

**CHALLENGES FACING HEAD TEACHERS IN  
FINANCIAL MANAGEMENT IN PUBLIC  
SECONDARY SCHOOLS: A CASE OF KISUMU EAST  
DISTRICT KENYA.**

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in Educational Administration and Planning**

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## DECLARATION

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

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## **DEDICATION**

This work is dedicated to my dear wife Emmarencia Ochieng and our children Huxley, Paula and Jeremy who extended their benevolence in one way or another.

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## ABSTRACT

The study sought to establish the challenges facing head teachers in financial management in public secondary schools. It examined the background to be current challenges from a global, Africa, regional and Kenyan perspective.

The objective of the study was to identify the accounting challenges that head teachers face in financial management in public secondary schools. It also sought to determine the budgetary challenges that head teachers face in financial management in public secondary school. It was to further establish the auditing challenges that head teachers face in financial management of public secondary schools. The study also examined the professional competence challenges that head teachers face in financial management in public secondary schools. The study was carried out within Kisumu East District of Kisumu County, and it targeted 41 for the study public secondary schools.

Data collection tools used included; a questionnaire for head teachers, deputy head teachers and bursars/ account clerks, an observation tool for head teachers and an interview schedule for the district schools auditor. A total of 93 respondents filled and returned the questionnaires. An observation tool was used in 32 public secondary schools whereas 1 interview schedule was used on the District schools' auditor, to confirm the data collected.

The main challenges that were identified were accounting, budgetary, auditing and professional competencies challenges. Quantitative data collected through questionnaire and observation checklist were analyzed using descriptive statistics in form of means, frequency counts, percentages and correlation. Qualitative data collected through questionnaires and interview was organized into themes and sub themes as they emerged in an on-going process.

The findings of the study showed that there existed challenges facing head teachers in financial management in public secondary schools. The major forms of challenges included over spending and under-spending, entry into books of accounts, doubling of roles, low salaries of bursars and accounts clerks incompetent bursars/accounts clerks and storekeepers, teachers failure to handover accounting supportive documents, delay in disbursement of FSE funds, school fees defaulting, unauthorized levies, inadequate knowledge by the head teachers, inadequate knowledge by the head teacher, incompetent procurement committee, inadequate auditing knowledge by the head teacher, irregular auditing of schools by district auditors, inability to prepare books of accounts up to final accounts.

The data collected established that there existed a strong positive relationship between accounting challenges, budgeting challenges, auditing challenges, professional competence challenges and financial management in public secondary schools in Kisumu East District of Kenya.

It confirmed the urgent need to examine the financial management curriculum at University level and diploma teachers training level to improve relevance and competence. It further confirmed the need to ensure the Kenya Education Management Institute adequately and effectively trains head teachers in financial management as current practices were wanting. The research findings will also assist stakeholders like the Teachers Service Commission and the Ministry of Education in understanding the challenges facing head teachers in financial management of schools. It underscores the significance of Boards of Management employing qualified bursars, accounts clerks, store keepers and cateresses.

The study subsequently recommended that future studies should examine the impact of Kenya Education Management Training Programmes on effective financial management in public secondary schools. It also recommends further studies on accounting challenges facing head teachers in financial management and lastly the challenges facing auditors in auditing school funds in public secondary schools.

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## **ABBREVIATIONS AND ACRONYMS**

CDF	-	Constituency Development Fund
E.T.R	-	Electronic Tax Register
FGD	-	Focused Group Discussions
FSE	-	Free Day Secondary Education Funds
HOD	-	Head of Department
KEMI	-	Kenya Education Management Institute
KESSP	-	Kenya Education Sector Support Programme
LATF	-	Local Authority Transfer Fund
LEA	-	Local Education Authority (Great Britain)
MDGs	-	Millennium Development Goals
MINERA	-	Ministry of Education and Religious Affairs
MOE	-	Ministry of Education
MOEST	-	Ministry of Education Science and Technology
PPMCC	-	Pearson Product Moment Correlation Co-efficient
TSC	-	Teacher's Service Commission
UNESCO-		United Nations Educational Science and Cultural Organization
USA	-	United States of America

## **CHAPTER ONE**

### **INTRODUCTION**

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

The World Bank has long acknowledged the vital relationship between education and economic development (Leu & Bryner, 2005). In developed countries like United Kingdom and Greek, financial management in education has been heavily centralized and its funding and general management delegated to the ministry. In Greek, there is a bulk of legislative regulations arranging and or designing school financial management which the headteacher should know or have access to. Despite this the Ministry of Education and Religious Affairs (MINERA) has never issued a handbook or a guide on the law to facilitate the heads work (Argyropoulou, 2009). The breakdown in communication of such central information poses a challenge to head teachers in financial management in schools.

Any state teacher can be appointed as head in Greek and United Kingdom provided he or she has completed a certain number of years of teaching. Such head teachers are required to ensure acquisition of resources, allocation of resources and evaluation of the implementation of plans. Each school in Greek has a savings or current bank account and it is only the head teacher who is eligible to carry out bank transactions. He is expected to repair the premises, clean the school, manage energy costs and office costs. Apart from income and

expenditure, the head teacher is also responsible for income and expenditure, book-keeping, income tax payment, social security contributions payments and accounting work regarding cleaners. Internal audit is also undertaken by the head teacher in the school (Argyropoulous, 2009). Such enormous duties delegated to a head teacher without proper knowledge and skills are a challenge to financial management in schools.

Mestry and Grobler (2006), notes that South Africa has a shortage of head teachers with well-honed management skills. The head teachers are often not well prepared for tasks they must undertake and is neither given sufficient training to perform these tasks. The lack of financial skills leads to massive corruption and financial mismanagement, where as the lack of financial resources lead to the retrenchment of educators. Such poor performance by head teachers is located in the schools themselves, in the match of goals, resources and expertise that enact and deliver educational programs.

In Africa, secondary education has expanded rapidly. The transition rate to secondary schools has continued to grow in Uganda, Rwanda and Burundi (UNESCO, 2006). This rapid and apparently unplanned, expansion has exacerbated the shortage of basic education facilities and teachers. Head teachers in most sub-Saharan countries have inadequate resources and staff to perform expected duties. A research by Olugbenga (2005) in Nigeria establishes that a less satisfied and committed individual is likely to leave the job or profession and so perform poorly in financial management. A study done in six sub-Saharan

countries namely Ghana, Guinea, Ethiopia, Tanzania, Uganda and Madagascar indicated that head teachers face serious problems with students who cannot pay fees, teacher shortage and inadequate teaching and learning resources (Leu & Bryen 2005).

At a Kenya secondary school heads association annual general meeting in July 2007, principals lobbied for heads to be trained to make them effective managers (Lucheli, 2007). They further demanded that the position of school head teacher be professionalized and a clear policy on identification, selection, appointment and training of head teachers be set (Otieno, 2010). In fact Kahavisa (2003) in her study found out that there were no proper internal auditing set up in schools and that government auditing was irregular and therefore school funds could have been misappropriated.

Mito and Simatwa (2012) in their study revealed that poor budgeting made it difficult for head teachers to effectively run schools as some were overspending on some vote heads and under-spending on some leading them into other problems such as misappropriation and mismanagement of school funds, a mistake punishable by interdiction and demotion as per the Teachers' Service Commission (TSC) code of regulations. The delay in disbursement of Free Secondary Education Funds was a challenge in school management as the settlement time of most transactions would not be met. Fee defaulting and late payment of fees, as a result of the high poverty index, posed a challenge to management as educational objectives are rarely achieved in a timely manner.

This findings concur with that of Leu and Byren (2005), who did a study in six Sub Sarancountries namely; Ghana, guinea, Ethiopia, Tanzania, Uganda and Madagascar and found out that parents were reluctant to pay fees and again it is the heads who must ensure that the fees is paid.

Mobegi, Ondigi and Simatwa (2012) in their study noted that a majority of the head teachers had no financial management and accounting skills and so majority took books of accounts to pseudo accountants to update them to fit their interests. It further notes that majority of the head teachers were not in a position of identifying wrong entries and anomalies in financial records if done by the bursars. The study further noted that the head teachers training workshops conducted by the Kenya Education Management Institute (KEMI), took short duration and the trainers were not conversant with financial management (Mito & Simatwa, 2012). The training did not equip the few who attended with adequate financial and accounting skills. The long duration of stay of head teachers in one school, low salaries and incentives given to head teachers and not involving teachers in financial management also contributed to the financial challenges facing head teachers in schools. Unqualified bursars and accounts clerks also contributed to financial mismanagement in schools (Mobegi, Ondigi and Simatwa, 2012). The findings of the study further showed that sixty-nine percentage of the bursars and accounts clerks had no accounting background yet they handled a lot of money with poor pay.

As Mosomi (2008) notes, the ill preparedness in managerial duties prior to their appointment have made school head teachers vulnerable to making blunders which sponsors capitalize onto to demand for their removal. In January 2010, as schools in Kenya were reopened for first term, shock hit the whole country as eleven secondary school head teachers were demoted in Nyanza province (The Standard Media Group, 2010). Four out of the eleven demotions occurred in Kisumu East district. The district experiences a problem of non – submission of books of accounts from schools on time, an indication that preparing such books is a challenge. A report by the district education office, Kisumu East (2010) posits that in the district head teachers face the challenges of financial mismanagement and misappropriation, student absenteeism, inadequate teaching and learning resources, teacher shortage and financial constraints.

It is the realization that head teachers of public secondary schools face challenges (Kisumu East, 2010) that calls for a study to establish the challenges. It seeks to come up with recommendations to enable head teachers overcome the challenges to promote efficiency and effectiveness in schools. It also seeks to ensure that opportunities of learners are utilized optimally to ensure reduced wastage rates.

## **1.2 Statement of the problem**

Much as head teachers of public secondary schools receive financial management training from universities and colleges, there has been a marked increase in their training on management by the Kenya Education Management Institute (KEMI).

Despite this increase, secondary school head teachers are still exposed to many challenges in financial management and little has been done to analyze the challenges. This is a serious omission as efficient utilization of resources is critical to the attainment of education sector goals and priorities.

Poor budgeting, delay in disbursement of free secondary education funds, fees defaulting, late payment of fees, and unqualified bursars and accounts clerks compromise the preparation of budgetary estimates and administration and often contributes to financial mismanagement and misappropriation.

The inept training of a majority of head teachers on financial management implies they face challenges in discharging their mandate of supervising and controlling bursars and accounts clerks. Since a majority of the bursars and account clerks have no accounting background, a majority of the head teachers take their books of accounts to pseudo accountants to update them, and to help identify wrong entries and anomalies. The head teacher is subsequently unable to ascertain the income of the school, authorize expenditure, manage the saving and current account, acquire resources, allocate resources and evaluate the implementation of plans.

As internal auditors head teachers are expected to examine the financial statements covering the transactions over a period of time and ascertain the financial position of the school on a certain date. He must assess the need for repair and improvement of the schools physical facilities.

Individual schools affect the lives of thousands of children influencing the kind of education they receive and also the type of career they will follow. If the challenges facing head teachers in financial management are not urgently established and managed, opportunities that would have otherwise been available to students to advance academically will become foreclosed. The fact that government expenditure on education has been on an upward trend and there is every indication that this might continue taking into account the rapid increase in population which has led to increased demand for school places, necessitates that the challenges facing head teachers in financial management are established and managed. The challenges in the long run will make it difficult for Kenya to achieve education for all by 2030.

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

The purpose of the study was to establish the challenges facing head teachers in financial management in public secondary schools.

### **1.4 Objective of the study**

#### **1.4.1 General objective**

The objectives of the study were to;

- i. Identify the accounting challenges that head teachers face in financial management in public secondary schools
- ii. Determine the budgetary challenges that head teachers face in financial management in public secondary schools

- iii. Establish the auditing challenges that head teachers face in financial management of public secondary schools
- iv. Examine the professional competence challenges that head teachers face in financial management in public secondary schools.

### **1.5 Research questions**

The study raised and attempted to answer the following questions:-

- i. What accounting challenges do head teachers face in financial management in public secondary schools.
- ii. What budgetary challenges do head teachers face in financial management in public secondary schools.
- iii. What auditing challenges do head teachers face in financial management of public secondary schools
- iv. What professional competence challenges do head teachers face in financial management in public secondary schools.

### **1.6 Significance of the study**

Financial management in public secondary schools in Kenya is one of the important administrative task that should be carried out effectively and efficiency. There are a number of challenges which make it difficult for effective and efficient financial management. It is noted that the identification of these challenges and resultant findings of potential solutions would be of great use to

the Ministry of Education Science and Technology (MOEST). The Ministry may use the recommendations of the study, when conducting in service courses for head teachers to highlight them on appropriate financial management system, to ensure successful management of school funds.

Head teachers may also use the findings to make necessary changes in the way they manage their school for better utilization of school finances and improved productivity. The findings of the study will also be useful to the Kenya Education Management Institute, which is concerned with training teachers in administrative positions on effective and efficient financial management of their institutions.

The findings of the study may also be useful to students taking administration courses at post-secondary school levels in knowing the effects of financial management challenges in public secondary schools in Kenya. The findings will improve their financial management skills and help them be better leaders in future. The findings of the study may give directions to other areas that need further research so as to improve the quality of education and learning in public secondary schools in Kenya.

### **1.7 Limitations of the study**

The fact that finances are sensitive, may make the head teachers apprehensive and doubtful in divulging requisite information. It may equally be difficult to access information from the audit section of the schools as it is classified. The research may only collect generalized information of financial management.

### **1.8 Delimitation of the study**

The study was conducted in Kisumu East district which hosts Kisumu Town an administrative headquarter of Kisumu County. Kisumu East District has a unique academic potential, connectivity by tarmac roads to other countries and the neighboring county of Uganda. It also borders Tanzania by lake. The study targets head teachers of public secondary schools, and so it is not easy to compare the financial management challenges with those of private schools.

### **1.9 Assumptions of the study**

The following assumptions were made:-

- i) That the respondents will give accurate information on the questionnaires
- ii) That the rules applied in financial management are standardized in all secondary schools.

### **1.10 Definition of terms**

This section deals with definition of significant terms:

**Accounting:** refers to an information process that communicates the results of economic activities and states it in way that is useful to decision makers.

**Budget:** refers to a specific financial plan for implementing organizational objectives, policies and programme in year.

**Head teacher:** refers to the person charged with every day's responsibility of managing the school.

**Public school:** refers to schools which are either developed or equipped by the government and provided with teaching staff.

**Revenue:** refers to measures of increases in owner equity resulting from operating activities.

**Trial balance:** refers to a List of account balance with columns for debit and credit balances, used to show the balance sheet equation, remains in balance through equal/ debits and credits.

### **1.11 Organization of the study**

The study is organized in five chapters. Chapter one covers background of the study, problem statement, purpose of the study, objectives of the study, research questions, significance of the study, limitations of the study, delimitations of the study, assumptions of the study, definition of terms and organization of the study.

Chapter two covers the review of related literature. It is divided into challenges in accounting in schools, budgeting estimates and administration issues. Auditing challenges faced by head teachers, theoretical framework and conceptual framework. In chapter three, the study covers, research design, target population, research instruments, data collection procedures and data analysis techniques. Chapter four will cover data analysis and discussion of findings. Chapter five is to

cover research findings conclusions, recommendations and suggestions for further research.

## **CHPATER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature review was organized under the following themes; accounting challenges in schools, budgetary challenges and administrative issues in schools, auditing challenges faced by head teachers, professional competence challenges facing head teachers, theoretical framework and conceptual framework.

#### **2.2 Accounting challenges in schools**

##### **2.2.1 Inadequate experience of head teachers**

The government of Kenya established the Kenya Education staff institute to offer in-service training for the heads of educational institutions including head teachers of secondary schools (Republic of Kenya, 2013). In the 2005 Education sector report, the MOEST, included as one of its objectives; to enhance, equity and quality in primary and secondary education through capacity building for 45,000 education managers by 2015 (Republic of Kenya, 2005). It is worth noting that the fast and rapid expansion of education has further led to the appointment of heads that have little experience to fit them completely into the work they are required to do and this is a major cause of ineffective leadership in secondary schools.

### **2.2.2 Weak accounting control mechanisms**

A survey research done by Mobegi, Ondigi and Simatwa (2012) established that weak accounting control mechanisms were major factors contributing to financial mismanagement and misappropriation in schools. Bursars and accounts clerks were mostly unqualified as so unable to prepare books of accounts. Head teachers were not in a position of identifying wrong entries and anomalies in financial records if done by the bursars/accounts clerks.

It was revealed that due to the incompetence of the head teachers and bursars, head teachers took books of accounts to pseudo-accountants to update them to fit their interests. Mito and Simatwa (2012) however note that fee defaulting and late payment of fees affects financial management in schools. Head teachers are not able to plan effectively as so at times ask students to go home for fees.

### **2.2.3 Inadequate training of head teachers**

Head teachers are exposed to many challenges in financial management as the existing preparation measures and support for head teachers in financial management are basically weak and do not sufficiently prepare potential head teachers for responsibilities in financial management (Irungu, 2002). Some of these challenges that head teachers of secondary schools face are therefore brought about by the means by which principals are identified, appointed and trained which do not prepare them to become effective managers. The dominant tradition for identification and appointment of secondary school head teachers has been based on good classroom teaching, active participation in co-curriculum

activities and teaching experience which has resulted into ineffective leadership and subsequently a number of challenges in management of secondary schools (Komotho, 2008: Republic of Kenya, 1988). Their ill preparedness for managerial duties prior to their appointments have made secondary school head teachers vulnerable to making blunders which sponsors capitalize on to demand for their removal (Mosomi, 2008).

#### **2.2.4 Unqualified bursar and accounts clerks**

Mobegi, Ondigi and Simatwa (2012) observed that underperformance of head teachers in financial management resulted from employing less qualified accounting staff. Most of them have only trained up to Accounts Clerks National Certificate (ACNC) which demonstrated very low level of accounting knowledge. They also observed that there is poor record keeping and failure to adhere to accounting procedures. Owing to the rapid expansion of secondary education school in Kenya, it is significant that all financial management challenges facing head teachers of secondary schools are established. A research by Mobegi, Ondigi and Simatwa (2012) established that Gucha district experienced 47 cases of mismanagement and misappropriation of funds from 2008 to 2009. The posting of excess collection in a specific vote head, say tuition amounts to mismanagement of funds.

### **2.2.5 Delay in disbursement of FSE funds**

The delay in disbursement of free secondary education funds is a challenge to the head teachers of public secondary schools. Such delays hinder effective running of schools and it puts head teachers in a very awkward position as most transactions settlement time would not be met. The financial year of the government ends in June and so the delay in financing is caused by delay in approval of such monies by parliament. However head teachers may be forced to incur expenditure in vote heads like personal emoluments to take care of salaries.

It is delayed payment of fees or non-payment that compromises accounting for the revenue as proper planning is compromised.

## **2.3 Budgetary estimates and administrative issues**

### **2.3.1 Inadequate skills and knowledge in budget preparation**

For proper management of resources to achieve the educational objective in schools, Okumbe (1998) states that, education managers must draw a budget to establish priorities of the organization.

Mito and Simatwa (2012) are of the opinion that head teachers exhibit inadequate performance in financial management. They lack sufficient skills in budget preparation and administration. Their attitude is that they should provide services regardless of costs. Many head teachers are not well versed with accounting procedures.

### **2.3.2 Poor budgeting**

Irungu (2012) further posits that schools lack budgetary programme planning and budgeting systems, where plans are provided for obtaining educational objectives. The study established that head teachers made no attempts to measure the results of expenditure to determine whether the budget decisions have achieved desired results. Subsequently the study recommended intensive in service courses for head teachers in financial management. Poor budgeting has made it difficult for head teachers of public secondary schools to run the schools effectively (Mito & Simatwa, 2012). Some head teachers in Bondo district where the study was conducted were overspending on some vote heads and under spending on some leading them into other problems such as misappropriation and mismanagement of school funds; a mistake punishable by interdiction and subsequent demotion as per the Teachers Service Commission code of conduct and regulations. This is in agreement with Irungu (2012), who established that preparation measures and support systems for head teachers in public secondary schools is weak and do not adequately prepare them for responsibilities in financial management.

### **2.3.3 Delay in disbursement of FSE funds**

The delay in disbursement of free secondary education funds was established by Mito Simatwa (2012) to be a challenge to the budgetary process. School budgets are done and approved by the Board of Governors, Parents Teachers Association and the District Education Boards late in the year. Expenditure in all vote heads commence at the beginning of each year. However delay in disbursement means

expenditure has to be incurred in excess in some vote heads. Subsequently, leading to mismanagement and misappropriation of funds and below is a table indicating the ministry of education school fees guideline released on 9<sup>th</sup> January 2008.

**Table 2.1: 2001-2010 Ministry of Education School fees guidelines**

Vote head	National school Ksh		Boarding school Ksh		Day school Ksh	
	2001-2007	2008-2010	2001-2007	2008-2010	2001-2007	2008-2010
Tuition (SES)	3600	3600	3600	3600	3600	3600
Boarding (BES)	10,000	13034	9000	13034	-	-
Repairs (RMI)	1500	800	800	800	500	400
Transport (LT & T)	1500	900	100	900	400	400
Electricity water conservancy (EWC)	2000	2000	1000	2000	500	500
Contingencies/administration	800	850	700	850	400	500
Medical	500	400	400	400	200	300
Activity	1000	600	900	600	900	600
Personal emolument	6000	6708	3500	6708	200	3965
Total	26900	28892	20900	28892	8500	10265
Caution (New students)	500	500	500	500	500	500
DEB (approved) projects	2000	2000	2000	2000	2000	2000

**Source:** MOE circulars C/81/vol. IV/21 of 14<sup>th</sup> November, 2000 and MOE/91/9/1/44 of 9<sup>th</sup> January 2008/10

It is important to note that the beginning of the school year schools, especially day schools must pay salary and wages to its employees. However such monies must be derived from other vote heads e.g. from transport vote head to personal emoluments vote head as in the table above. Expenditure in one vote head would automatically compromise the budget and hence lead to mismanagement of funds. Teachers Service Commission, the employer of teachers punishes such offences with an interdiction of the head teacher or redeployment.

In management the short fall of the school fees issues the government anticipates the schools to get income from Constituency Development Fund (C.D.F), Local Authority Transfer Fund (LATF), Alumni, income generating projects and Fund Raising (MOE, 2007).Such finances are not programmed and certainly will interfere with the budgetary process and management.

#### **2.4 Auditing challenges faced by public secondary school head teachers.**

Auditing may be defined as the examination of financial statements covering the transactions over a period and ascertaining the financial position of an organization on a certain date in order that the auditor may issue a report on them (Saleemi & Ngigi, 1999). The head teacher serves as an internal auditor of the school. He must occasion the preparation of books of account for external audit at the end of each year (MOE, 2000). It is the head teacher's role to constitute a procurement committee to procure goods and services for a school. He has oversight role in supervising that the procurement of goods and services are done according to laid down procedures (MOE, 2000).

Okumbe (1998), states that auditing is an activity which appraises the accuracy and completeness of the accounting system applied by an educational organization. Education managers must institute proper administrative structures for internal auditing within the school. The main aim of external auditing is to ascertain that the organization has complied with the stipulated financial control mechanisms, thus helps in recommendations regarding inefficiencies and recommending for improvement or specifying shortfall, and giving suggestions for proper investigations.

#### **2.4.1 Shortage of schools' auditors**

Irungu (2012) revealed in his study that school books of accounts took many years to be audited and even at the time of auditing government officers and auditors were bribed and blinded that everything was well. However, due to shortage of auditors it was not possible to rush the audit exercise. It is important to determine the challenges facing head teachers in auditing to determine how these factors affect financial management in schools.

#### **2.4.2 Head teachers inadequate audit knowledge**

Mito and Simatwa (2012) also established that head teachers had limited knowledge in accounting for school funds. Some were over spending on some vote heads and under spending on some leading them into other problems such as misappropriation and mismanagement of school funds, a mistake punishable by interdiction and demotion as provided in the TSC code of regulations. Such head teachers subsequently may not be in a position to audit school finances.

### **2.4.3 Incompetent bursars/accounts clerks**

Incompetent clerk and bursars with low professional qualifications, contributed to poor budgeting which impacted negatively on school management (Mito & Simatwa, 2012). Auditing the work of such officers is definitely a pointer to challenges in financial management.

### **2.4.4 Lack of financial management staff**

In a study by Mobegi, Ondigi and Simatwa (2012), it was established that lack of financial management staff made head teachers double administrative and financial roles. This was because a majority of the schools use untrained financial personnel. It was noted the headteacher receives the money, receipts it, deposits it in the bank account, withdraws it and did the procurement process. This barred transparency and accountability of school funds hence exposing the headteacher to auditing challenges.

Arygyropoulou (2009) notes that what seem to annoy head teachers in Greek state schools is the enormity of the financial management workload and the absence of secretariat staff. Such absence of staff and enormity of workload implies books may inadequately be prepared for final audit.

### **2.4.5 Irregular auditing of school funds**

This was a major factor that contributed to financial mismanagement (Argyropoulou, 2009). This study concurs with a study by Mobegi, Ondigi and Simatwa (2012) who established that government auditors visited schools but at

irregular intervals. The findings from 54.8% of bursars/accounts clerks revealed that auditors were at times bribed by head teachers to cover up the anomalies in the records from different schools. They also revealed that at times the same auditors were used to balance books of accounts before the actual audit. It was further noted that the whole of the old Gucha district which at the time of the study had been split into 5 districts had 2 auditors only. It was further noted that school books and even account took many years to be audited and even of the time of auditing government auditors and officers were bribed and blinded that everything was well. Due to the shortage of auditors at the district level, few qualified accounts who were used by schools were also temporarily deployed as auditors. This is a challenge to head teachers as the competence of such auditors may be wanting.

## **2.5 Professional competence challenges facing head teachers in financial management**

### **2.5.1 Incompetent head teachers in financial management**

Argyropoulou (2009) established that in Greek state schools, any state school teacher can be appointed as head provided he or she has completed a certain number of years of teaching. Such head teachers are the only persons eligible to carry out bank transactions. The headteacher is also expected to sue small amounts of cash on current expenses. Duties of the headteacher also include repair of premises and maintenance costs, energy costs, office cost and school

cleaning. Such untrained head teachers may not manage the enormous financial management responsibility.

Mestry and Grobler (2006) confirmed that South Africa has a shortage of head teachers with well-honed management skills. The head teachers lacked capacity to handle financial issues leading to massive corruption and financial mismanagement. A study by Mutembei (2013) further established that head teachers had inadequate financial training subsequently faced challenges in financial management in day schools in Imenti South district.

### **2.5.2 Unqualified bursar and accounts clerks**

Mobegi, Ondigi and Simatwa (2012) conducted a study that established that 61% of bursars and accounts clerks in Gucha district were typists and holders of short courses while those qualified in accounting made up to 29%. It revealed that most of the work of balancing books of accounts was done by hired accountants who were paid highly. In some instances secretaries received school money and wrote in exercise books which were handed over together with money to the head teachers at the end of the day if it was the right amount of money collected. Such challenges that head teachers face in financial management should be established and appropriate recommendations made to provide clarity and effectiveness in use of finances in schools.

### **2.5.3 Lack of accounting staff**

Argyropoulou (2009) established that the head teachers in Greek state schools were annoyed by the enormity of the financial management workload and the

absence of secretariat staff. In a study by Mobegi, Ondigi and Simatwa (2012) it was established that 61 percent of bursars/accounts clerks were typists and holders of short courses while those qualified in accounting made up of 29 percent. The study also revealed that much of the work balancing books of accounts was done by hired accountants. Such professional competence challenge affects financial management in schools directly.

#### **2.5.4 Competence of the deputy headteacher**

Any state school teacher can be appointed as a head provided he or she has completed a certain number of years of teaching (Argyropoulou, 2009). No previous experience or training is needed. The public procurement and disposal regulations (2006) required that deputy head teachers be appointed to head tender committees in schools. However the lack of training and knowledge in procurement is a major challenge in accounting for school funds.

### **2.6 Theoretical framework**

A theory is a reasoned statement or groups of statements which are supported by evidence, meant to explain phenomenon (Kombo & Tromp, 2006). A theoretical framework is a collection of interrelated ideas based on theories.

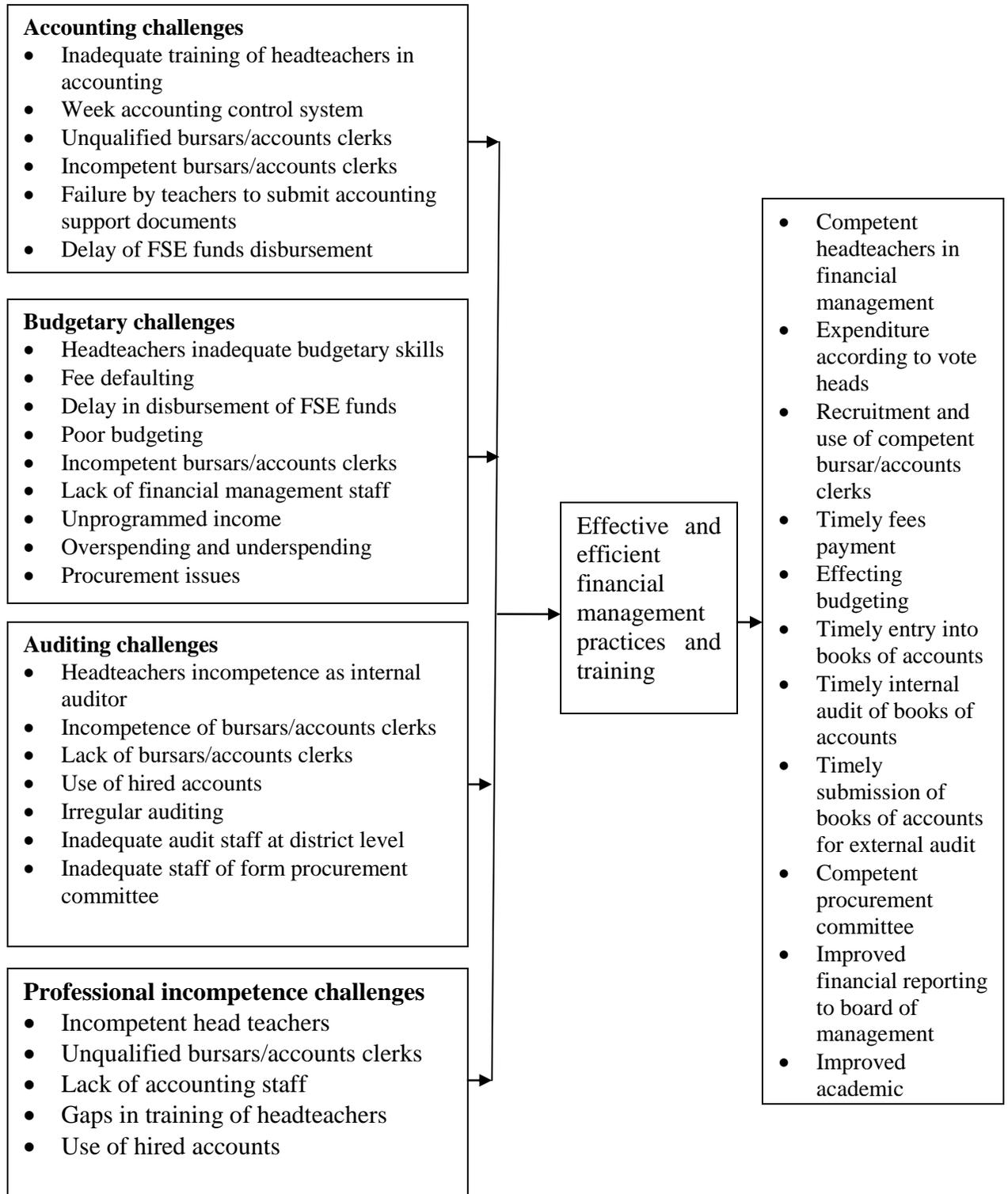
This study is also supported by Emile Durkheim structural functionalism theory (1858-1917). According to the theory, as a result of being interrelated and interdependent, one organ can affect the others and ultimately the whole (Kombo & Tromp, 2006). In this study the incompetence of the head teachers and or

bursars/accounts clerk is likely to cause poor book keeping practices and therefore the head teacher will fail to prepare the books of accounts. The end result will be poor financial management practices. This theory supports the interrelationship of weak accounting controls, poor budgeting, weak auditing systems, incompetence in professionalism and weak financial management practice by the head teachers.

## **2.7 Conceptual framework**

A conceptual framework for the financial management challenges facing head teachers of secondary schools in Kisumu East District.

**Figure 2.1: Challenges facing head teachers in financial management**



The input process output model used clearly depicts that weak accounting control systems is likely to face the head teachers' management of finance. The outcome will definitely be weak financial management practices. In this process the input is likely to affect output. The inputs in the study will subsequently affect the head teachers' financial management practices.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter discusses the procedures to be used in the study. Research design, target population, the sample size and sampling techniques, research instruments, pilot study, validity and reliability, data collection procedure and data analysis are discussed.

#### **3.2 Research design**

The study employed the descriptive survey design which was useful in the description of the challenges head teachers of public secondary schools face in financial management. Descriptive studies are not only restricted to face findings, but may often result in the formulation of important principles of knowledge and solution of significant problems. Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). The design was selected for this study because the researcher is not in a position to manipulate the variables of the study like accounting, budgeting, auditing and professional competence challenges facing head teachers in financial management. The resultant survey research data will lead to reliable data for present and future use.

#### **3.3 Target population**

The study was conducted in all public secondary schools within Kisumu East District of Kisumu County Kenya. The respondents of the study were drawn from

41 public secondary schools in the district. The respondents were 41 head teachers, 41 deputy head teachers, 41 bursars/accounts clerks and a district schools auditor.

### **3.4 Sample size and sampling techniques**

Sampling is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orodho & Kombo, 2006). The respondents refer to those who replied to the research instruments, possess knowledge about the topic, willing to share information, able to give their time and are active participants. Generally, the researcher used 30 and more respondents in each group in order to qualify the descriptive research. Purposive sampling was used in interviewing the auditor to confirm the data obtained from the questionnaires and interview schedule.

### **3.5 Research instruments**

The study involved use of questionnaires observation checklist and an interview schedule. Questionnaires were used to solicit information about financial management challenges facing head teachers of secondary schools from head teachers, deputy head teachers and bursars/accounts clerks. Observation checklist was used to physically provide information on financial management. The research employed a structured interview as it gives in-depth information, saves time and data is quantifiable (Kombo & Tromp, 2006). The structured interview was administered on the district schools auditor.

### **3.6 Pilot study**

A pilot study was conducted before the main study in three schools. The questionnaire, structured interview and observation **instruments** were used. Piloting was carried out to three head teachers, three deputy head teachers, one bursar, two accounts clerks and one schools auditor. Piloting is to remove any ambiguous items on the instruments. Blank spaces, inaccurate responses or inconsistencies indicate weaknesses which were reviewed after piloting the instruments. The piloting helped in inclusion of many more items that were necessary.

### **3.7 Instrument validity and reliability**

#### **3.7.1 Instrument Validity**

Instrument validity implies that the instrument measures what it is intended to measure Mugenda and Mugenda (2003). The research instrument was discussed with supervisors and colleagues in the department to improve on its content validity. From the assistance given by the experts, the data collection instruments validity was improved. Piloting of the instrument provided information required and hence confirmed whether, it conforms to research questions and objectives of the study. Where necessary, changes were made to the questionnaire.

### **3.7.2 Instrument reliability**

The reliability of the instrument was tested by use of the pilot study. Reliable instruments are consistent and stable hence can be depended upon to yield similar results under similar circumstances (Borg & Gall, 1989).

To determine instruments reliability, a test-retest pilot study was conducted in 3 public secondary schools. The test-retest involves administering the same instrument twice to the same group of subjects. There was a two week time lapse between the first test and the second. The same questionnaires, observation checklist and interview schedule were applied to the 3 head teachers, 3 deputy head teachers, 1 bursar, 2 accounts clerks and the district school's auditor. The completed instruments were coded and scored again.

Pearson's product moment correlation coefficient (sometimes referred to as PPMCC) was used. It is a measure of the linear correlation (dependence) between two variables X and Y giving a value between +1 and -1 inclusive. After test retest of the two sets of instruments a correlation coefficient of 0.9 was realized, implying a high correlation. It thus confirmed the internal reliability of the instruments.

### **3.8 Data collection procedure**

An authorization letter was applied for and authority was granted the National Council for Science and Technology, The researcher then reported to the District Commissioner, Kisumu East District and the District Education Officer for

notification of his purpose and presence after which authority to conduct the research was granted.

The researcher visited the sampled schools with a letter of introduction from the National Council for Science and Technology and introductory letter. The questionnaires were administered to the head teachers, deputy head teachers, bursars/accounts clerks and the district schools auditor. Once the instruments were complete the researcher collected them for data analysis.

### **3.8 Data analysis**

After the field study, the data collected from the head teachers, deputy head teachers, bursars/accounts clerks and district schools auditor, was first edited to inspect the data pieces and identify those items wrongly responded to, spelling mistakes and any blank spaces left unfilled by the respondents.

Qualitative data was first coded by organizing them into similar themes and sub themes and then tallying all similar responses for each item. The frequency count was made for all respondents making similar responses. Descriptive statistics such as percentages, means and frequencies used to report the qualitative data. The results of the data analysis were reported in summary from using frequency tables and bar graphs.

In analyzing the quantitative data, the data was first coded using the statistical package for social sciences. In the coding scheme the researcher assigned 1 to yes, 2 to no and 0 to do not know. The researcher then used SPSS to obtain bar charts and tables to describe the results statistically.

## **CHAPTER FOUR**

### **DATA ANALYSIS, DISCUSSION AND INTERPRETATION**

#### **4.1 Introduction**

The chapter deals with the analysis of data collected from the field of study and subsequent presentation of findings so as to provide solutions to the pre-designed research questions. The research questions were;

- i. What are the financial accounting challenges facing head teachers in financial management in public secondary school
- ii. What are the financial budgetary challenges facing head teachers financial management in public secondary schools
- iii. What is the financial auditing challenges facing head teachers in financial management of public secondary schools.
- iv. What professional competence challenges do head teachers face in financial management in public secondary schools.

#### **4.2 Response rate based on study area**

A total of 123 copies of questionnaires were sent out to all identified sample units. However at the end of the administration deadline, an aggregate of 93 copies of the questionnaires were successfully completed and returned.

An observation tool was equally used in 32 secondary schools filled and returned whereas an interview schedule was administered on the schools auditor.

This constituted a response rate of 76% which the researcher considered to be adequate as a basis for analysis and subsequent generalizations. Table 4.2 below

presents the study's area target population in the ultimate data collection and outcome.

**Table 4.2 Response rate based on study's target population**

Target population	Sampled Units	Completions	Response rate %
Head teachers	41	32	78
Deputy Head teachers	41	31	76
Bursars/Accounts Clerk	41	30	73
<b>Total</b>	<b>123</b>	<b>93</b>	<b>76</b>

Kombo and Tromp (2006) posits that a researcher would need 30 subjects in each group for co-relational and descriptive research but may be able to get by with 15 subjects per group in experimental or quasi experimental designs. This qualifies the response rate based on the study strata as depicted above in Table 4.2.

The frequency Table 4.3 depicts the type of schools in Kisumu East District from where the data was collected.

**Table 4.3 Type of School**

Type of school	No. of Schools'	Frequency	Percent	Valid Percent
Girls Boarding	4	2	6.3	6.3
Boys Boarding	1	1	3.1	3.1
Mixed Boarding	1	1	3.1	3.1
Mixed Day and Boarding	1	1	3.1	3.1
Mixed Day	32	25	78.1	78.1
Boys Day	2	2	6.3	6.3
<b>Total</b>	<b>41</b>	<b>32</b>	<b>100.0</b>	<b>100.0</b>

The table 4.3 depicts the response data based on the types of schools in Kisumu East District

#### **4.3 Financial accounting challenges facing head teachers**

The study also sought to establish from the head teachers suggestions they would give to improve financial management. Table 4.4 shows how the head teachers ordered their suggestions.

**Table 4.4: Suggestions to improve financial management**

<b>Suggestions</b>	<b>Frequency</b>	<b>Percent</b>
Training of head teachers, bursars/accounts clerks	22	66.6
Government to employ bursars	5	15.6
Employment of qualified bursars/accounts clerks	2	6.25
Frequent advisory auditing of schools	1	3.125
Internal quality clerks	1	3.125
Introduction of ICT software for financial management	1	3.125
<b>Total</b>	<b>32</b>	<b>100.0</b>

It is clear from table 4.4 that 66.6 percent of the head teachers prefer training as a measure of improving financial management. The fact that the district schools auditor indicated that most head teachers lack financial management knowledge and skills also confirms the urgency of training needs.

Poorly paid bursars and accounts clerks handled a lot of money and would be tempted to steal school money or collude with head teachers and the school boards to mismanage school funds. This also had an implication as the untrained bursars and accounts clerks were unable to balance books of accounts giving a

leeway to head teachers to mismanage school funds together with the hired pseudo-accountants. Twenty five percent of the bursars and accounts clerks acknowledged that poor pay is a major challenge facing accounting for school funds. Employment of bursars on temporal basis meant that they were not transferable and worked under the mercies of the BOGs and head teachers.

This made them not to work independently and come out to report any cases of financial mismanagement in schools. The study established that 43.3 percent of bursars and accounts clerks were 18-30 years old as depicted in table 4.5.

**Table 4.5: Age of bursar/Accounts clerks**

<b>Bursars/accounts clerks</b>		
<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
18 years – 30 years	13	43.3
31 years – 40 years	7	23.3
41 years – 50 years	3	10.0
51 years and above	2	6.7
<b>Total</b>	<b>25</b>	<b>83.3</b>
Secretaries doubling as a bursars	5	16.7
<b>Total</b>	<b>30</b>	<b>100.0</b>

It established that bursars at 23.3 percent are between the age of 31-40years it furthers established 16.7 percent of secretaries handled school finances yet they were not bursars or accounts clerks. a study by Mobegi, Ondigi and Simatwa (2012) established that some secretaries perform the work of bursars yet they had no knowledge of financial management. This study finding concurs with the findings of Irungu (2002), who established that head teachers work with incompetent bursars/clerks who have low professional qualifications. The study further established that 36.7% of the schools did not have qualified bursars as in table 4.6. the study shows that 40 out of 30, 46.7 percent of bursars were qualified and another 16.7 percent were secretaries who doubled up as bursars.

**Table 4.6: Qualified bursar in schools 2013**

<b>Qualified bursars</b>	<b>Frequency</b>	<b>Percent</b>
Qualified	14	46.7
Does not have	11	36.7
<b>Total</b>	<b>25</b>	<b>83.3</b>
Secretaries serving as bursars	5	16.7
<b>Total</b>	<b>30</b>	<b>100.0</b>

Table 4.7 shows that 7 out of 30 schools, 23.3 percent lacked accounts clerks and 5 out of 30, 16.7 percent had secretaries doubling up as account clerks. The table

further confirms that 3 out of 15, 10 percent of schools lacked qualified secretaries. This asserts that head teachers work with incompetent accounts clerks.

**Table 4.7: Qualified accounts clerks in schools in 2013**

<b>Accounts clerks</b>	<b>Frequency</b>	<b>Percent</b>
Qualified	15	50.0
Not qualified	3	10.0
Does not have	7	23.3
Total	25	83.3
Secretaries serving as account clerks	5	16.7
<b>Total</b>	<b>30</b>	<b>100.0</b>

This compromised the ability of the head teacher to account for finances as the books of original entry are not used. It is however supported by a study by Argyropoulou (2009) in which he contends that head teachers of Greek state schools are annoyed with the enormity of the financial management workload and the absence of secretariat staff.

The study sought to establish the challenges facing head teachers in accounting using questionnaires. The results of the analyzed study are given on Table 4.7 the results indicate that 37.5 percent of the head teachers have inadequate knowledge in accounting. The study further noted that 15.6 percent of head teacher identified

in adequate funds in some vote heads as a challenge in financial accounting in schools.

**Table 4.8: Challenges facing head teachers in accounting for funds**

<b>Challenge</b>	<b>Frequency</b>	<b>Percent</b>
Inadequate knowledge in accounting	12	37.5
Delay in submission of supporting document for imprests to teachers	5	15.6
Inadequate funds for some vote heads	5	15.6
Lack of qualified bursars/accounts clerks	4	12.5
Delay in payment of FSE funds	2	6.25
Delay in payment of schools fees	2	6.25
Urgency of accounting	2	6.25
<b>Total</b>	<b>32</b>	<b>100.0</b>

It established that 15.6 percent of the respondents established that the delay by teachers in handing over supportive documents, for imprest given to them while on official duty, affected vouchers preparation. The head teachers noted that some teachers presented fake receipts of transport, meals and accommodation. It was noted that some receipts had no E.T.R receipts hence could not substantially support expenditure.

The study also noted that some teachers did not embrace the urgency of accountability and subsequently took inordinately long to account for school finances. It was further noted that some teachers had resorted to form companies which they used to supply goods to schools. Such teachers complicated the accountability of finances, by preparation of cheques and payment vouchers that lead to conflict of interest. Some bursars and accounts clerks also noted that it was difficult to account for extra tuition fee not budgeted for by the government. It was noted that some schools gave students receipts that are not authorized by the government to hide such income and expenditure.

The study further established that the delay in disbursement of FSE funds accounted for 6.25 percent and school fees payment posing a challenge to proper financial accounting as evident in table 4.6. Delayed financial disbursement led to delayed procurement of goods and services. At times money is vired to take care of urgent needs for example payment of non-teaching staff salaries without following requisite regulations. Such actions have led to overspending and under spending in some vote heads hence leading to mismanagement of school finances an offence punishable by interdiction by the Teachers Service Commission. Such delays also occasion the sending of students' home for school fees hence compromising accounting as income is meager as we look at financial expectations.

Fee defaulting happens as a result of the high poverty index in the region, an issue experienced by third world countries; Kenya included. Bush and Oduro (2006), found out that the new head teachers face serious problems created by non-payment of school fees. Leu and Byren (2005), who did a study in six sub-saharan countries namely: Ghana, Guinea, Ethiopia, Tanzania, Uganda and Madagascar and found out that parents are reluctant to pay fees and again it is the heads who must ensure that the fees is paid. According to the TSC regulations, it is an offence to fail to collect public funds. Subsequently the deficit budgets occasioned in most schools is an offence punishable by the Teachers Service Commission by interdiction.

The study revealed that in some instances head teachers take inordinately long to submit expenditure records and documents after withdrawal of finances. The study noted that such action compromised entry into accounting books of original entry with 25 percent confirming such entries on a daily basis as in table 4.9

**Table 4.9: How often entry into books is confirmed**

<b>Confirmation of entry</b>	<b>Frequency</b>	<b>Percent</b>
Once a month	5	15.6
Once a fortnight	5	15.6
Once a week	14	43.8
On a daily basis	8	25.0
<b>Total</b>	<b>32</b>	<b>100.0</b>

It further established that such head teachers used inappropriate documents to record expenditure and receipt transactions hence compromising accounting for finances. It noted that some secretaries who serve as clerks, record collection of fees details in exercise books, which are forwarded to the head teacher, who records on receipt books. Some head teachers subsequently fail to bank the monies intact as required by law owing to distance and pressing needs. It was noted that funds from income generating projects have not been accounted for appropriately and in some schools, teachers are encouraged to share profits emanating from such income. Some items bought locally say biology practical specimen's like fish may not have receipts offered at the local level. Such expenditures pose a challenge as E.T.R receipts cannot be obtained.

Inadequate student population means the school will receive limited funding from state and so such institutions may not fully enjoy economies of scale in expenditure. Inadequate teaching staff also implies that the head teachers have to vire and look for resources to remunerate such staff occasioning a major challenge. The study further noted that withdraws should be organized periodically as haphazard withdrawals compromised accounting for the finances. Board of management members are equally expected to be responsible citizens of sound economic base, as it's noted that some head teachers have compromised them.

#### **4.4 Financial budgetary challenges facing head teachers in financial management in public secondary schools**

The study established that there existed financial budgetary challenges in financial management facing head teachers in public secondary schools in Kisumu East District. The survey asked respondents to classify their budget as break even, deficit budget or excess budget. A comparison was done, comparing the age of the head teacher and the classification of budget in 2011 and 2012. It established that in the last two years beginning head teachers 18 – 30 years had budgets at the end of the year that they were unable to classify as either deficit, break-even or excess. It was in 2011 that some were able to classify their budget as deficit. The bar charts 4.1 and 4.2 depicting age against classification of budgets confirm the results of the study. It was further confirmed by statistics in table 4.10 and 4.11.

**Table 4.10: Classification of budget 2011**

<b>Age of the headteacher</b>	<b>Do not know</b>	<b>Deficit budget</b>	<b>Break even budget</b>	<b>Total</b>
18 years to 30 years	0	2	0	2
31 years to 40 years	2	6	0	8
41 years to 50 years	1	13	2	16
51 years and above	0	5	1	6
<b>Total</b>	<b>3</b>	<b>26</b>	<b>3</b>	<b>32</b>

Table 4.10 shows clearly that experienced head teachers in 2012 were able to realize break even budgets; this underscores the importance of experience in budgeting.

Table 4.11 depicts various types of budgets realized by head teachers of varied experiences.

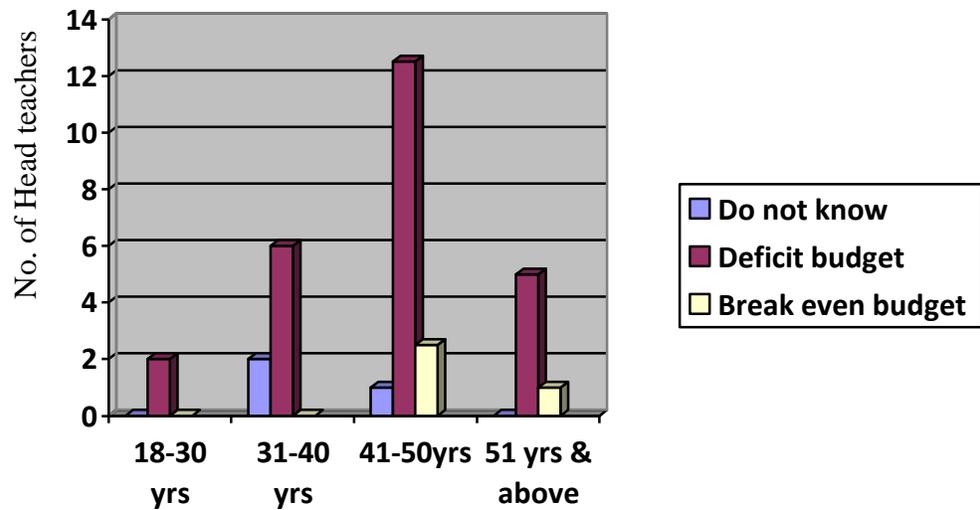
**Table 4.11: Classification of budget 2012**

<b>Age of the headteacher</b>	<b>Do not know</b>	<b>Deficit budget</b>	<b>Break even budget</b>	<b>Total</b>
18 years to 30 years	0	2	0	2
31 years to 40 years	0	8	0	8
41 years to 50 years	1	13	2	16
51 years and above	0	6	0	6
<b>Total</b>	<b>1</b>	<b>29</b>	<b>2</b>	<b>32</b>

The study showed that it was only 2 head teachers of the age group 41-50years in 2012 were able to realize break even budgets. It showed that 13 out of 16 head teachers of the same age group were able to post deficit budget at the end of the year. It was noted that 41.4 percent of the head teachers were able to show the steps in budgeting preparation and approval.

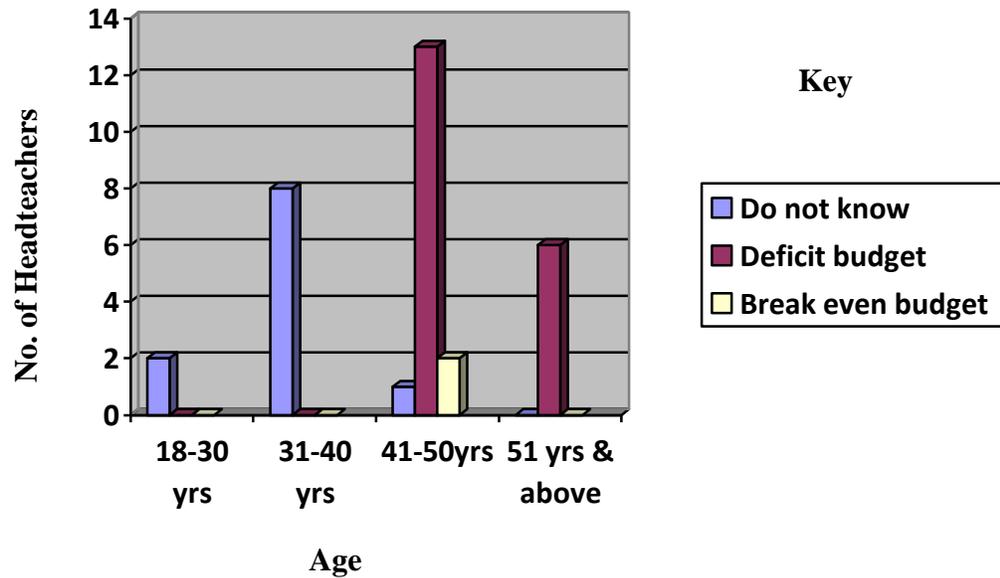
The figure 4.2 depicts the age range of head teachers in 2011 and how they were able to classify their budget as deficit or break even at the end of the year. Some head teachers were not able to classify their budget as depicted by figure 4.2 and 4.3.

**Figure 4.2: Classification of budget in 2011**



It was established as in figure 4.2 that 3 out of 33 head teachers were able to realize break even budgets at the end the year in 2011. In 2012 it was noted that only 2 out of 32 who are of the age 41 years and above were able to present break even budget as shown figure 4.3.

**Figure 4.3: Classification of budget year 2012**



Most beginning head teachers subsequently failed to use budgets as a number were unable to plan. Most of the head teachers who were beginning were in day schools and encountered fee defaulting as a result of the poverty, in the region, an issue experienced by all the third world countries, Kenya included. Bush and Oduro (2006), found out that most of the newly appointed principals face serious problems created by non-payment of school fees.

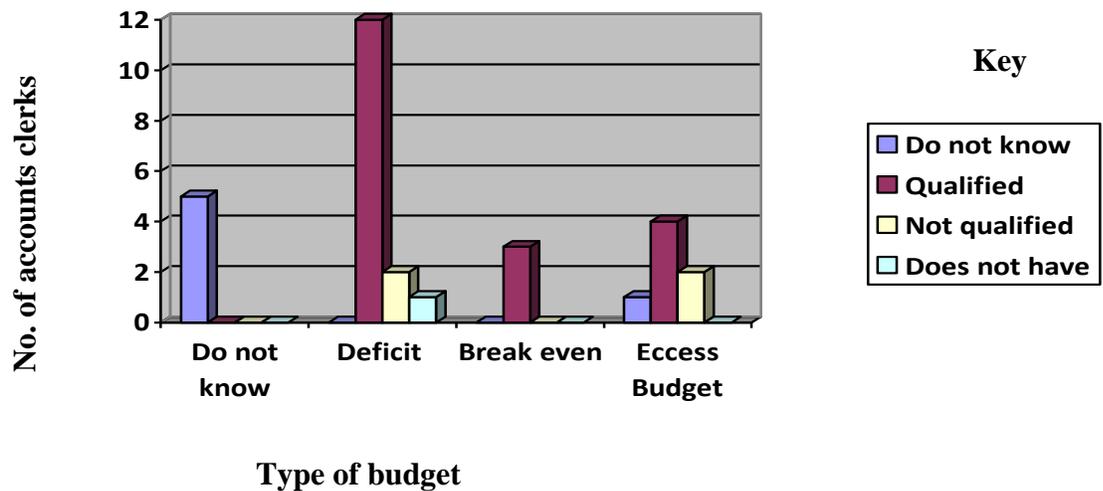
The results of the study are confirmed by the questionnaire of deputy's head teachers that established that 90.2% of Deputy head teachers had very limited knowledge in financial management. It thus confirms why deputies promoted to headship without induction or training may not understand what a budget is. Atieno and Simatwa (2012), note in their study that poor budgeting made it difficult for newly appointed head teachers to effectively run the schools as some

were overspending on some vote heads and underspending on some leading them into other problems such as misappropriation and mismanagement of school funds, a mistake punishable by interdiction and demotion as per the Teacher Service Commission code of regulations. The head teacher's questionnaire confirmed that poor budgeting was a challenge and this was because almost all principals took up their new roles before being trained in financial management.

Findings obtained from the head teachers who were in the age bracket of 41-50 years reveal that they were able to post deficit and break even budget over the years 2011 to 2012 as depicted in table 4.9 and 4.10. It implies that it is an on the job training and subsequently, it's important that proper training at college level and post college level is embraced. A study by Mobegi Ondigo and Simatwa (2012), established that bursars lamented that the budget was a document on paper and its actual implementation was a mystery. On the same point fifty percent of the accounts clerks reported that two projects ran con-currently i.e. schools project verses the head teacher personal projects. The study further reveals that, 54.8 percent of the respondents noted that the need to complete urgent projects affected proper budget implementation and even paved way for misappropriation. This study confirms that 50% percent of the bursars and accounts clerks were knowledgeable in the steps of budget preparation.

The accounts clerks were asked to classify their budgets as deficit, break- even or excess. The results of the study as depicted on figure 4.4 on accounts clerks classifying budgets in 2012 established that qualified account clerks were able to post break even budgets.

**Figure 4.4: Account Clerks on Classification of Budget 2012**



Schools without bursars and accounts clerks basically realized deficit budgets, just as those who used pseudo accountants. Bursars and accounts clerks complained of poor pay and work conditions interfering with budgetary plans in schools, as some schools could not afford qualified bursars. In some schools the secretaries to the principal performed the work of the bursar and so budgeting was poorly done. Implementation of the budget was thus compromised due to lack of qualified support structures.

In responding to how the delay in disbursement of free day secondary funds affects the preparation of the budget, 53.1 percent of head teachers noted that it leads to virement of finances hence compromising timely budget implementation. The study further noted that it creates uncertainties in procurement of goods and services. 25% of the respondents indicated that the delays lead to delays in payment of creditors and non-teaching staff.

The study further established that such delays occasion underfunding of some vote heads, and encouraged conflict between suppliers and the head teachers. Inconsistencies and unpredictability of amounts to be disbursed implies that budgetary implementation is compromised. Students are also sent home to solicit for school fees to manage the delays.

Delayed disbursement was noted to lead to use of cash in instances where suppliers were reluctant to supply and local purchase of goods done in piecemeal. Cash flow issues were noted to interfere with budgetary implementation by bursars and accounts clerks. Updates of enrolment of students were also not factored by the Ministry of Education, hence prompting interference in budgetary accountability. According to the New Policy of FSE, the Government pays Kshs. 10265 per student annually as tuition fees (MOE, 2009). This leaves day scholars with uniforms, building and activity fees to pay. Their boarding counterparts however pay a maximum of Kshs. 18265 to meet the extra requirements (Kimani, 2008). This study is supported by a study by Rotich and Kipkoech (2012), in

which they noted that high enrolments compromises reliability in disbursement of funds and subsequently the budgetary process.

The respondents were asked to show the steps in procurement of goods and services. 62.5 percent of the head teachers were not privy to the steps required in procurement of goods and services. It was noted in the questionnaire for deputy head teachers that 75% of them were unable to clearly show these steps in procurement of goods and services. The questionnaires issued to bursars and accounts clerks also established that 78.1 percent were unable to show the steps in procurement of goods and services. Such inability implies that budgetary implementation faces flaws flows as clarity in obtaining of goods and services is wanting.

The study asked respondents to identify the problems in procurement of goods and services. Fluctuation of prices due to inflation compromised the budgetary process according to 34.3% of the head teachers. The respondents also continued, by 18.8% that the unpredictability in release of FSE funds led to inadequate funds to procure certain goodness services. It led to suppliers failing to supply goods on time, some good not being tendered for and some suppliers becoming hostile to the head teachers due to late payment on non-payment for service and good delivered. Fear also gripped some suppliers as to whether the schools can pay for their goods and services hence forcing the schools to procure goods and services in piecemeal from the locality. Interest in supply of goods and services from

higher authorities and teachers within the schools and procurement committee also led to inflated prices of commodities. It subsequently compromised the budgetary process as the quantity and quality of goods and services to be procured was reduced. Some suppliers were also noted to supply goods and services in bits and demand for partial payments or fail to supply at all.

Such tendencies interfered with the budgetary process. In some schools, that were recently established there was inadequate staff to constitute a procurement committee and inadequate knowledge in procurement procedures hence interfering with the budgetary processes and services, which saw good and services procured from the locality by use of cash. In such schools sometimes the items are not bided for after advertisement and due to time factor, the schools engage in direct purchase in small quantities. The findings are also confirmed by the observation checklist which established that 62.5 percent of the school failed to keep ledgers and voucher books.

#### **4.5 Auditing challenges in financial management facing head teachers of public secondary schools**

The head teachers serve as an internal auditor of the school. He must occasion the preparation of books of accounts for external audit to the end of the year (MOE 2000). Auditing is an activity which appraises the accuracy and completeness of the accounting system applied by an educational organization. Argyropoylou (2009), in his study of Greek state schools established that two types of audit take

place in schools, internal; and external. The study confirms that internal audit is undertaken in the school while external being more formal is undertaken by state audit council officers. When the fiscal year is completed the heads holds an internal (in-school) audit, mainly checking all financial actions taken throughout the year and then he prepares a detailed annual report to be submitted to the school committee. In Kenya head teachers are expected to present cash books, ledgers, vote books, schools bank account a balances, counter foil of receipt books, monthly trial balances and final accounts for audit to the district schools auditors. The study asked respondents to state how often entry into books of account were confirmed. It emerged that only 25 percent of head teachers confirmed entry into books of accounts on a daily basis. A further 43.8 percent confirmed such entries on a weekly basis. Table 4.8 on how often entry into books of accounts are confirmed depicts the findings.

However when head teachers were asked to give suggestions that would help improve financial management, 66.6 percent stated that they required more training in financial management as shown in table 4.3. Such honest acceptance of inadequacy means the auditing of books of accounts is a challenge to them. A study by Mobegi Ondigi and Simatwa (2012) established that 59 percent of the teachers involved in FGDs were of the view that due to lack of financial management training, head teachers were not in a position of identifying wrong entries and anomalies in financial records if done by the bursars/accounts clerks.

It noted that the training workshops conducted were inadequate for they took short duration and the trainers were not conversant with financial management.

The respondents were also asked whether they are able to keep up to date financial records. 78.1 percent of head teachers confirmed they were able to keep up to date financial records 3.1 percent confirmed they were very able whereas 18.8 percent acknowledged inability. Such inabilities affect auditing of school finances as their knowledge is limited. Table 4.12 depicts the analysis on competence on ability to keep up to date records.

**Table 4.12: Ability to keep up to date records**

<b>Ability to update records</b>	<b>Frequency</b>	<b>Percentage</b>
Very able	1	3.1
Able	25	78.1
Not able	6	18.8
<b>Total</b>	<b>32</b>	<b>100.0</b>

The study established that 68.8 percent of head teachers have an efficient internal income monitoring mechanism, as depicted on table 4.13.

**Table 4.13: Efficient internal income monitoring mechanism**

<b>Availability of mechanism</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	22	68.8
No	10	31.3
<b>Total</b>	<b>32</b>	<b>100.0</b>

The study further confirms that 31.3 percent were unable to employ any efficient internal income monitoring mechanism. A study by Mobegi Simatwa and Ondigi (2012), confirmed sixty six point seven percent of head teachers and sixty nine percent of HODs were of the perception that unqualified bursars and accounts clerks contributed to financial mismanagement in secondary schools. The study established that 61 percent of bursars and accounts clerks were typists and holders of short courses while those who qualified in accounting were twenty nine percent. Such inadequacies made auditing of such accounts wanting.

The respondents were asked how often they consulted the district schools auditor and 80 percent noted that consultations were irregular. The district schools auditor through his interview schedule noted that head teachers were not competent in supervising financial management in schools. The auditor's office advised for close consultation with his office, and further training on financial management and employment of qualified bursars and accounts clerks to write books.

External audit is the preserve of district school auditors. An interview of the auditors revealed that only 25 percent of books of accounts had been submitted for audit purposes by mid-June 2013. The law requires that books of accounts for the previous year are submitted for audit by 31<sup>st</sup> January the following year. The fact that the auditor notes that the head teachers lack the request capacity to supervise financial management in schools confirms there is an auditing challenge. It is also established by the district audit office that bursars and accounts clerks are able to prepare the books of accounts to a limited extent. Most

of the books are prepared up to trial balance level whereas they are expected to prepare books up to find accounts.

The study established that the district had only three district auditors who managed the 41 public secondary schools and the 119 public primary schools. The audit office noted that due to the skeleton staff and huge work, they are only able to visit a school once a month. This was also established through the interview of the district schools auditor, who confirmed that the office has a backlog of 2 years of audit of books of accounts. Results obtained from the observation schedule confirmed that 42 percents of schools did not have voucher books and ledgers. Some of the schools invited pseudo- accountants to write books of account after a fortnight. Some schools collected additional revenue using unauthorized receipts to support remedial teaching and thus making it difficult for such monies to be audited. The study therefore established numerous challenges in auditing in financial management in public secondary schools.

#### **4.6 Professional competence challenges in financial management facing head teachers of public secondary schools**

The study established that there existed professional competence challenges in financial management facing public secondary school head teachers in Kisumu East District of Kenya. The survey asked respondents to indicate whether they have qualified schools bursars, account clerks, store keepers and caterers; who are key in handling of books of original entry in accounting for school funds.

Table 4.13, 4.14, 4.15 and 4.16 depicts data obtained on qualification of bursars, accounts, clerks, store keepers and caterers.

**Table 4.14: Qualified Bursar**

	<b>Frequency</b>	<b>Percent</b>
Qualified	19	59.4
Does not have	13	40.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 4.13 of qualified bursars depicts that 40.6 percent of the schools do not have qualified bursars. This translates to a professional competence challenge on writing of accounting books.

**Table 4.15 Qualified Accounts Clerks**

	<b>Frequency</b>	<b>Percent</b>
Qualified	17	53.1
Not qualified	2	6.3
Does not have	13	40.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

Table 4.14 on qualified accounts clerks depicts that 40.6 percent of the schools do not have accounts clerks, whereas 6.3 percent have unqualified accounts clerks. This establishes the fact that the schools have professional competence challenges in financial management.

**Table 4.16 Qualified Storekeeper**

	<b>Frequency</b>	<b>Percent</b>
Qualified	5	15.6
Not Qualified	6	18.8
Does not have	21	65.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

From Table 4.15 on qualified store keeper, the results confirm that the schools have only 15.6% of qualified store keepers. Store keeping being a financial management practice is likely to be compromised by 65.6% of those who are not qualified and subsequently not knowledgeable.

**Table 4.17: Qualified Cateresses**

	<b>Frequency</b>	<b>Percent</b>
Qualified	9	28.1
Not Qualified	4	12.5
Does not have	19	59.4
<b>Total</b>	<b>32</b>	<b>100.0</b>

It was further established that 71.9% of cateresses within the schools are not qualified as in Table 4.16 on qualified cateresses. The human resource that supports the head teacher's in accounting are to the extent of the above percentages inadequate in assisting in financial management in schools. The fact

that the District Schools Auditor confirms that only twenty five percent of schools had by mid June 2003 submitted last year's books of accounts is a confirmation of the extent of incompetence extended to the schools by support staff. Head teachers are expected by law to submit books of accounts for audit by 30<sup>th</sup> of January the following year. Head teachers however noted that 37.5% of the challenge of their office is inadequate knowledge financial management as depicted in 4.6. The survey asked respondents to confirm whether they are able to keep up to date financial records. Table 4.17 confirms that most qualified bursars are able to keep up to date financial records compared to the unqualified bursars.

**Table 4.18: Qualified bursars' ability to keep records**

<b>Bursars</b>	<b>Ability to Keep up to date records</b>				<b>Total</b>
	<b>Do not know</b>	<b>Very able</b>	<b>Able</b>	<b>Not able</b>	
Do not know	5	0	0	0	5
Qualified	2	4	8	0	14
Does not have	1	3	5	2	11
<b>Total</b>	<b>8</b>	<b>7</b>	<b>13</b>	<b>2</b>	<b>30</b>

Schools that do not have qualified bursars and accounts clerks risk financial mismanagement, as the records of original entry form the basis of sound financial management.

The survey confirmed from the respondents that schools that have qualified bursars and accounts clerks are often able to confirm entry into books of accounts. Schools that have unqualified bursars and accounts clerks or not at all, are not able to competently confirm entry into books of accounts as depicted by table 4.18.

Table 4.18 thus confirms poor record keeping in schools as a fertile ground for overspending and underspending on various vote heads. Overspending and underspending on vote heads leads to the offence of mismanagement and misappropriation of school funds which is punishable by the Teachers Service Commission by interdiction.

The research further established that head teachers who do not have qualified bursars and accounts clerk spend a lot more time than those who have on financial management. Table 4.15 depicts that those who do not have qualified accounts clerks had to look for alternative arrangements in pseudo accountants who are very expensive.

Findings concurred with that of Mabegu, Ondigi and Simotwa (2012), in which they found out that such schools lacked balances and checks as head teachers doubled administrative and financial duties, no segregation of duties, poor book keeping and no internal auditing of funds. The situation in such school implied that bursars received money but did not account for it. The work of balancing books of accounts was done by hired accountants, some invited to schools on a weekly or fortnight basis.

The study established that 90.2% of Deputy head teachers had very limited knowledge in financial management. It was noted that most deputy head teachers were not able to identify basis accounting books as well as auditing and budgetary procedures in schools. This confirms the incompetence of the deputy head teachers in managing school finances.

Chrisontous (2003), notes that head teachers in Britain play a significant role in local consultation on school funding and control a majority of their funding. Argyropoulou (2009), notes that in Greek state schools training is not necessary in order for someone to be appointed as head. The study established that deputy principals are ill equipped in undertaking financial management roles. It further revealed that 37.5% percent of serving head teachers ordered inadequate knowledge in financial management as a priority challenge. They recommended that they be thoroughly trained in financial management alongside bursars and accounts clerks.

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This chapter gives the study's summary of findings, conclusion and appropriate recommendations that the researcher considered necessary together with the suggestions for advanced studies that need attention.

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

The purpose of the study was to examine the financial management challenges facing head teachers in financial management of public secondary schools Kisumu East districts.

From the findings of the study the following emerged as the main accounting challenges in financial management facing head teachers of public secondary schools; inadequate training of head teachers in accounting, unqualified bursars and accounts clerks, fee defaulting, delay of FSE funds, poor record keeping, doubling of roles.

The researcher also established the budgetary challenges in financial management facing head teachers of public schools; inadequate budgetary skills of head teachers, fee defaulting, unqualified bursars and accounts clerks, poor budgeting, procurement incompetence, unexpected income.

The study further established that there existed auditing challenges in financial management facing head teachers in public secondary schools; incompetence of internal auditor, incompetent bursars accounts clerks, lack of financial accounting staff, inadequate procurement staff, inadequate audit staff, inability to keep records of financial transactions, irregular schools audit, late submission of books of accounts.

The research further established that there existed professional competence challenges facing head teachers in financial management in public secondary schools; incompetent head teachers, incompetent bursars and accounts clerks, incompetent storekeepers and cateresses, lack of financial management staff, use of pseudo accountants.

It is evident from the findings of the above study that head teachers face numerous financial challenges in financial management of public secondary schools in Kisumu East District of Kenya.

### **5.3 Recommendations**

Based on the findings of this study several recommendations were arrived at;

- (i) That teachers training colleges and universities restructure their curriculum to include in depth coverage of financial accounting, budgeting and auditing as a way of preparing head teaches for financial management roles.

- (ii) That ministry of education through the Kenya Education Management Institute put in place a sound curriculum in financial management to ensure serving head teachers, deputy head teachers , bursars and accounts clerks and storekeepers are adequately and effectively trained to manage finances in schools. It should not be done in a hurry and by use of trainers who are not knowledgeable.
- (iii) That the government employs the bursars and accounts clerks hence promote the employment of competent financial management staff. The findings of the study established that qualified financial management staff leads to more efficient and effective financial management.
- (iv) That Board of Management of schools interview and recruit bursars, accounts, clerks, storekeepers and cateresses who are qualified and competent. Such officers will help manage the challenges facing head teaches in financial management in public secondary schools.
- (v) That the government policy on auditing of school books of account is revised to take into account the inadequacies of the head teachers, bursars, accounts clerks and deputy head teachers in managing school finances. The teacher's service commission should be prevailed upon to ensure that punitive measures extended to head teachers based on the auditing of school finances are realistic and based on all the factors affecting financial management in schools.

- (vi) That the government employs more auditors to ensure timely audit of schools books of accounts. Such auditors may train the head teachers, deputy head teachers, bursar's accounts clerks and storekeepers in financial management. Increased number will ensure that advisory audit is enhanced hence realizing prudent financial management.

#### **5.4 Suggested areas for further research**

The study was done in only one district among many in Kenya. There is need for similar researches in other districts before generalizations are made. With the training of head teachers by the Kenya Education Management Institute expanded to the whole country, it is necessary to examine the effectiveness of its programs.

Due to the numerous challenges facing head teachers in financial management, it is necessary to further examine specifically the accounting challenges. Since the schools auditors are few and many schools are yet to submit their final accounts for auditing, it is necessary to find out the auditing challenges facing them.

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## **APPENDICES**

### **APPENDIX 1**

#### **INTRODUCTION LETTER**

Erick Magak  
University of Nairobi  
Department of Educational Administration and Planning  
P.O BOX 30197  
NAIROBI

Dear Sir/Madam

**REF: RESEARCH ON CHALLENGES FACING PUBLIC SECONDARY SCHOOLS HEAD TEACHERS IN FINANCIAL MANAGEMENT**

You are kindly requested to provide information regarding financial management in your school. The objective of this research is to **establish the challenges facing public secondary schools head teachers in financial management in Kisumu East District of Kenya.**

Your school was chosen for inclusion in this study through simple random sampling. The results of the present study shall be used to improve financial practices and overall financial management of public secondary schools in the district. There is no right and wrong answers and the researcher will treat the information provided in this questionnaire with confidence and only for the purpose of this study.

Yours faithfully,

Erick Magak

## APPENDIX II

### QUESTIONNAIRE FOR HEAD TEACHERS

This is a study on challenges facing head teachers on financial management in secondary schools in Kisumu East District.

Fill in the questionnaire and confidentiality will strictly be maintained.

- | Question  | please tick appropriate remarks only |     |
|---|--------------------------------------|-----|
| 1. Identify the type of school                                    | Girls Boarding                       | [ ] |
|   | Boys Boarding                        | [ ] |
|   | Mixed Boarding                       | [ ] |
|   | Mixed day and Boarding               | [ ] |
|   | Mixed day                            | [ ] |
|   | Boys Day                             | [ ] |
|   | Girls Day                            | [ ] |
| 2. Tick on age  | 18 years- 30 years                   | [ ] |
|   | 30 years - 40 years                  | [ ] |
|   | 41 years - 50 years                  | [ ] |
|   | 51 years and above                   | [ ] |
| 3. How many years have you been a head teacher? 0 years - 5 years | [ ]                                  | [ ] |
|   | 6 years - 10 years                   | [ ] |
|   | 11 years and above                   | [ ] |
| 4. Does your school have following qualified officers             |                                      |     |

	<b>Qualified</b>	<b>Not qualified</b>	<b>Does not have</b>
School bursar			
School accounts clerk			
School store keeper			
School cateress			

5. Do you have established school committee? Tick as appropriate

i. Board of Governors [ ]

ii. Parents Teachers Association [ ]

iii. Procurement Committee [ ]

6. Could you show steps in budget preparation and approval it in your school?

Step 1 \_\_\_\_\_

Step 2 \_\_\_\_\_

7. At the end of the financial year, could you classify your budget as break even deficit budget or excess budget?

	Deficit budget	Break-even budget	Excess budget
2012			
2011			
2010			
2009			

8. How promptly do you receive the free day secondary education funds(Specify).

Duration tick appropriate

January - February [ ]

March - April [ ]

May - June [ ]

July - August [ ]

September - October [ ]

9. Briefly explain how the disbursement of free day secondary school funds affects the preparation of your budget?

10. Could you show the steps in procuring goods and services in your school?

Step 1 \_\_\_\_\_

Step 2 \_\_\_\_\_

11. What problems do you face as a school head teacher in accounting for school funds? \_\_\_\_\_

12. What problems do you face as a head teacher in procuring goods and services in your school? \_\_\_\_\_

13. How do you as a head teacher manage these challenges?

\_\_\_\_\_

14. How often do you confirm the entry into the books of account?

Once a month [ ]

Once a fortnight [ ]

Once a week [ ]

Once a daily basis [ ]

15. Are you able to keep up to date records of all financial transactions?

Very able [ ]

Able [ ]

Not able [ ]

Does not keep [ ]

16. How often have you consulted the school's auditor in managing the challenges facing head teachers in financial management above?\_\_\_\_\_

17. Does the institution have an efficient internal income monitoring mechanism?

(i) No [ ] Yes [ ]

(ii) Please give details of internal income monitoring mechanism

\_\_\_\_\_

18. Has this institution adopted any mechanism for internal quality check in procurement and storekeeping?

(i) No [ ] Yes [ ]

(ii) If yes, please explain how quality assurance is ensured?

\_\_\_\_\_

19. Are there any measures that the school has taken in the last three years to improve the financial management of the institution?

(i) No [ ] (ii) Yes [ ]

If the school has taken any measures in the last three years to improve financial management, please explain such measures.

\_\_\_\_\_

20. Please explain the process of carrying out bursar/accounts clerk recruitment in case of a position falling vacant?

---

21. Are there any specific innovations, which in your view have contributed to better financial management in this school?

(i) No [ ]

(ii) Yes [ ]

22. If your response to the above is yes, please explain the specific innovations, which have led to the growth of this school.

---

23. What is your opinion should be the major consideration in appointment of secondary school head teachers?

---

24. Do you have any suggestions that in your view would help to improve the financial management in public secondary schools?

---

*Thank you for your cooperation.*

### APPENDIX III

#### QUESTIONNAIRE FOR DEPTY HEAD TEACHERS

This is a study on challenges facing head teachers on financial management in secondary schools in Kisumu East District.

Fill in the questionnaire and confidentiality will strictly be maintained.

Question	please tick appropriate remarks only	
1. Identify the type of school	Girls Boarding	[ ]
	Boys Boarding	[ ]
	Mixed Boarding	[ ]
	Mixed day and Boarding	[ ]
	Mixed day	[ ]
	Boys Day	[ ]
	Girls Day	[ ]
2. Tick on age	18 years- 30 years	[ ]
	30 years - 40 years	[ ]
	41 years - 50 years	[ ]
	51 years and above	[ ]
3. How many years have you been a deputy head teacher? 0 years - 5 years [ ]	6 years - 10 years	[ ]
	11 years and above	[ ]

4. Does your school have following qualified officers

	<b>Qualified</b>	<b>Not qualified</b>	<b>Does not have</b>
School bursar			
School accounts clerk			
School store keeper			
School cateress			

5. Do you have established school committee? Tick as appropriate

i. Board of Governors [ ]

ii. Parents Teachers Association [ ]

iii. Procurement Committee [ ]

6. Could you show steps in budget preparation and approval it in your school?

Step 1 \_\_\_\_\_

Step 2 \_\_\_\_\_

7. At the end of the financial year, could you classify your budget as break even deficit budget or excess budget?

	Deficit budget	Break-even budget	Excess budget
2012			
2011			
2010			
2009			

8. Has this institution adopted any mechanism for internal quality check in procurement and storekeeping?

a. No [ ] Yes [ ]

b. If yes, please explain how quality assurance is ensured?

---

9. What is your opinion should be the major consideration in appointment of secondary school head teachers?

---

10. Do you have any suggestions that in your view would help to improve the financial management in public secondary schools?

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*Thank you for your cooperation.*

## APPENDIX IV

### QUESTIONNAIRE FOR BURSARS/ACCOUNTS CLERKS

This is a study on challenges facing head teachers on financial management in secondary schools in Kisumu East District.

Fill in the questionnaire and confidentiality will strictly be maintained.

Question		please tick appropriate remarks only
1. Identify the type of school	Girls Boarding	[ ]
	Boys Boarding	[ ]
	Mixed Boarding	[ ]
	Mixed day and Boarding	[ ]
	Mixed day	[ ]
	Boys Day	[ ]
	Girls Day	[ ]
2. Tick on age	18 years- 30 years	[ ]
	30 years - 40 years	[ ]
	41 years - 50 years	[ ]
	51 years and above	[ ]
3. How many years have you been a bursar/accounts clerk?	0 years - 5 years	[ ]
	6 years - 10 years	[ ]
	11 years and above	[ ]

4. Does your school have following qualified officers

	<b>Qualified</b>	<b>Not qualified</b>	<b>Does not have</b>
School bursar			
School accounts clerk			
School store keeper			
School cateress			

5. Do you have established school committee? Tick as appropriate

i. Board of Governors [ ]

ii. Parents Teachers Association [ ]

iii. Procurement Committee [ ]

6. Could you show steps in budget preparation and approval it in your school?

Step 1 \_\_\_\_\_

Step 2 \_\_\_\_\_

7. At the end of the financial year, could you classify your budget as break even deficit budget or excess budget?

	Deficit budget	Break-even budget	Excess budget
2012			
2011			
2010			
2009			



Once a fortnight [ ]

Once a week [ ]

Once a daily basis [ ]

15. Are you able to keep up to date records of all financial transactions?

Very able [ ]

Able [ ]

Not able [ ]

Does not keep [ ]

16. How often have you consulted the school's auditor in managing the challenges facing you in financial management?

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17. Does the institution have an efficient internal income monitoring mechanism?

a. No [ ] Yes [ ]

b. Please give details of internal income monitoring mechanism

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18. Has this institution adopted any mechanism for internal quality check in procurement and storekeeping?

a. No [ ] Yes [ ]

b. If yes, please explain how quality assurance is ensured?

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19. Are there any measures that the school has taken in the last three years to improve the financial management of the institution?

a. No [ ] (ii) Yes [ ]

If the school has taken any measures in the last three years to improve financial management, please explain such measures.

---

20. Please explain the process of carrying out bursar/accounts clerk recruitment in case of a position falling vacant?

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21. Are there any specific innovations, which in your view have contributed to better financial management in this school?

a. No [ ]

b. Yes [ ]

22. If your response to the above is yes, please explain the specific innovations, which have led to the growth of this school.

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23. What is your opinion should be the major consideration in appointment of secondary school head teachers?

---

24. Do you have any suggestions that in your view would help to improve the financial management in public secondary schools?

---

*Thank you for your cooperation.*

## APPENDIX V

### INTERVIEW SCHEDULE FOR SCHOOLS AUDITOR

1. In which age bracket are you?
  - 18 years – 30 years ( )
  - 30 years – 40 years ( )
  - 40 years – 50 years ( )
  - 50 years and above ( )
  
2. How many years have you served as a School's auditor
  - 0 – 5 years ( )
  - 6 – 10 years ( )
  - 11 – 20 years ( )
  - 20 years and above ( )
  
3. How many times have you visited a school for audit purposes this year?
  - 3 times ( )
  - 2 times ( )
  - Once ( )
  - None ( )
  
4. What percentage of school have failed to submit last year's final accounts for audit
  - 60% ( )
  - 40% ( )
  - 20% ( )

None ( )

5. Have you audited all the submitted books of accounts in your custody?

Yes ( )

No ( )

5b. If the answer to the above is No, averagely to what extent do you have a backlog

1 year ( )

2 years ( )

3 years ( )

None of the above ( )

6. Are the head teachers competent in supervising financial management in schools (Yes) ( ) or (No) ( )

If No, what can be done to make them effective and efficient in financial management?

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7. Are school budgets approved by your office? (Yes) ( ) or (No) ( )

If No what is the procedure for approval of school budgets

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8. Are Bursars/Accounts clerks able to prepare books of accounts?

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9. Kindly list the challenges head teachers face in financial management in schools.

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10. What nature of advice do you give head teachers faced with challenges in financial management? (List in order of priority)

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11. What role have you played to manage the challenges head teachers face in financial management in public secondary schools?

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## APPENDIX VI

### OBSERVATION CHECKLIST FOR RESEARCHER

1. Does the school has the following?
  - School work ticket ( )
  - Valid bus insurance ( )
2. Cash book ( )
  - Fees register ( )
  - Voucher book ( )
  - Stores ledgers ( )
3. B.O.M budget approval minutes ( )
  - B.O.M audit discussion minutes. ( )
  - PTA budget approval minutes ( )
  - School fees structure ( )
4. Receipt book register ( )
  - Vote book ( )
  - Virement approval letter ( )
  - Textbook register ( )
5. Consumable stores ledger ( )
  - Non consumable stores ledger ( )
  - Inventory register ( )
  - Furniture and equipment register ( )
  - Permanent stores register ( )

- 6. Public procurement and disposal act ( )
  - Tender committee minutes ( )
  - Evaluation committee minutes ( )
  - Disposal committee minutes ( )
  - Quality committee minutes ( )

**APPENDIX VII - LETTER OF AUTHORIZATION**

**APPENDIX VIII – RESEARCH PERMIT**