEST be revitalized to allow speedy disposal of audit reports and

iv. School management presents yearly reports including statement of accounts for the previous year at the PTAs Annual General Meetings.

- ❖ Headteachers be conversant and apply the “Accounting instruction Manual for secondary schools”.
- ❖ KESI organizes appropriate in-service course for accounting staff in schools.
- ❖ To ensure the procurement procedure is not abused, the minimum quorum of the tender committee includes Chairman of BOGs and PTAs or their representatives.
- ❖ All schools to establish tender committees as per legal Notice No. 51 and
- ❖ Non-performing heads are identified and assisted through re-training and appropriate deployment.

Mukuria, (2002, 10), suggests the following methods of reducing mismanagement of funds and fraud:

- ❖ Involve the BOG through Board Committees in the management of schools.
- ❖ Ensure prompt and correct documentation of all financial transaction.
- ❖ Ensure internal financial controls are working.
- ❖ Investigate any variance on approved budgets
- ❖ Listen to dissenting voices on matters related to finances in the school, and
- ❖ Have clear and complete job descriptions for all BOG employees.

Figure 2: Conceptual Framework**Cyclic Conceptual Frame Work of Effective and Efficient Financial Management in Secondary Schools**

A strong economy boosts and supports an all round development. The need therefore for effective and efficient financial management in public secondary schools requires no further emphasis.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter discusses the methodology used in the study. The areas considered include: research design, target population, sample size and sampling procedures, the research instrument, instrument validity and reliability, data collection procedures and data analysis techniques.

Research Design

The study carried out is an ex-post facto design. Cohen (1986) defines ex-post facto design as a method of eliciting possible antecedents of events which have happened and cannot because of this fact be engineered or manipulated by the research. Kerlinger (1973,379) also defines an ex post facto design as:

“ A research design in which the independent variable or variables have already occurred and in which the researcher starts with observation of a dependent variable. He then studies the independent variables in retrospect for their possible relations to effects on the dependent variable” In this study the inherent characteristics of the respondents and the fact that poor financial management by headteachers in public secondary school in Nairobi Province and causes there of exists or have happened, warranted the selection of this research design.

The study was also carried out using descriptive survey design. Essentially questionnaires are used to collect data in this kind of design method so as to determine the current status of the

target population with respect to one or more variables, Mugenda and Mugenda (1999, 163) describes such a research design as:

“A self reporting study which brings out quantifiable information from the sample, concerning itself with finding out factors that are associated with certain concurrencies, conditions or certain behavior”.

This study concerned itself with finding out causes of poor financial management using questionnaires to extract the required information from the respondents quantitatively.

Target Population

Borg and Gall (1989) defines target population as all members of a real or hypothetical set of people, events or objects to which a researcher wishes to generalize the results of the research study. By the end of year 2003, statistics in the Provincial Director of Education Nairobi office (2003) showed that there were 47 public secondary schools in Nairobi province. The target population for this study therefore consisted 47 headteachers of public secondary schools in Nairobi Province. However two schools namely Pumwani Secondary School and Kahawa Garrison Secondary School, were not included in the study due to their special circumstances . Pumwani Secondary School was excluded because it is the working station of the researcher , who is a headteacher while Kahawa Garrison Secondary School is not yet full established. The public Secondary Schools in Nairobi Province fall into various categories as depicted in Table 1

Type and Category of Schools

Table 1 presents the target population by type and category of public secondary schools in Nairobi Province.

Table 1: Type and Category of public secondary schools, Nairobi Province

SCHOOL TYPE	NUMBER	NATIONAL	PROVINCIAL	DISTRICT
Boys day	11	-	10	1
Girls day	8	-	7	1
Boys boarding	5	3	2	-
Girls Boarding	7	1	5	1
Mixed Day	9	-	8	1
Mixed Boarding	2	-	2	-
Boys Day and Boarding	2	-	2	-
Girls Day and Boarding	2	-	2	-
Mixed Day and Boarding	1	-	1	-
TOTAL	47	4	39	4

DATA SOURCE: PROVINCIAL EDUCATION OFFICE, NAIROBI (2003)

Table 1 Shows that majority of public secondary schools in Nairobi that is 39 are Provincial while National and District categories have 4 schools each.

Headteachers Distribution by Gender

Table 2 presents the headteachers in public secondary schools Nairobi Province distribution by gender.

Table 2: Public secondary school Headteachers' distribution by gender in Nairobi province

GENDER	NUMBER	PERCENT
Male	24	51
Female	23	49
TOTAL	47	100.0

DATA SOURCE: PROVINCIAL EDUCATION OFFICE NAIROBI (2003)

Table 2 shows that the distribution of head teachers by gender is almost balanced with 49% of the head teachers being women and 51% being Men.

Sample and Sampling Procedure

Sampling is a research technique involving the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were

selected (Mugenda and Mugenda 1999, 10). In this study, the population was purposively sampled to include 45 headteachers and bursars of public secondary school in Nairobi Province. The sample size was therefore 45, in which five headteachers were randomly selected for a pilot study and not included in the main study.

Mulusa (1988), quoting Krejcie and Morgan (1970), suggested that in a population of 47 subjects a sample size of 40 is representative of that population. This study adopted this procedure.

A pilot study was carried out in 5 schools randomly selected. This involved writing the names of all the 45 schools each on a piece of paper, folding each piece of paper and putting all the folded pieces of paper in an urn. This was followed by shaking the urn and randomly drawing from it a piece of paper writing the name of the school and returning it to the urn after folding. This procedure was repeated until five schools were randomly selected for the pilot study.

Research Instrument

The data for this study was collected using two sets of questionnaires. One set was administered to headteachers of public secondary schools in Nairobi Province and the other set to the bursars of the same schools.

Headteachers' Questionnaire

The questionnaires for the headteachers consisted of three parts, containing structured, unstructured, contingency and matrix questions (Appendix C, p.86). In the questionnaire for headteachers, Part 1 contained questions which enabled the researcher to get demographic information on the type, category and capacity of the respondents school, academic qualification, administrative experience, gender, age and accounting training level of headteacher. Questions 11 and 12 were matrix questions using Likert Scales for responses. Part 2 contained matrix questions

while Part 3 contained matrix and unstructured questions, which gives the respondent freedom of response,(Mugenda and Mugenda 1999, 72)

Bursars' Questionnaire

The questionnaire for school bursars who were secondary respondents comprised of three parts also. (Appendix D, p.96). Part 1 contained questions enabling the researcher to obtain demographic information on gender, age, professional qualification, work experience, competence and computer literacy level of the respondent. Part 2 contained matrix questions, which elicited response reflecting the role the school bursar plays in financial management. Part 3 in this set of questionnaires contained unstructured questions giving the respondent freedom to respond without limitations.

Instruments Validity

Borg and Gall (1989, 149) defines validity as the degree to which a test measures what it purports to measure. In other words validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. For this instrument, construct and content validity were established. Content validity is the degree to which the sample of test items will represent the content that the test is designed to measure while construct validity is the extent to which a particular test can be shown to measure a hypothetical construct, that is,

“a theoretical construction about the nature of human behavior.” (Borg and Gall, 1989)

The initial step towards validating the instrument was done during the phase of proposal writing in which the questionnaire was appraised by two experts in the areas of Research and Educational Administration. A pilot study involving five randomly selected headteachers amongst the target population of 45 headteachers constituted the second phase of validation. The results from the pilot study helped the researcher in identifying items that are inadequate and, or, ambiguous in

extracting the appropriate and relevant information. Unsuitable items were modified or amended resulting in improved quality and validity of the instrument.

Each item in the instrument was vetted to determine its suitability, clarity and relevance for the purpose of the study once the respondents in the pilot study had completed the questionnaires.

The researcher and individual respondents did this.

Instruments Reliability

According to Borg and Gall (1986), reliability is the level of internal consistency or stability of the measuring device over time. The reliability of the standardized test is usually expressed as a coefficient, which varies between 0.00 and 1.00 where the extremes represent no reliability and perfect reliability respectively. The most widely used method of estimating internal consistency is split-half correlation (Borg and Gall, 1989: 260). This is the method the researcher used.

A pilot study involving five randomly selected headteachers was used to establish reliability of the instrument based on the result. The researcher personally administered the questionnaires. The respondents were asked to indicate items devoid of clarity, ambiguous and repetitive and identify which were specific and clear. Any amendments were incorporated thereafter in the questionnaire. This process was repeated for the questionnaire involving the school bursars in the pilot schools.

The coefficient of internal consistency was calculated using the Pearson's Product Moment Correlation Coefficient. The reliability coefficient reflects the extent to which a test is free of error variance. The closer the reliability coefficient to the value 1.000, the more the test is free of error variance and is a measure of true difference amongst persons in the dimensions assessed by the test. (Muchiri; 1998, 53) Since using this technique means or involves correlating half of the test scores with the other half, the coefficient so computed does not reflect the reliability of the whole instrument (Mugenda and Mugenda 1999, 98). A correction factor was applied on the

computed coefficient using the Spearman-Brown prophecy formula. The adjusted coefficient represented the reliability of the whole instrument. This new coefficient was given by the formula:

$$r_0 = \frac{2r}{1+r}$$

Where r_0 is the coefficient representing reliability of the whole instrument and r is the coefficient representing half the instrument items. The calculated r was 0.870 and that of r_0 , 0.875. This reliability coefficient was found to be reliable since 0.875 is close to 1.000. The researcher only went for the final data collection after the validity and the reliability of the two sets of instruments were established and passed.

Data Collection Procedures

After the approval of the research proposal, a research permit, which allows the researcher to carry out the study, was obtained from the Ministry of Education after application. The researcher paid a courtesy call on the Provincial Commissioner and Provincial Director of Education, Nairobi Province respectively to inform them of the intended study. A pilot study involving five public secondary schools in Nairobi Province then followed. These were selected randomly from amongst 45 schools. Questionnaires were delivered to the respondents in these pilot schools personally by the researcher and the researcher collected the completed questionnaire thereafter.

Results from the pilot study were used to assess validity and reliability of the questionnaires which when established and passed, the researcher administered to the respondents, both headteachers and the bursars in the remaining 40 public secondary schools targeted. These were collected for analysis immediately after completion. Arrangements were made on how, when and where to pick the completed questionnaires.

Data Analysis Techniques

Different forms of data were gathered and the researcher using appropriate techniques analyzed each form of data accordingly. This was after the researcher had organized, inspected and edited the data to ensure accuracy, uniformity and completeness. The analysis involved tabulations of frequency tables and distributions and calculations of means and standard deviations. Analysis of Variance (ANOVA) and correlation coefficients were used to test the various null hypotheses. The t- test was also used, including two-tailed t- test. The purpose of the t- test for two independent means was to test whether the observed difference between two samples means arose by chance or represent a true difference between the populations. One-way ANOVA was used to compare groups that differ on one independent variable with two or more levels. For items with YES or NO responses, they were analyzed and recorded on tally tables from which frequencies and percentages were computed. For items whose response was a free expression of the respondent's opinion, analysis was in discussion form, and tabulations using descriptive statistics method.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter, which is divided into three sections, gives the report of the data collected in the study. These sections are questionnaire return rate, demographic data of the respondents and hypotheses testing. The data was collected from the headteachers and school bursars in the sampled public secondary schools in Nairobi province.

Questionnaire Return Rate

The questionnaires were administered to headteachers and school bursars in 45 public secondary schools. A return rate of 100% for headteachers and 80% for school bursars questionnaires was realized. These return rates were considered satisfactory since a questionnaire return rate of above 50% is considered a good response, (Peil, 1995).

Analysis of Demographic Data of the Respondents

The data presented in this section of the study was obtained from the completed questionnaires from headteachers and bursars in public secondary schools in Nairobi Province.

Headteachers' demographic characteristics

Headteachers' distribution by age

The headteachers were asked to indicate their age.

Table 3: The age of headteachers in public secondary schools participating in the study in Nairobi Province

AGE GROUP (YRS)	NUMBER	PERCENT
Below 40	1	2.7
41 – 45	13	35.1
46 – 50	13	35.1
51 – 55	10	27.1
TOTAL	37	100.0

The findings on the age of the headteachers showed that the majority were between 41 to 50 years (70.2%), which contrasted with findings indicated in Table 12 which showed majority of the school bursars (58.4%) were below 40 years of age.

Headteachers' distribution by gender

The headteachers were asked to indicate their gender

Table 4: Gender of headteachers in public secondary schools participating in the study in Nairobi Province

GENDER	NUMBER	PERCENT
Male	20	50.0
Female	20	50.0
TOTAL	40	100.0

The findings on the gender of the headteachers showed that both sexes were equally represented in the study sample. There were 20 male headteachers (50.0%) and 20 female headteachers (50.0%).

Headteachers' Administrative experience

The headteachers were asked to indicate their administrative experience.

Table 5: Administrative experience of headteachers in public secondary schools participating in the study in Nairobi Province

ADMINISTRATIVE (YRS)	NUMBER	PERCENT
≤ 5	24	61.5
6 – 10	6	15.4
11 – 15	2	5.1
16 – 20	4	10.3
Over 20	3	7.7
TOTAL	39	100.0

The data on the administrative experience indicated that majority of headteachers (61.5%) had served as headteachers for a period of 5 years or less in their present schools. Only a small percentage (7.7%) had an administrative experience of more than 20 years. The data reveal that majority of the headteachers in public secondary schools in Nairobi Province do not have vast experience. This inexperience may be a possible cause of ineffectiveness in financial management.

The data also leads to a conclusion that there is a high turn over of headteachers, this could be a result of deployment to other positions or interschool transfers.

Headteachers' academic qualifications

Headteachers were asked to indicate their academic qualifications.

Table 6: Headteachers academic qualification

HIGHEST ACADEMIC QUALIFICATION	NUMBER	PERCENT
Diploma in Education	8	20.5
Bachelor of Education (Arts)	9	23.1
Bachelor of Education (Science)	13	33.3
Bachelor of Arts	3	7.7
Bachelor of Science	2	5.1
BA/Diploma in Education	1	2.6
Master Degree (Business Education)	2	5.1
Master of Education Degree	1	2.6
TOTAL	39	100.0

The data indicated that the majority of headteachers (56.4%) held Bachelor of Education degree and only 12.8% of the headteachers were untrained. This could be interpreted to mean that the appointing authority targets professionally qualified teachers to head public secondary schools. These headteachers have undergone the required training acquiring the requisite skills to help them to effectively manage schools under their charge

Headteachers' professional qualification

The headteachers were asked to indicate if they have any certificate in accounting and if they have participated in any in-service course for headteachers on financial management.

Table 7: Professional qualification of headteachers in public secondary schools participating in the study in Nairobi Province

Professional Qualification	Certificate in Accounting		In-service course on financial management	
	NUMBER	PERCENT	NUMBER	PERCENT
YES	5	12.8	30	76.9
NO	34	87.2	9	23.1
TOTAL	39	100.0	39	100.0

The data indicated that the majority of headteachers (76.9%) had attended in-service courses on financial management and only a small percentage (23.1) had not attended. The data also indicated that only a small percentage of the headteachers (12.8%) held a certificate in accounting. This could mean that the in-service courses have not been effective in transforming their recipients to effective financial managers. The data also shows that the appointing authority have entrusted the management of the school finances to people with no basic accounting certificates.

Preparation of schools' budget by the headteacher

The headteachers were asked to indicate if they are the one who prepares the schools budget.

Table 8: Schools' budget preparation by the headteachers in public secondary schools in Nairobi Province

Is budget prepared by the headteacher	NUMBER	PERCENT
Yes	38	95.0
No	2	5.0
TOTAL	40	100.0

The data indicated that the majority of the schools budgets (95.0%) were prepared by the schools' headteachers. Only a very small percentage (5.0%) of the schools budget were not prepared by the headteachers.

Type of schools

The headteachers were asked to indicate the type of their school.

Table 9: Type of public secondary schools participating in the study in Nairobi Province

SCHOOL TYPE	NUMBER	PERCENT
Boys day	10	25.0
Girls day	8	20.0
Mixed Day	8	20.0
Boys Boarding	5	12.5
Girls Boarding	7	17.5
Mixed Boarding	1	2.5
Mixed Day and Boarding	1	2.5
TOTAL	40	100.0

The data indicated that the majority of the schools (65.0%) were day schools. The findings on the gender of the students' body showed that there were 15 boys' schools (37.5%), 15 girls' schools (37.5%) and 10 mixed schools (25.0%).

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Number of students in schools

The bursars were asked to indicate the number of students in their schools.

Table 10: Size of schools in terms of students' enrolment in public secondary schools participating in the study in Nairobi Province

Number of students	Number of schools	Percent
Below 250	4	12.1
251 - 500	15	45.5
501 - 750	7	21.2
751 - 1000	4	12.1
1001 - 1250	2	6.1
1251 and above	1	3.0
TOTAL	33	100.0

The data indicated that the majority of schools (45.5%) had a student population of 251 to 500. A few schools had students' population of below 250 (12.1%) and above 1001 (9.1%). This showed that most of the public secondary schools in Nairobi Province are medium sized

Competence of schools' Board of Governors members

The headteachers were asked to rate their schools' board of governors' competency.

Table 11: Rating of schools' Board of Governors' competency in the public secondary schools participating in the study in Nairobi Province

COMPETENCY RATING	FREQUENCY	PERCENT
Highly competent	12	30.0
Competent	25	62.5
Fairly competent	2	5.0
Not competent	1	2.5
TOTAL	40	100.0

The data indicated that the majority of the schools' board of governors (62.5%) were rated as competent. Only a small percentage (2.5%) were rated as not competent. This data may mean that the majority of headteachers were not using their boards effectively in the management of finances in their schools.

Bursars' demographic characteristics

Bursars' distribution by age

Table 12: The age of bursars in public secondary schools participating in the study in Nairobi province

Age group (yrs)	Number	Percent
20 – 29	1	2.8
30 – 39	20	55.6
40 – 49	14	38.8
50 and above	1	2.8
TOTAL	36	100.0

The findings on the age of bursars showed that majority were between 30 to 39 years (55.6%) and only a small percentage (2.8%) were above 50 years. These findings indicates that (58.4%) of the

bursars are below 40 years of age contrasting with the findings indicated in table 3 which shows (97.3%) of the headteachers are above 40 years of age. This may mean they perceive things differently leading to conflicts in the handling of school finances.

Bursars' distribution by gender

Table 13: Gender of bursars in public secondary schools participating in the study in Nairobi province

GENDER	NUMBER	PERCENT
Male	22	62.9
Female	13	37.1
TOTAL	35	100.0

The findings on the gender of bursars showed that majority were males (62.9%) and only (37.1%) were females

Bursars' academic qualifications

Bursars were asked to indicate their academic qualifications.

Table 14: Academic qualification of bursars in public secondary schools, Nairobi Province participating in the study

HIGHEST ACADEMIC QUALIFICATION	NUMBER	PERCENT
O Level	25	71.4
KCE (Div II)	2	5.7
A Level	4	11.4
Diploma	3	8.6
University	1	2.9
TOTAL	35	100.0

The data indicated that the highest academic qualification for majority of bursars (71.4%) was O Level. Only a small percentage (2.9%) of bursars had reached university. Comparing this data with the findings in Table 6 which indicated that 79.5% of headteachers were degree holders or above the conclusion can be that the big gap in academic qualifications may hamper effective communication between the two virtue agents of the schools' financial management leading to inefficiency.

Bursars' Professional qualifications

Table 15: Professional qualification of bursars in public secondary schools, Nairobi Province participating in the study

PROFESSIONAL QUALIFICATION	NUMBER	PERCENT
KATC I	2	6.1
KATC II	6	18.2
CPA I	18	54.5
CPA II	2	6.1
CPA (K)	1	3.0
B. COM	1	3.0
Diploma in Accounts	2	6.1
ACNC	1	3.0
TOTAL	33	100.0

The findings on the professional qualifications of the bursars showed that majority (54.5%) were CPA I holders. Majority of the bursars have relevant training in accounting. The data in table 15 indicates this contrast, the findings in Table 7 which shows only (12.8%) of the headteachers hold a certificate in accounting. This may mean that the headteachers might not effectively supervise the accounts staff in their school leaving this role to the bursar.

Majority of the school bursars in public secondary schools in Nairobi Province are professionally qualified the data indicates as opposed to the Wangai Report (2001,30)

Bursars' working experience

Table 16: Working experience of bursars in public secondary schools participating in the study in Nairobi Province

YEARS WORKED	NUMBER	PERCENT
0 – 5	11	32.4
6 – 10	6	17.6
11 – 15	8	23.5
16 – 20	4	11.8
21 – 25	3	8.8
Over 25	2	5.9
TOTAL	34	100.0

The finding on the experience indicated that majority of the bursars (67.6%) had served as bursars for a period of not less than 5 years. Only (32.4%) of the bursars had a working experience of less than 5 years. This is quite the opposite of the findings in Table 5, which indicated that the majority of headteachers (61.5%) had served for a period of 5 years or less.

Bursars' working experience in the current school

Table 17: Working experience of bursars in the current school, in public secondary schools participating in the study in Nairobi Province

YEARS WORKED	FREQUENCY	PERCENT
0 – 5	15	44.1
6 – 10	9	26.5
11 – 15	6	17.7
16 – 20	2	5.9
21 – 25	1	2.9
Over 25	1	2.9
TOTAL	34	100.0

The finding on the experience in the current school indicated that majority of the bursars (44.1%) had served as bursars for a period of less than 5 years in the current school. Only a small percentage (5.9%) had a working experience of more than 25 years in the current school.

Data in Table 5 indicate that majority of headteachers (61.5%) had served for a period of 5 years or less as headteachers. This might mean that the main players in the financial management of the public secondary schools in Nairobi Province, namely the headteachers and the bursars are inexperienced in handling school finances, leading to the ineffective financial management currently being experienced.

Bursars' working experience under the current school headteacher

Table 18: Working experience of bursars under the current school headteacher in public secondary schools participating in the study in Nairobi Province

YEARS WORKED	NUMBER	PERCENT
0 – 2	16	45.7
3 – 5	14	40.0
6 – 8	2	5.7
9 – 11	2	5.7
Over 11	1	2.9
TOTAL	35	100.0

The finding on the experience of bursars indicated that majority (85.7%) had served as bursars for a period of less than 5 years under the current school headteacher. Only a small percentage (2.9%) had a working experience of more than 11 years under the current headteacher. These results may mean that blending of financial management styles between the headteachers and the bursars in their respective schools might not have taken place leading to inefficiency and ineffectiveness in this area.

It might also mean a turn over of the headteachers in the province as a result of deployment or transfers this collaborates very well with the findings of Njoroge (2003,54), which indicated that 67.74% of principals had served in their schools for five years or less, over the same study period.

Significance attached to tasks/policies/activities listed in relation to school administration and management by the headteachers

The headteachers were asked to indicate significance attached to tasks/policy/activities that were given in relation to financial management.

Table 19: Significance of tasks/policies/activities listed as perceived in relation to school administration and management by the headteachers in public secondary schools participating in the study in Nairobi Province

Task/Policy/Activity	Most Important	Important	Fairly Important	Least Important	Not Important
School Budgeting and forward planning	85.0%	7.5%	-	2.5%	-
Regular meeting with the School Board of Governors	37.5%	45.0%	15.0%	-	-
Receipting and banking daily collections	77.5%	12.5%	2.5%	2.5%	-
Checking class registers and services	50.0%	27.5%	15.0%	2.5%	2.5%
Holding regular staff meeting	52.5%	35.0%	10.0%	-	-
Writing of accounts books	75.0%	12.5%	2.5%	2.5%	2.5%
Teaching as a head	40.0%	25.0%	17.5%	5.0%	7.5%
Paying out all monies and dues owing on time	42.5%	40.0%	15.0%	-	-
Attending in-service courses	75.0%	15.0%	7.5%	-	-
Regular audit inspections and cash surveys	57.5%	25.0%	10.0%	-	-
Annual speech and prize giving day	47.5%	35.0%	10.0%	2.5%	5.0%
Regular consultations on school finances with stakeholders	47.5%	37.5%	7.5%	2.5%	-
Strict adherence to MOEST policies	42.5%	37.5%	15.0%	2.5%	-
Supervisions of accounts staff including bursar	37.5%	35.0%	17.5%	2.5%	-
Co-curricular activities(Games, Sports, Cub and Societies)	37.5%	42.5%	10.0%	5.0%	2.5%

Use of accounting instructions manual	57.5%	35.0%	-	5.0%	-
Sending monthly trial balance duly completed	55.0%	25.0%	7.5%	10.0%	-
Writing newsletters to parents on termly basis	55.0%	27.5%	7.5%	-	7.5%
Daily checking and signing of cash book	42.5%	40.0%	15.0%	-	-
Participating in heads conferences and seminars	35.0%	45.0%	15.0%	2.5%	-
Following fees guidelines issued by MOEST	37.5%	30.0%	17.5%	7.5%	5.0%
Provision of adequate teaching and learning materials	77.5%	12.5%	2.5%	5.0%	-
Collection of all money due to the school	77.5%	17.5%	2.5%	-	-

Admittedly the tasks related to the management of school finances were related highly in their significance as Table 19 indicates. Budgeting and forward planning (85.0%) receipting and banking daily collections (77.5%) collection of all money due to school (77.5%) and writing of account books (75.5%) were perceived as most important by headteachers. The question is, why the ineffectiveness in financial management an area of school management perceived as most important by headteachers? Attending in-service courses (75.0%) regular audit inspection and cash surveys (57.5%) use of accounting instruction manual (57.5%) and sending monthly trial balances (55.0%)

Tasks/policies directly related to effective financial management were also listed as most important by the majority of headteachers curiously though only a minority (37.5%) of headteachers indicated use of fees guidelines issued by MOEST and supervision of accounts staff including the school bursars as most important. The latter may be what may need to be listed as most important by all headteachers and practical for effectiveness and efficiency in management of finances in public school. The (2.5%) and the (5.0%) of headteachers who have listed the task

of writing account books and the policy of following the fees guidelines issued by MOEST as not important are significant indicators of what ails financial management in our public secondary schools in Nairobi Province.

The (10.0%), the (2.5%) and the (5.0%) of headteachers who perceive sending monthly trial balances, receipting and banking daily collections and use of accounting instruction manual as least important are incapacitated in supervising accounts staff in their respective schools as chief accounting officers in these institutions, this is another key indicator of why the deteriorating state of affairs in the management of school finances. Budgeting and forward planning and regular consultations on school finances with other stakeholders' kingpins of good financial management are taken by a significant number of headteachers (2.5%) as least important.

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Causes of poor financial management

The headteachers were asked to rate the listed causes of poor financial management in public secondary schools

Table 20: Rating of the causes of poor financial management by the headteachers in public secondary schools participating in the study in Nairobi province

Causes	Major cause	Moderate cause	Minor Cause	Insignificant cause	Not a cause
Insufficient understanding of accounting procedures	67.5%	22.5%	5.0%	-	-
Lack of involvement by all stake holders	30.0%	50.0%	15.0%	205%	-
Fees and policy guidelines from MOEST	17.5%	42.5%	22.5%	2.5%	10.0%
Frequent changes in headship	20.0%	37.5%	22.5%	7.5%	10.0%
Low caliber school boards	25.0%	30.0%	27.5%	10.0%	2.5%
Inadequate training on financial management	75.0%	17.5%	5.0%	-	-
Incompetent school bursars	67.5%	25.0%	5.0%	-	2.5%
Interference by politicians	20.0%	17.5%	20.0%	30.0%	7.5%
Powerless PTA's	10.0%	20.0%	35.0%	27.5%	7.5%
Poor remuneration of headteachers	30.0%	17.5%	20.0%	17.5%	10.0
Inadequate advice by provincial auditor	37.5%	12.5%	35.0%	10.0%	2.5%
Long serving accounts staff	17.5%	27.5%	17.5%	20.0%	10.0%
Poverty and poor economy	30.0%	20.0%	10.0%	22.5%	12.5%
No training in project management	35.0%	27.5%	25.0%	5.0%	2.5%
Lack of grants from the Ministry of Education	35.0%	17.5%	17.5%	10.0%	17.5%
Out dated accounting instruction manual	22.5%	17.5%	30.0%	17.5%	10.0%

The finding on the causes of poor financial management indicated that majority (75.0%) of headteachers perceived inadequate training on financial management. Insufficient understanding of accounting procedures and incompetent bursars(67.5%) respectively as the leading major caused of poor financial management in public secondary schools in Nairobi Province.

Significantly still almost all the headteachers (100%) perceived the three areas as causes. The data also indicates that five other areas were perceived as major causes by a majority of headteachers. These areas include inadequate advice by provincial auditors (37.5%), no training in project management (35.0%), lack of MOEST grants (35.0%), poor remuneration (30.0%) and poverty and economy (30.0%). This information indicated that two broad categories of major causes of poor financial management in public secondary schools studied are evident, namely, internal and external causes. Interestingly though, a sizeable percentage of headteachers included in the study listed long serving accounts staff (30%), powerless PTAs (35%) and interference by politicians (37.5%) as insignificant or no causes at all. The East African Standard, Tuesday, September 12, (2000,1) supports the view that “ the PTAs have these days become a law unto themselves, if we find that they authorized the expenditure there is little MOEST can do” this corroborates with the findings of this study. PTAs are powerful. Although the Daily Nation, Monday, July30, (2001,11) insinuates, a political interference as an issue affecting management of public schools in its statement:

“...fast creeping in is political interference in the education management. There are some headteachers who are untouchable because they have powerful politicians godfathers.” Majority (70.0%) of headteachers included in the study, perceived it as a minor insignificant or no cause at all of poor financial management in public secondary school in Nairobi Province. Further , Wangai (Report Republic of Kenya, 2001:49,57) says there was unnecessary political interference in the appointment of BOG members resulting into incompetent and incapacitated school managers . Table 11 results indicate that majority of BOG members (92.5%) were rated as competent or highly competent by the headteachers.

Frequency of performing the listed tasks of financial management by school bursars

The bursars were asked to indicate the regularity in which they perform the listed tasks of financial management in public secondary schools

Table 21: Frequency of performing listed tasks of financial management by the bursars in public secondary schools participating in the study in Nairobi Province

Task/Activity	Always	Sometimes	Never
Preparation of school budget	80.6%	16.7%	2.8%
Signing and issuing fees demand and clearance notes	61.2%	25.0%	11.1%
Issuing receipt for money paid-in	75.0%	19.4%	5.6%
Keeping custody of unused receipt books	41.7%	5.6%	52.8%
Going for annual leave regularly	52.8%	41.7%	2.8%
Authorizing imprests to staff	11.2%	22.2%	66.7%
Signing cheques	11.1%	2.8%	86.1%
Daily banking of money received	72.2%	25.0%	2.8%
Authorizing BOG employee leaves and days off	41.7%	19.4%	36.1%
Internal auditing of accounts books	55.6%	22.2%	19.4%
Keeping custody of cheque books	72.2%	2.8%	22.2%
Signing contracts on behalf of the school board	2.8%	5.6%	88.9%
Using accounts instructions manual from MOEST	75.0%	11.1%	11.1%
Remitting monthly trial balances on due dates	77.8%	22.2%	0.0%
Signing local purchase and service orders	22.2%	16.7%	61.1%
Awarding contracts and tenders	5.6%	16.7%	77.8%
Authorizing leave allowance for non teaching staff	22.2%	22.2%	55.6%
Being a signatory to all school accounts	13.9%	2.8%	83.3%
Attending school board meetings	2.8%	38.9%	58.3%
Preparing fees schedules for adoption by the board	83.3%	8.3%	8.3%
Disposes-of school property	2.8%	16.7%	80.6%
Gives loans to board employees	2.8%	16.7%	80.6%
Preparation of payroll every month	100.0%	0.0%	0.0%

Purchasing of items required by the school	27.8%	41.7%	30.6%
Signs work ticket	27.8%	33.3%	38.9%

The result indicated in Table 21 reveals that issuing of receipts for money paid in (75.0%), daily banking of money received (72.2%) remitting monthly trial balances on due dates (77.8%), tasks whose performance compliance must be 100% according to the Accounting Instructions Manual (1991) are not compliant. This may lead to overall poor financial management. Interestingly, preparation of payroll a (100.0%) compliance. Authority imprests, signing contracts and keeping custody of unused receipt books are responsibilities of the headteacher and not the bursar so is authority leave allowance to non teaching staff. The data indicates non-compliance by the bursars by not following MOEST policy guidelines. Signing contracts, awarding contracts and tenders and disposing of school property are tasks, which fall under the school Tender committee as per MOEST guidelines and Legal Notice No 51. The data also indicates the only 52.8% go for annual leave an indicator that maybe the accounts departments in many schools are understaffed, have unqualified personnel or bursars have a lot to hide in their financial operations thus sticking to there position continually. The result also indicates that almost 20.0% of bursars always or sometimes give loans to BOG employees a responsibility which is not theirs to perform. About 70.0% of the bursars in the study indicated that they always or sometimes purchase items required by the school yet they are the officers charged with the responsibility of writing all account of writing all account books and processing accounts documents, hence compromising accountability. Different personnel should do the purchasing and also receipting. This may enhance internal audit inspection, checks and balances.

Testing of the hypotheses

The analysis of relationship between the independent variables and the dependent variable is done in this section. The data presented in this section are the results of analyzing the possible characteristics that influence effective financial management in public secondary schools in Nairobi province. In analyzing the relationship between variables, t-test and analysis of variance (ANOVA) were used. All hypotheses were considered significant or non-significant at 0.05 confidence level. The hypotheses were restated in each case and the results of the tests presented in tabular form.

Age of Headteachers'

The hypothesis formulated for this characteristic was:

H₀1: There is no significant relationship between the age of the headteacher and effective financial management by the headteacher.

Table 22: t-tests for age of Headteachers'

Variable	Number	Mean	S.D	S.E	t	df
AGE.C 0	18	1.0000	0.000	0.000	-1.00	34
AGE.C 1	18	1.0556	0.236	0.056	-1.00	17

t - Critical Value = 2.021

Level of significance $\alpha = 0.05$

The t- value obtained in Table 22 was -1.00 , which was less than the critical value of 2.021, thus there was no significance relationship between the age of the headteachers and effective financial management by the headteacher. The null hypothesis was therefore not rejected.

Gender of Headteachers

The hypothesis formulated for this characteristic was:

H₀2: There is no significant relationship between the gender of the headteacher and effective financial management by the headteacher.

Table 23: t-tests for Headteachers' gender

Variable	Number	Mean	S.D	S.E	t	df
Male	19	23.5263	5.348	1.227	-2.00	37
Female	20	26.9500	5.346	1.195	-2.00	37

t - Critical Value = 2.021

Level of significance $\alpha = 0.05$

The t- value obtained in table above was -2.00 , which was less than the critical value of 2.021, thus there was no significance relationship between the gender of the headteachers and effective financial management by the headteacher. The null hypothesis was therefore not rejected.

Academic qualification of Headteachers

The hypothesis formulated for this characteristic was:

H₀₃: There is no significant relationship between the academic qualification of the headteacher and effective financial management by the headteacher.

Table 24: Analysis of variance for headteachers' qualification and effective financial management by the headteacher.

Source of variance	Df	Sum of Square	Mean Squares	F Ratio	F Prob.
Between Groups	7	338.3048	48.3293	1.6762	0.1529
Within Groups	30	864.9583	28.8319		
TOTAL	37	1203.2632			

F – Critical Value = 2.26

Level of significance $\alpha = 0.05$

Since the obtained F-ratio of 1.676 was less than the critical value of 2.26, then there was no significant relationship between the headteachers academic qualification and effective financial management by the headteacher. The null hypothesis was therefore not rejected in the selected characteristic.

Headteachers' training in financial management

The hypothesis formulated for this characteristic was:

H₀₄: There is no significant relationship between training in financial management of the headteacher and effective financial management by the headteacher.

Table 25: Analysis of variance for headteachers' training in financial management and effective financial management by the headteacher.

Source of variance	Df	Sum of Square	Mean Squares	F Ratio	F Prob.
Between Groups	3	139.1923	46.3974	1.4974	0.2322
Within Groups	35	1084.5000	30.9857		
TOTAL	38	1223.6923			

F – Critical Value = 2.85

Level of significance $\alpha = 0.05$

Since the obtained F-ratio of 1.497 was less than the critical value of 2.85, then there was no significant relationship between the headteachers training in effective financial management and effective financial management by the headteacher. The null hypothesis was therefore not rejected in the selected characteristic, which is inconsistent with accepted facts that skills training for lack of it affects performance.

Type of school

The hypothesis formulated for this characteristic was:

H₀₅: There is no significant relationship between the type of the school and effective financial management by the headteacher.

Table 26: Analysis of variance for type of school and effective financial management by the headteacher.

Source of variance	Df	Sum of Square	Mean Squares	F Ratio	F Prob.
Between Groups	6	124.9316	20.8219	0.6064	0.7232
Within Groups	32	1098.7607	34.3363		
TOTAL	38	1223.6923			

F – Critical Value = 2.35

Level of significance $\alpha = 0.05$

Since the obtained F-ratio of 0.606 was less than the critical value of 2.35, then there was no significant relationship between the type of school and effective financial management by the headteacher. The null hypothesis was therefore not rejected in the selected characteristic.

Competence of the school board

The hypothesis formulated for this characteristic was:

H₀₆: There is no significant relationship between the competence of the school board and effective financial management by the headteacher.

Table 27: Analysis of variance for the competence of the school board of governors' members and effective financial management by the headteacher.

Source of variance	Df	Sum of Square	Mean Squares	F Ratio	F Prob.
Between Groups	3	111.1474	37.0491	1.2225	0.3161
Within Groups	35	1060.7500	30.3071		
TOTAL	38	1171.8974			

F – Critical Value = 2.85

Level of significance $\alpha = 0.05$

Since the obtained F-ratio of 1.22 was less than the critical value of 2.85, then there was no significant relationship between the competence of the school board and effective financial management by the headteacher. The null hypothesis was therefore not rejected in the selected characteristic.

Preparation of the school budget by the headteacher

The hypothesis formulated for this characteristic was:

H_07 : There is no significant relationship between preparation of the school budget by the headteacher and effective financial management by the headteacher.

Table 28: t-tests for budget preparation by the headteachers

Variable	Number	Mean	S.D	S.E	t	df
Yes	38	44.6316	5.721	0.928	0.63	37
No	1	41.0000				

t - Critical Value = 2.021

Level of significance $\alpha = 0.05$

The t- value obtained in Table 28 was 0.63 was less than the critical value of 2.021, then there was no significance relationship between the school budget being prepared by the headteacher and effective financial management by the headteacher. The null hypothesis was therefore not rejected.

Effect of the school bursars characteristics on effective financial management by the headteachers

The hypotheses formulated for these characteristic were

H₀8: There is no significant relationship between the school bursar's age and effective financial management by the headteachers.

H₀9: There is no significant relationship between the school bursar's academic qualifications and effective financial management by the headteachers.

H₀10: There is no significant relationship between the school size and effective financial management by the headteachers.

Table 29: Correlation Coefficients of bursar's characteristics

	SUM_EFM2	Year of birth	Academic Qualification	No. Of Students
SUM_EFM2	1.0000 P=.	0.0170 P=0.926	0.1628 P=0.381	-0.562 P=0.772
Year of birth	0.0170 P=0.926	1.0000 P=.	0.1242 P=0.498	-0.0429 P=0.822
Academic Qualification	0.1628 P=0.381	0.1242 P=0.498	1.0000 P=.	0.1753 p=0.363
No. Of Students	-0.562 P=0.772	-0.0429 P=0.822	0.1753 P=0.363	1.0000 P=.

P the correlation coefficient is used to determine the extent of relationship between the variables.

The numerical size of the coefficient indicates the strength and the sign indicates the direction of the relationship. Unless p is 1, the coefficient of correlation does not directly indicate the

association between the variables. However, the square of P does indicate the degree of association. The value of P in all the three hypothesis tested on bursars characteristics, and school size 0.926 for H_{08} , 0.381 for H_{09} and 0.772 for H_{010} is less 1, indicating that there is no significant relations of the school bursars, school size and effective financial management by headteachers.

Summary of the data analysis and interpretation

This chapter presented analysed and interpreted data on effective financial management by headteachers in public secondary schools in Nairobi Province as primary respondents and school bursars as secondary respondents. the analysis of the data was reported and displayed in the following sections: questionnaire return rate, analysis of the demographic data of the respondents, significance attached to tasks, policies and activities related to school administrations and management , causes of poor financial management, frequency of performing listed tasks of financial management by school bursars and testing of null hypotheses H_{01} , to H_{010} . Tabular results including frequencies, means, analysis of variance and percentages were presented including brief explanations. The null hypotheses H_{01} , H_{02} , and H_{07} were tested using two-tailed t-test while the null hypotheses H_{03} , H_{04} , H_{05} and H_{06} were tested using one-way ANOVA. The null hypothesis H_{08} , H_{09} and H_{010} were tested using correlation coefficient. These tests were done at 0.05, level of confidence and hypotheses were accepted or rejected at this level of confidence.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This finding summarizes the findings of the study extracts and presents conclusions and recommendations on effective financial management in public Secondary Schools in Nairobi Province suggestions for further research are also induced in this chapter.

Summary

The objectives of this study were to find out whether there is any significant differences or relationship between selected characteristic of headteachers such as age, gender, administrative experience and professional qualifications and effective financial management in public secondary schools in Nairobi Province, other factors such as headteachers' training financial management, type and size of the school ,competence of the BOG and preparation of the school budget by the headteacher were also considered in respect to their relationship to effective financial management.

Two questionnaires were developed and constructed to serve as data collection instruction instruments. One questionnaire was administered to the headteachers as primary respondents and the two questionnaires were designed and tested for their validity and reliability in editing the required data. Using the split -half method to determine the reliability of the primary respondent

questionnaires it was found to be 0.88 an acceptable reliability level. This was done after pilot study involving five randomly sample schools in the target population. Questionnaires return rate of 100% for the headteachers and 80% for the school bursars was realized. To find out whether there is a significant relationship or difference between selected factors or characteristics of the headteachers and effective financial management , ten null hypotheses were tested H_{01} , H_{02} , and H_{07} were tested using a two -tailed t-test while null hypotheses H_{03} H_{04} , H_{05} ,and H_{06} were tested using one-way analysis of variance(ANOVA) and H_{08} , H_{09} , and H_{010} , tested using correlation coefficient. The statistical analysis of the data collected was done using a computer programme, the SPSS. The level of confidence used to test the hypotheses was 0.05, using two-tailed t-test one-way analysis of variance and correlation coefficient appropriately.

Findings

After statistical analysis of the data extracted from the questionnaires relating to factors and selected headteachers demographic information perceived to affect effective financial management no significant relationship was found between effective financial management and selected headteachers characteristics and other few school management factors.

Secondly the results on significant attached to tasks/policies/ activities listed in relation to school administration and management indicated that headteachers attached the most importance to areas related to financial management which included budgeting, collection of school fees, receipting and banking daily, and writing of account books.

Thirdly the results from the study indicated the following as major causes of poor financial management; insufficient understanding of accounting procedures and incompetent bursars.

The results also indicated that majority of the school bursars were carrying out responsibilities, tasks or activities which are to be executed by other players in the school management including the school boards, tender committees or the headteacher as the accounting officers in the school. The same bursars were leaving out tasks, which they ought to be doing.

Conclusions

From the data collected and analyzed for this study on the causes of poor financial management in public secondary schools in Nairobi Province, it can be concluded that although there was regular in- service training in financial management for the headteachers, it was inadequate, inappropriate and ineffective. Another conclusion from the collected data was that headteachers do not have requisite and adequate basic accounting skills to supervise the account staff or make informed sound financial decisions on their feet without reverting back to the school bursars for advice, the persons they are supposed to supervise.

Although the data results indicated the school bursars as highly skilled in accounting, the school boards as competent and the headteachers experienced in school administration and management, there was no evidence of teamwork's and consultation in financial management in the public schools involved in this study. A possible explanation could be that there was a significant communication gap between the three key players in the schools; financial management owing to their diverse academic levels and interests.

Another conclusion deduced from the collected data was that despite the existence of guidelines and policies governing financial operations in public secondary schools they were not being followed.

Based on the findings it can also be concluded that most of the headteachers knew the causes of poor financial management in their schools and the possible solutions, but they were doing nothing about it.

Recommendations

On the basis of the findings of this study and in the light of conclusions drawn thereof the following recommendations were made which if implemented may result to improvement in the way finances are managed in public secondary schools leading possibly to efficiency and effectiveness.

- ❖ Employing adequate and skilled accounting personnel with requisite academic qualifications, who should also be regularly in-serviced with relevant contemporary skills.
- ❖ Computerizing accounts departments in schools and using ICTs in financial management of schools wherever feasible.
- ❖ Appointment of competent school boards and delinking politics from such appointments.
- ❖ Having regular transparent audit inspections and cash surveys.
- ❖ Empowering and involving PTA in financial management, and
- ❖ Following the set guidelines and policies in management of school finances, including proper budgeting and writing of accounts books.

The findings indicated that the following were major impediments to effective financial management; poor cash flow, lack of strict supervision of accounts personnel, dishonest and cunning bursars, irregularities in auditing, non or late payment of fees, interference by MOEST by setting unrealistic fees guidelines, poverty, inadequate allocation of funds in crucial voteheads, non computerized accounts departments and improper interference by BOGs and PTAs in financial management. To overcome the above impediments the following additional remedies were recommended

- ❖ Working as per the budget
- ❖ Buying in wholesale and applying the set school tendering procedures
- ❖ MOEST to give financial support to schools
- ❖ Schools to charge fees according to their needs and be accountable
- ❖ Good remuneration of accounts staff in public schools
- ❖ Fees to be paid and on time through banks or by use of cheques and
- ❖ Appointing as headteachers, transparent and accountable people. Apart from collecting school fees, the following were recommended as other sources the headteachers can use to improve on the finances in the school
- ❖ Renting out school facilities
- ❖ Hiring out school facilities
- ❖ MOEST grants
- ❖ Fundraising through communal efforts
- ❖ Walk, concerts and jambo sales and raffles
- ❖ Farming and production units
- ❖ Appeals to donors and sponsors for specific projects
- ❖ Bursary awards.
- ❖ Establishment of endowment funds and
- ❖ Bill boards

Suggestions for further research

1. There is need to replicate this study in all public secondary schools in the other seven provinces in order to validate and ascertain the reliability of its findings.
2. A study should be conducted to find out how cost sharing and fees guideline policies are affecting the management of finances in public Secondary Schools.

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APPENDICES**Appendix A****LETTER TO THE PRIMARY RESPONDENT (HEADTEACHER)**

**UNIVERSITY OF NAIROBI,
DEPARTMENT OF EDUCATIONAL,
ADMINISTRATION & PLANNING,
P.O BOX 92,
KIKUYU.**

Dear Respondent,

You have been selected to take part in a study whose aim is to find out the causes of ineffective financial management in public secondary schools in Nairobi Province. This involves your response to all items in the questionnaire attached with utmost honesty and to the best of your knowledge.

The results from the study will assist in explicitly divulging the possible causes of ineffective financial management in public secondary schools and suggest possible remedies.

Confidentiality will be exercised in the whole process and the information you will provide, will be used for research purpose only. Your name and that of your school need not be indicated anywhere in the questionnaire.

Kindly, accept my gratitude for your anticipated participation in the study, eagerness to assist and zeal in the exercise.

Yours faithfully,

ERIC KIBINU

Master of Education student,

University of Nairobi.

Appendix B

LETTER TO THE SECONDARY RESPONDENT (BURSAR)

**UNIVERSITY OF NAIROBI,
DEPARTMENT OF EDUCATIONAL,
ADMINISTRATION AND PLANNING,
P.O. BOX 92,
KIKUYU.**

Dear Respondent,

You have been selected to take part in this study whose aim is to find out causes of ineffective financial management in public secondary schools in Nairobi Province. This involves your response to all items in the questionnaire attached with utmost honesty and to the best of your knowledge.

The results from the study will assist in explicitly divulging the possible causes of in effective financial management in public secondary schools and suggest possible remedies.

Confidentiality will be exercised in the whole process and the information you will provide will be used for research purposes only. Your name and that of the school need not be indicated anywhere in the questionnaire.

Thank you for your cooperation.

Yours faithfully,

ERIC KIBINU

Master of Education student,

University of Nairobi.

Appendix C

QUESTIONNAIRE FOR HEADTEACHERS

(a) **Instructions:** Please read carefully before you respond.

- i. The questionnaire is designed for use in the study over causes of ineffective financial management in public secondary schools in Nairobi Province. It is designed to collect information about yourself, your academic and professional background and the way you play the role of the school financial manager.
- ii. The research results will be useful in planning and implementing an effective curriculum for use in pre-service training of teachers in financial management and in-service training courses for headteachers on financial management in secondary schools.

(b) **The instrument:**

The instrument consists of a questionnaire with three different response formats.

Kindly respond to all items. No time limit is given.

- i. For questions where choices are given, please tick (✓) appropriately, the alternative you have chosen.
- ii. For statements on tasks, a scale of 4 to 0 is given. You are to show the importance or significance you attach to each task by ticking (✓) appropriately. 4 indicates most important while 0 indicates not important. Similarly, for the regularity with which you perform the task, respond by ticking (✓) appropriately.
- iii. For questions that require your opinion or answer, please use the space provided.
- iv. For all questions requiring ranking or scoring a scale is given and the scoring is explained. Read the instructions carefully before responding by away of ticking (✓) appropriately.

PART 1

1. Indicate by a tick (✓) the category of your school

- (a) District ()
- (b) Provincial ()
- (c) National ()

2. Indicate by a tick(✓) the type of your school

- (a) Girls Boarding ()
- (b) Boys Boarding ()
- (c) Girls Day ()
- (d) Boys Day ()
- (e) Mixed Day ()
- (f) Mixed Boarding ()
- (g) Mixed Day /Boarding ()

3. What is the number of the streams in each form?

Form	Number of streams
1	-----
2	-----
3	-----
4	-----

4. Indicate your highest academic qualification from the ones listed below, by a tick (✓)

- (a) Diploma in Education ()
- (b) Bachelor of Education (Arts) ()
- (c) Bachelor of Education (Science) ()
- (d) Bachelor of Arts and Education ()
- (e) Bachelor of Arts and Post Graduate Diploma in Education ()
- (f) Bachelor of Science and Post Graduate Diploma in Education ()
- (g) Masters degree ()

Specify the area _____

- (h) PhD degree ()

Specify the area _____

- (i) Others specify _____ ()

5. Indicate your gender by ticking (✓) appropriately

- (a) Male ()

- (b) Female ()

6. How many years have you served as a Headteacher? _____ years

7. How many years had you served before your appointment as a Headteacher?
_____ Years

8. When were you born? 19 _____

9. Do you hold any certificate in accounting?

- (a) YES ()

- (b) NO ()

If YES, specify _____

10. Have you ever participated in any in-service course for headteachers on financial management?

(a) YES

()

(B) NO

()

If YES what was the duration of the course? _____ Days

11. Indicate by ticking (✓) appropriately to what extent the following topics were covered during the various in-service courses you have attended as a Headteacher. 4 indicates thoroughly covered, 3 indicates adequately covered, 2 indicates covered, 1 indicates sketchily covered, and 0 indicates not covered.

ITEM	TOPIC	4	3	2	1	0
a	Sources of school finances					
b	School budgeting					
c	Mobilizing financial resources					
d	Bookkeeping: writing of books of accounts					
e	Expending and a accounting for school funds					
f	Auditing school accounts books					
g	Computerized accounting system					
h	Project financing and management					
I	Public procurement procedures					
j	Project evaluation					

12. From the list of courses on management in education, indicate by way of ticking (✓) appropriately, the ones you have attended (AT), the coverage; A being adequate (NA) being not adequate, indicate duration (D) and who the trainers were amongst the following: TSC, MOEST, KSSHA, KESI, NSSHA MOFP, OP and OTHERS.

ITEM	COURSES	AT	A	NA	D	TRAINER
a	Human Resource Management					
b	Legal Provision in education					
c	Financing Education					

d	School Governance					
e	Public health and safety in schools					
f	Public procurement of goods and services					
g	Use of computers in financial Management					
h	Project management					
i	Sources of school funds					
j	School community relations					
k	Budgeting					
l	Writing of books of accounts					
m	Curriculum and instructions					
n	Auditing and financial controls					
o	Management of schools finances					

13. Do you prepare a school budget? Tick (✓) appropriately

(a) YES ()

(b) NO ()

If YES whom do you involve amongst the following? Tick (✓) appropriately.

(a) School Bursar ()

(b) MOEST ()

(c) PTA ()

(d) BOG ()

(e) Students ()

(f) Heads of Department ()

(g) Teaching Staff ()

(h) Others (Specify)

14. Apart from school fees, which other sources of finances do you have?

(a) _____

(b) _____

(c) _____

15. Do you follow the fees guidelines given by the Ministry of Education?

(a) YES ()

(b) NO ()

List in order of priority three vote heads where you feel your school needs additional funds

(a) _____

(b) _____

(c) _____

16. In your management of school finances, rate the following on a scale of 3 to 0 in terms of helpfulness where 3 indicates most helpful, 2 indicates helpful, 1 indicates least helpful and 0 indicates not helpful.

(a) Provincial Director of Education _____

(b) Board of Governors _____

(c) Parents Teachers Association _____

(d) School Bursar _____

(e) Heads of Department _____

(f) Heads Association _____

(g) Provincial Auditor _____

17. Please indicate the number of your board members who fall under each category of level of education shown below.

(a) Below Form 4 _____

- (b) Form 4 _____
- (c) Form 6 _____
- (d) Graduate _____
- (e) Post Graduate _____

18. How do you rate your board in terms of financial management skills? Tick (✓) appropriately

- (a) Highly competent ()
- (b) Competent ()
- (c) Fairly competent ()
- (d) Not competent ()

19. What do you see as the major impediments to effectiveness in the management of school finances?

- (a) _____
- (b) _____
- (c) _____

20. What remedies do you suggest should be put in place to minimize or remove ineffectiveness in the management of school finances?

- (a) _____
- (b) _____
- (c) _____

PART 2

By the way of ticking (✓) in the appropriate box show the importance or significance you attach to each task or policy or activity listed. 4 indicates most important, 3 indicates important, 2 indicates fairly important, 1 indicates least important, and 0 indicates not important.

NO	TASK /POLICY /ACTIVITY	4	3	2	1	0
1	School Budgeting and forward planning					
2	Regular meetings with the school governors					
3	Receipting and banking daily collections					
4	Checking class registers daily					
5	Tendering of goods and services					
6	Holding of regular staff meeting					
7	Writing of accounts books					
8	Teaching as a head					
9	Paying out all monies and dues owing on time					
10	Attending in-service courses					
11	Regular audit inspections and cash surveys					
12	Annual speech and prize giving day					
13	Regular consultations on school finances with stakeholders					
14	Strict adherence to MOEST policies					
15	Supervisions of accounts staff including bursar					
16	Co-curricular activities (Games, Sports, Clubs and Societies)					
17	Use of accounting instructions manual					
18	Flag raising parades and school assemblies					
19	Sending monthly trial balance duly completed					
20	Writing newsletters to parents on termly basis					
21	Daily checking and signing of cash book					
22	Participating in heads conferences and seminars					
23	Following fees guidelines issued by MOEST					
24	Provision of adequate teaching and learning materials					
25	Collection of all monies due to the school					

PART 3

Listed below are some of the causes of poor financial management in public secondary schools. On a scale of 4 to 0, where 4 indicates major cause, 3 indicates moderate cause, 2 indicates minor cause, 1 indicates insignificant cause, and 0 indicates not a cause, rank the given causes in your own opinion by a way of ticking (✓) appropriately.

NO	CAUSES	4	3	2	1	0
1	Insufficient understanding of accounting procedures					
2	Lack of involvement by all stake holders					
3	Fees and policy guidelines from MOEST					
4	Frequent changes in headship					
5	Low caliber school boards					
6	Inadequate training on financial management					
7	Incompetent school bursars					
8	Interference by politicians					
9	Powerless PTA's					
10	Poor remuneration of headteachers					
11	Inadequate advice by provincial auditor					
12	Long serving accounts staff					
13	Poverty and poor economy					
14	No training in project management					
15	Lack of grants from the Ministry of education					
16	Out dated accounting instruction manual					

Pick any two causes in order of priority, you have ranked as major and suggest in your own opinion what would be the best strategies to eliminate the causes. Write the Cause Number(CN) followed by the strategy you would use in the space provided.

CAUSE NO	STRATEGY

Suggest 4 ways in order of priority in which to improve financial management and control in public secondary schools.

1. -----

2. -----

3. -----

4. -----

Thank you for your honest response.

Appendix D

QUESTIONNAIRE FOR THE SCHOOL BURSARS

(a) **Instructions:** Please read carefully before you respond.

The questionnaire is designed for use in the study of causes of ineffective financial management in public secondary schools in Nairobi Province. It is designed to collect information about yourself, your academic and professional background and your involvement in the management of finances in the school.

(b) **The instrument:**

The instrument consists of a questionnaire with three different parts with varying formats.

Kindly respond to all items. No time limit is given.

- i. For questions where choices are given, please tick (✓) appropriately the alternative you have chosen.
- ii. For statements on tasks, you are to show the regularity with which you perform each task by ticking (✓) appropriately. A indicates always, S indicates sometimes, N indicates never.
- iii. For questions that require your opinion or answer, please use the space provided (.....).

PART 1

1. When were you born? Year 19 _____
2. What is your gender ? Male ()
- Female ()
3. What is your highest academic level? _____
4. What is the highest level of professional training you have attained? Indicate by way of a tick

(√) your response

- a. KATC I ()
- b. KATC II ()
- c. CPA I ()
- d. CPA II ()
- e. CPA III ()
- f. B.COM ()
- g. BA ()
- h. BSc ()
- i. Others ()

Specify _____

5. How many years have you been a school bursar? _____ years.
6. How many years have you served as a bursar in your current school _____ years.
7. How many years have you served as a bursar under your current Headteacher? _____ years.
8. What is the total number of streams in the school? _____ streams.
9. Indicate by a way of a tick
- (h) Girls Boarding ()
- (i) Boys Boarding ()
- (j) Girls Day ()
- (k) Boys Day ()

- (l) Mixed Day
- (m) Mixed Boarding
- (n) Mixed Day /Boarding

10. What is the number of students currently enrolled in the school as per your fees registers?
 _____ students.

11. Have you participated in any course organized by MOEST or KESI for school bursars since your employment or appointment as a school bursar?

- (a) YES
- (b) NO

If yes what is the date of the last one you attended? _____ years.

12. Do you have adequate and skilled staff in the Accounts Department?

- (a) YES
- (b) NO

If not how many additional accounts staff do you require? _____.

13. How much petty cash averagely do you operate on daily? _____ K.sh.

14. How much petty cash can sufficiently meet your daily requirements? _____ K.sh.

15. Have you done any Computer courses?

- (a) YES
- (b) NO

16. Do you use computers in your account department for financial management?

- (a) YES
- (b) NO

If no do you feel you need to computerize operations in the schools Account Department?

- (a) YES
- (b) NO

PART 2

By the way of ticking (√) in the appropriate box, show the regularity in which you perform the listed tasks. The responses are always (A), sometimes (S) and never (N).

NO	TASK /ACTIVITY	A	S	N
1	Preparation of school budget			
2	Signing and issuing fees demand and clearance notes			
3	Issuing receipt for monies paid-in			
4	Keeping custody of unused receipt books			
5	Going for annual leave regularly			
6	Authorizing imprests to staff			
7	Signing cheques			
8	Daily banking of monies received			
9	Authorizing BOG employee leaves and days off			
10	Internal auditing of accounts books			
11	Keeping custody of cheque books			
12	Signing contracts on behalf of the school board			
13	Using accounts instructions manual from MOEST			
14	Remitting monthly trial balances on due dates.			
15	Signing local purchase and service orders			
16	Awarding contracts and tenders			
17	Authorizing leave allowance for non teaching staff			
18	Being a signatory to all school accounts			
19	Attending school board meetings			
20	Preparing fees schedules for adoption by the board			
21	Disposes-of school property			
22	Gives loans to board employees			
23	Preparation of payroll every month			
24	Purchasing of items required by the school			
25	Signs work ticket			

PART 3

Suggest 4 ways in order of priority in which to improve financial management and control in public secondary schools.

1. -----

2. -----

3. -----

4. -----

Thank you for your honest response.

APPENDIX E**ACOMplete LIST OF ALL PUBLIC SECONDARY SCHOOLS IN NAIROBI
PROVINCE**

1. Aquinas High School
2. Buru Buru Girls School
3. Dagoretti High School
4. Dandora Secondary School
5. Eastleigh Secondary School
6. Embakasi Girls Secondary School
7. Highway Secondary School
8. Hospital Hill Secondary School
9. Huruma Girls Secondary School
10. Jamhuri High School
11. Kabete Approved Secondary School
12. Kahawa Barracks Secondary School
13. Kamiti Secondary School
14. Kamukunji Secondary School
15. Kangemi High School
16. Kayole Secondary School
17. Kenya High School
18. Langata High School
19. Lenana School
20. Maina Wanjigi Secondary School
21. Moi Forces Academy Nairobi
22. Moi Girls School Nairobi

23. Muhuri Muchiri Secondary School
24. Muslim Girls Secondary School
25. Mutuini Secondary School
26. Nairobi Milimani Secondary School
27. Nairobi School
28. Nembu Secondary School
29. Nile Road Secondary School
30. Ofafa Jericho High School
31. Our Lady of Fatima Secondary School
32. Our Lady of Mercy Secondary School
33. Pangani Girls Secondary School
34. Parklands Arya Girls School
35. Parklands Boys Secondary School
36. Precious Blood Secondary School, Riruta
37. Pumwani Secondary School
38. Ruaraka Secondary School
39. Ruthimitu Secondary School
40. Ruthimitu Girls Secondary School
41. St. Georges Girls Secondary School
42. St. Teresa's Boys School
43. St. Teresa's Girls School
44. Starehe Boys Center
45. State House Girls Secondary School
46. Uhuru Secondary School
47. Upper Hill School