

Financial Management In Public Secondary Schools In Kenya: A Case Study Of Lurambi Sub-County Kakamega County

Rose Kahavizakiriza, Kisiangani Benson Walela, Danstanwanyonyikukubo

Abstract: This study set out to identify knowledge, skills and attitudes required by principals of public secondary schools in Lurambi Sub-county in Kakamega County (Kenya) for effective financial management. The rationale for focusing on the financial management of public secondary schools was based on evidence in contemporary literature showing that there existed problems in schools over the management of funds because parents complained of financial mismanagement. The main objective of this study was to find out financial management in public secondary schools in Kenya. The specific objectives were: To find out whether principals of public secondary schools identify and mobilize financial resources for their institutions, to find out whether principals draw up budgets for their schools according to priorities of the school needs, to find out whether supervision, monitoring and control of the budget is carried out by principals of public secondary schools. Therefore, there was need to find out ways of ensuring efficient financial management in schools. The study was carried out in public secondary schools in Lurambi Sub-county of Kakamega County, covering Lurambi and Municipality. The target population for this study consisted of seventeen (17) principals of public secondary schools, seventeen (17) school bursars, one hundred and thirty six (136) H.O.Ds and seventeen (17) B.O.G representatives giving a total of one hundred and eighty seven (187) people. Sample population was purposively selected from twelve (12) public secondary schools in Lurambi Sub-county through simple random within the clusters of principals, school bursars, H.O.Ds, representatives of B.O.G. The study adopted a descriptive survey design which helped to establish and describe the knowledge, skills and attitudes principals of public secondary schools require for effective performance. Reliability coefficient of the instruments was calculated using cronbach's reliability test. Data analysis revealed that: Schools depended mostly on funds from parents and the government and hardly generated funds of their own, budget preparation was carried out by principals, H.O.Ds and bursars, monitoring and supervision of the school budget was done by principals and B.O.Gs, Budget approval was mainly carried out by B.O.Gs while the government was not consulted on this.

Key words: knowledge, skills, financial impropriety, resources, budgeting, programs, budget administration, budget evaluation.

INTRODUCTION

Financial management involves defining the goals of the organization, developing programs that will achieve these goals into quantitative terms, that is, Kenya shilling. Financial management is therefore a control system that determines how to use the available resources optimally to produce quality results. The importance of a control system lies first in the design of the programs outlined to achieve the goals and secondly in the skills and abilities of the people using it. Education has become Kenya's largest growth industry and consumes a great deal of the government budget. Besides this, the introduction of cost sharing has burdened both parents and the communities surrounding the school since there is need for additional finance to back up the limited public funds provided by the government. With this kind of investment, parents and the communities in question require that there be proper financial management by the school administrators. There is an increasing demand for education, which has caused an expansion of educational systems. Rising costs of

education have been caused by inflation and changes in technology. Due to this, there is increased expenditure on education the world over. World Bank Sector Working Paper (1980) cited that in 1960 the world spending on education by public bodies used up to 3.2% of the world GNP and it increased to 4.8% in 1974. This percentage may have more than doubled by the year 2000. With so much money invested in education, there is need for proper planning and evaluation by those in charge of schools. Education needs to be more efficient and the output should offer a positive reflection of the input in schools as Guthrie et al (1988) see planning and evaluation as the two major stages in a cycle of events aimed at enhancing an educational organization's ability to serve its clients, that is, parents, pupils and the public. For planning and evaluation to be successful, there is need for proper budgeting as a practical bridge between planning and evaluation. Thus the budget represents the financial crystallization of the organization's intentions. It is through budgeting that a school can decide on how to an organization's intended goals. Macharia (2002) views proper budgeting administration as a way of ensuring that resources are allocated according to what is in the budget. The school administrators and Board of Management have the responsibility of approving what is to be spent. Macharia (2002) has noted that there has been many problems in schools with parents who were kept in the dark over how much money was used, complaining about financial mismanagement. There is need therefore for school administrators to carry out proper financial accounting showing proper record and evidence of expenditure. This is because Olembo et al (1992) sees financial accounting as a very important activity in administering the approved school budget. The objective is to assist the school management to spend funds in accordance with the spending plan shown in the budget. Those who control or administer the budget

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must not only comply with the spending plan but also show evidence of the expenditure. School principals need to be conversant with financial accounting procedures. They may use the services of accountants, bursars and accounts clerks. However, they are the accounting officers in charge and society demands financial information from them. Ziebelle et al (1991) points out how interested groups usually want information that will provide answers to two important questions. These are:

- (i) What is the financial health of the organization at a given point in time?
- (ii) How well did the organization perform over a given period of time?

Principals should be in a position to answer these two questions.

RESEARCH PROBLEM

There has been a rapid rise in expenditure since the 1970's when the strategy of cost sharing was introduced in the country. Parents and local communities have been paying school fees for their children and, in addition, have taken a bigger share in capital expenditure. With the setting up of the Parents Teachers Associations (PTAs), parents have had to raise more money for school development fund, purchase of text books, school buses and computers, Bogonko (1992). The principal must take care of the many tasks involved in the management of expenditures based on the revenue secured. The government audit department should also keep track of the financial performance of the schools according to Waihenya (2002). This will help bring down the financial impropriety caused by most school principals. Macharia (2002) confirmed that the audit department has been having difficulties in keeping track of the financial performance of schools as bursars decline to forward trial balances. Waihenya (2002) in his article "Queries over move to audit schools" reveals a presidential decree, presented by the Director of Education (Wangai), in January 2002 for a countrywide examination of the management of finances in public primary and secondary schools. According to Wangai, 10 percent of public secondary schools were facing financial impropriety and therefore there was need for government auditing. In 2002, it was revealed that there was a backlog of 5,292 of public schools audited of which 1043 are from Western Kenya in which Lurambi Sub-county of Kakamega County fall. Macharia (2002) observed that the audit department had difficulties in keeping track with the financial performance of schools because bursars declined to forward financial records for scrutiny. Due to this, parents have complained of financial mismanagement. Musvosvi(1998) felt that society has vested interest in education and they must be assured that they are spending their money on a worthy cause. The demand for greater accountability in public secondary schools has challenged the control of such schools and therefore this prompted the researcher to carry out an investigation into the knowledge, skills and attitudes required by principals of public secondary schools in Lurambi Sub-county of Kakamega County for effective financial management. Alphonse et al (1981) reveal that the gap between the ideal and the actual behaviour of supervisors come about because supervisors frequently are not in possession of the technical competencies necessary

to carry out their assigned responsibilities and action their professional commitment.

OBJECTIVES OF THE RESEARCH

Literature reveals a study carried out by the World Bank (2001) which indicated that budget allocation may not matter when institutions or their popular control is weak. Finance is a major constraint facing Kenya in the provision of education. The minister felt that the Ministry of Education should review priorities and ensure that available resources are utilized in the most economical way. With economy, such resources will be carefully and sparingly used and this will help principals to avoid any over-expenditure in schools. This can only work if proper budget preparation, supervision and control are embraced by those in charge of running these. This research study was carried out:

- (i) To find out whether principals of public secondary schools identify and mobilize financial resources for their institutions.
- (ii) To find out whether principals draw up budgets for their schools according to priorities of the school needs.
- (iii) To find out whether supervision, monitoring and control of the budget is carried out by principals of public secondary schools.

RESEARCH QUESTIONS

This study was purported to answer the following questions: General Research Question What knowledge, skills and attitudes are required by principals of public secondary schools for effective financial management?

Specific Research Questions

- (i) Do principals identify and mobilize financial resources for their schools?
- (ii) Do principals draw up budgets for their schools according to priorities of their needs?
- (iii) Do principals of public secondary schools monitor and control expenditure as per the budget?

JUSTIFICATION OF THE STUDY

There are problems in schools over the management of funds. Parents have been kept in the dark over how much money has been received and spent in the schools. In fact parents have complained of financial mismanagement. Aringo (1987) reveals that a good number of audit reports indicate that books of accounts are not properly kept in some schools. Such circumstances normally leave room for manipulation by unscrupulous persons who have access to school funds and therefore there is need to find out ways of ensuring efficient and effective financial management in public secondary schools.

SIGNIFICANCE OF THE STUDY

This research was carried out to establish the knowledge, skills and attitudes needed by principals of public secondary schools for effective financial management in schools in Lurambi Sub-county of Kakamega County. The findings of this research may be used by:

- (i) Principals of public secondary schools to improve on their budget preparation, monitoring and control considering the wide range of departmental activities including line

activities e.g timetable subject allocation to teachers and non-line activities e.g feeding program, boarding and co-curricular activities. This is where plans produced are linked to the budget using technical know-how.

- (ii) Education officers (Audit Section) as a stepping-stone to improve on their financial monitoring and control skills especially in comparing the budget and the actual expenditure by principals of public secondary schools.
- (iii) Board of governors of public secondary schools to improve on their financial management decision making techniques and help improve on the overall school performance.
- (iv) The government on improving or fixing proper financial monitoring and control systems in public secondary schools to ensure that these schools offer quality services to the citizens.

REVIEW OF LITERATURE

Financial management is a very important aspect of management in any organization because it embraces all accounting techniques that will help provide information designed to assist management in planning and controlling the activities of the organization. According to Aringo (1987), education administrators need to be regularly informed of any new management techniques and changes that will make the program worthwhile. As the Minister of Education, he felt that principals need to update the techniques of planning, organizing, controlling and directing human, financial and material resources for the goals set. Financial management requires that there be accountability by those in management. The World Bank (2001) in its world development report suggested that there is need to improve public management systems to make programs more efficient and accountable. To ensure a steady progress toward a fully responsive and accountable management, the civil society must be involved in planning, monitoring and evaluating public programs and policies. A study of the World Bank (2001) indicated that budget allocation may not matter when institutions or their popular control is weak. Between 1991 and 1995 on average less than 30 percent of the intended non-salary public spending on primary education reached schools. This is also reflective of secondary education. Provision of education points towards finance as the major constraint facing Kenya as Aringo (1987) feels like any other developing country, Kenya continues to experience shortage of resources that are required to meet the national development needs. The Minister felt that the Ministry of Education should review its priorities and ensure that available resources are utilized in the most economical way. Resources being scarce as compared to the numerous wants and needs, any misuse of these resources will normally bring about wastage. With economy, resources will be carefully and sparingly used and any over-expenditure avoided. For example, a school should repair the available equipment in school than buy a new one unless the equipment has become obsolete. However, should there be need to buy a given equipment, a thorough survey of the market and negotiation of discount

should be done. The tender system should suffice in this case.

Budgeting

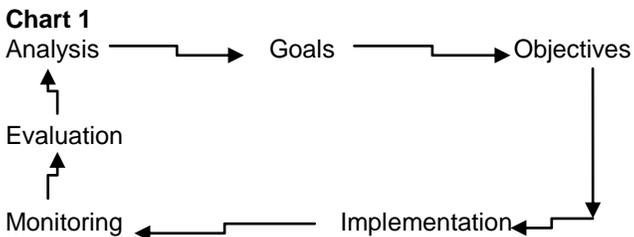
Managers of secondary schools need to look ahead, establish priorities and plan the activities in the school. If they do this, they will manage their money well. Clear long term plans and priorities will bring about effective school financial management. It is unlikely that a school has more funds available than it needs. It is therefore important that clear priorities of spending the limited funds be drawn. The managers should not implement plans that are unaffordable and which will drive them into straining parents. The development plans drawn should have direct impact on the improvement of education standards. Macharia (2002) points out that it is wrong for schools to strain parents by initiating costly projects like the purchase of buses that had no direct impact on the improvement of education standards. He feels that it is high time the principals prioritized the schools' needs by implementing development plans that are less taxing on the parents and at the same time enhance learning. Plans need to have long term objectives. The managers need to carry out the major analysis of the school's current performance and the school situation to determine future needs. A SWOT analysis will help make things straightforward, practical and as such less time consuming. In the SWOT analysis, the managers need to know the strengths and weaknesses of the school and consider the opportunities and threats likely to arise in future for the school. Fiddler (1989) feels such analysis needs to consider the schools environment, internal resources and organizational culture (values, attitudes, relationships, styles, politics etc) as well as the school's performance and outcomes. With such planning and analysis, a proper budget will be put in place. It is this budget that will act as a management tool for planning, implementing and evaluating. With a budget in place, one important function will be fulfilled, that is provision of a system of control. This is because Guthrie et al (1988) sees budgets to be representing the financial crystallization of an organization's intentions. He feels that it is through budgeting that a school can decide to allocate resources so as to achieve organizational goals. For a budget to operate, it must be acceptable to those who use it, that is, it must be discussed and agreed upon by the implementers. Ziebell et al (1991) feel that, to develop a realistic budget, management must predetermine the decision rules and organizational structure that will be used during actual operations. This means that at the time of budget preparation, there must be a concurrent knowledge of the decision rules to be employed. Besides this, Campbell (1996) indicates that it is important that people within the school system be involved in the budget building. This means that teachers will have a real voice in suggesting what is necessary by way of working conditions, equipment, supplies, books and other items to make instruction most effective. This also means that support staff who clean floors, repair buildings, or do other tasks will also have a voice in suggesting what is needed to do these jobs efficiently. All of these suggestions may not be accepted, but they should be considered. This will bring in maximum delegation as Coopers and Lybrand (1987) feel that the underlying philosophy of financial delegation to schools

stems from the application of the principles of good management. Good management requires the identification of management units for which objectives can be set and resources allocated; the unit is then required to manage itself within those resources in a way which seeks to achieve the objectives; the performance of the unit is monitored and the unit is held to account for its performance and for its use of funds. There should not be maximum delegation to the school but also within the school, that is, from the principal to departments, class teachers and other employees of the school. Such delegation of responsibilities should appear within an appropriate framework. Budget holders should not require authorization from a higher level except for specified exceptions. They should not be unduly restricted by regulations and they should be free to switch expenditure from one vote head to another. Budget holders should know that they should be clearly accountable. If there are any restrictions on their scope of action, for instance a maximum amount for a given expenditure or for virement without need for additional authority, it should be clearly spelt out. Expenditures should be clearly authorized by the person in charge and be traced to the authorized budget.

Planning

Good planning provides a good starting point for financial management. Knight (1993) gives four approaches to planning:

Approach 1 is the rational approach in which the management process follows a cycle, thus:



Approach 2 is the pragmatic approach which she tries to attain the objectives set in small steps depending on the need that has cropped up. This has been the most popularly used method by principals or head teachers in secondary schools because it is flexible and builds on existing strengths and tries to tear down the weaknesses. It mainly concentrates on short term planning. Approach 3 is the entrepreneurial approach in which the managers plan considering the opportunities available and the resources available to exploit such opportunities. For example, opening up doors to the community to access computer facilities in the school or supplying water to the community using the school water pump will help the school raise funds for other uses and this will help publicize the school extensively and create more opportunities to be exploited. Approach 4 is the lateral approach in which future goals are identified and ways identified which can lead to the achievement of these goals. With planning, therefore, a school may choose any of these approaches depending on the situation in which they are. Wallace (1991) suggests that it is more profitable to consider flexible planning as a dialectical process where planning activity varies between

relatively extensive planning exercises specifying action well into the future and rapid informal planning activity in response to unanticipated events. Some approaches may be combined to come up with excellent planning.

Plans and the School Budget

The management may produce plans for the school. These plans may be useless unless they are linked to the budget. Linking plans to the budget is not easy. It needs some technical know-how. This is due to a number of reasons, the first reason being time. Plans require a long time to be worked out while the budget may take only 12 months. We should note that since a plan is spread over a number of years, we have to break it down into long-term, medium-term and short-term plans. The short-term plan covers 0-1 years and this plan is normally operational since it covers mostly the current school years. Only the operational planning needs to be linked to the budget. The long-term and medium-term planning needs to be fixed in the budget as forecasts. The school managers need to understand that development plans which may have short-term, medium-term and long-term strategies should be seen as something that roles forward, that is, once the short-term (0-1 year) plan which is current has been worked on, the next step would be medium-term and finally the long-term plan as the years roll on. Secondly, different elements of the school should be considered when linking the plans to the budget. A school plan may have various elements which need to be combined in order to achieve the goals set. For instance, a school plan may have the curriculum plan, plan for development of building and public relations plan. These various elements in the plan need to be combined appropriately to achieve the set goals. Thirdly, the school managers should consider problems that arise with development and/or maintenance. A school's development plan can only work if the budget also grows to accommodate it, that is, there must be seen to be additional funding to cater for the development plan. This is because any development requires funds and, in future, even more funds will be required for maintenance. Fourthly, managers should consider the fact that funds (resources) are limited and that they must consider priorities when selecting the needs and wants to be fulfilled. It is unlikely that a school has more funds available than it needs. It is therefore important for the school to plan basing on priorities of spending the limited funds. Spinks (1991) outlined priority establishment in a school as follows

Category 1: Critical areas of learning requiring immediate change and development to curriculum.

Category 2: Important areas of learning but no immediate change and development required.

Category 3: Desired areas of learning if, inclusions within the resource cap is possible.

Lastly, managers should link plans and priorities to student outcomes with not only inputs in mind but should also relate the plans and priorities to outputs. We should be able to find out how financial inputs should be able to bring out appropriate results (outputs). While planning is good, it is a process that requires a lot of time as Wood (1986) feels that planning is often a little more than an elaborate, symbolic

exercise, robbing important person hours from other projects and resulting in only illusions of achievement.

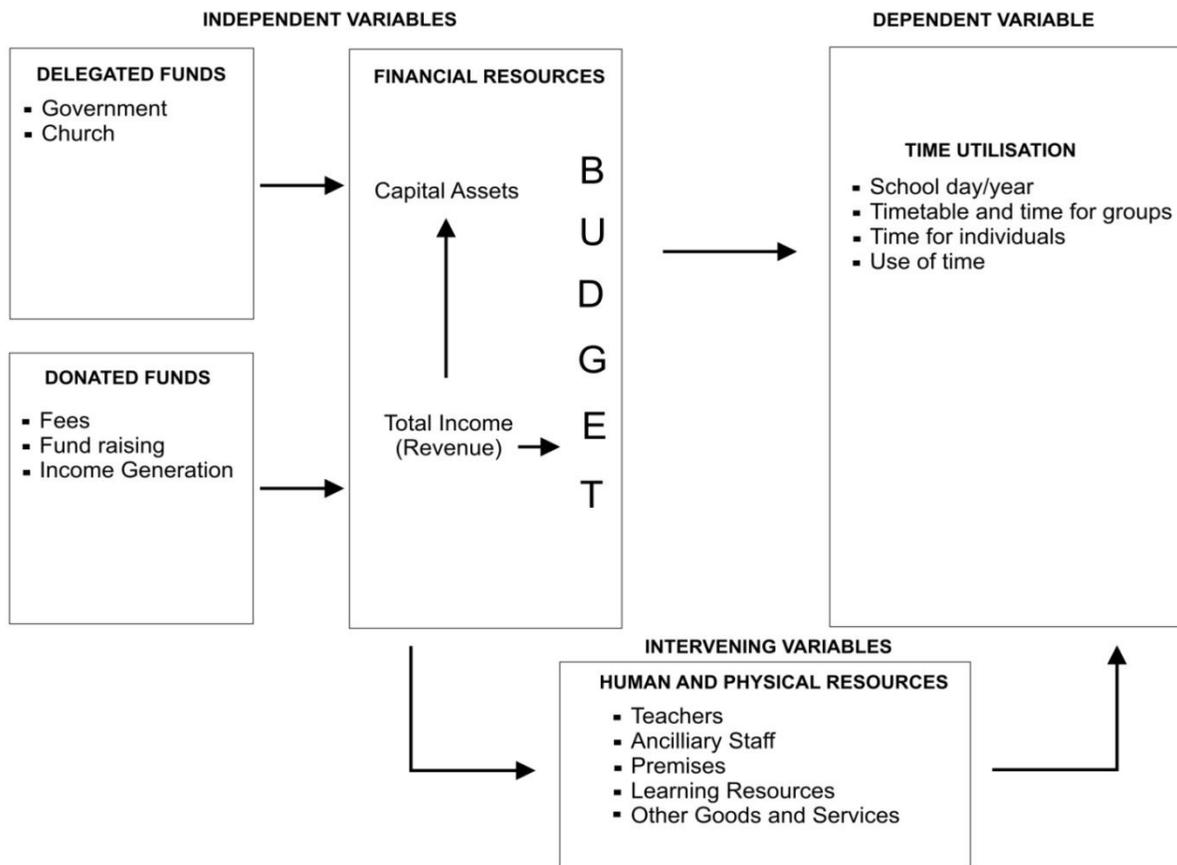
Budget Administration for Monitoring and Control

Budgets should not be produced and then be forgotten. Budgets are there to be used to monitor the actual performance of the school organization, and to take action where necessary. Ziebel et al (1991) says it is necessary that the budget translates the programs, program elements, objectives and performance norms into quantitative terms, testing before operations begin, the financial feasibility of the planned activities. Monitoring compares actual expenditure against estimated expenditure. Monitoring can also be used for income, capital or project expenditure. Budget information needs to be reported regularly to internal budget holders. Monitoring expenditure should be done regularly through budgetary tabulations as shown in the table below:

Item	Total Budget	Expected to date
Actual to date	Variance	
Telephone	2,000	800
600	-200	
Postage	2,000	800
1,000	200	

Even with good planning, a monitoring process remains mandatory. Minder (1999) stressed that monthly board

MODEL



meetings should include a review of financial statements. Financial reports may vary, but should cover expenditure, appropriations, income and cash flow. The board should know what has been spent, how the current year compares with the previous one, what account receivables are outstanding and are out of harmony with board policy on collections, and how much funding remains.

Accurate financial record keeping is necessary for every school to function effectively. The records outline the financial transactions of the school and form the basis upon which sound financial decisions can be made. Keeping a record of financial transactions also allows the board of governors to trace individual items and to identify what was spent for what purpose and by whom as well as the source of the money used for the expenditure. This allows for proper control of the funds flow in the school.

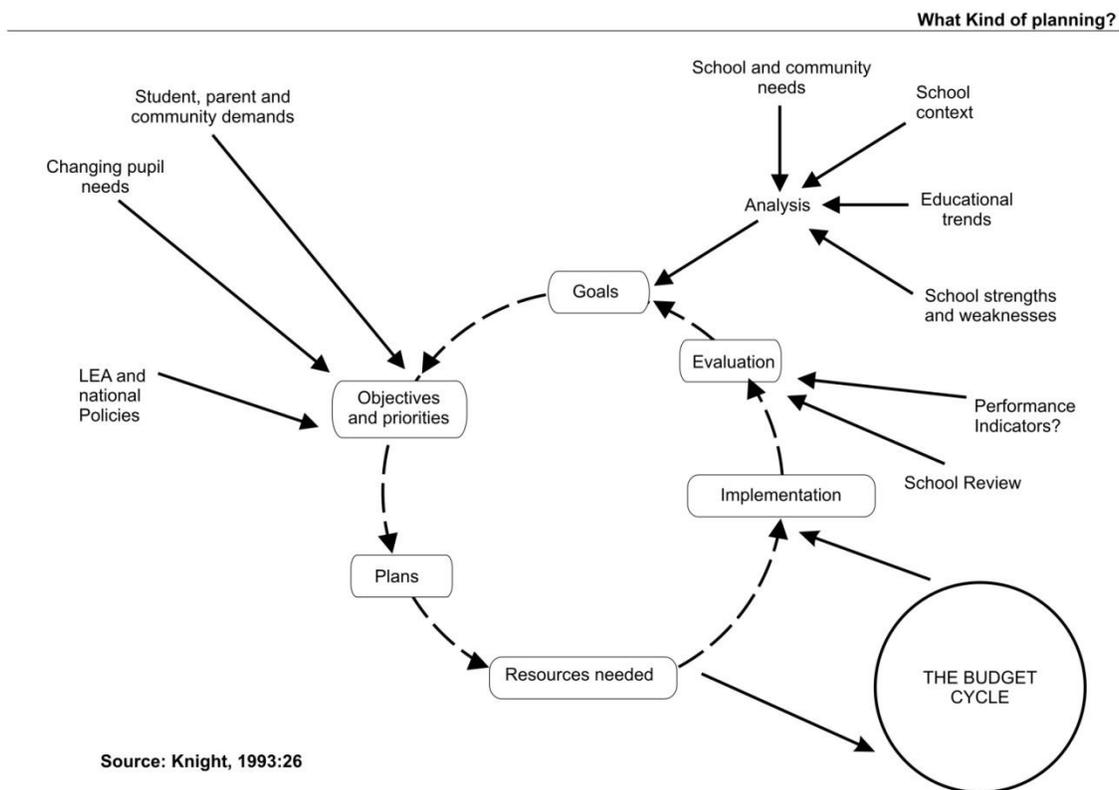
THEORETICAL FRAMEWORK

This study is based on four components of the school which are financial resources, human and physical resources, time utilization and learning process. The independent variable, which is the input of financial resources is received from different sources and converted into human and physical resources (intervening variables) by the budget mechanism and converted into "resource hours" (dependent variable) and finally the arrangement of these three components to give feedback and this is the educational process.

CONCEPTUAL FRAMEWORK

Effective financial management relies on three important concepts which form the basis of this study. These are economy, efficiency and effectiveness. Economy refers to a careful use of resources and therefore avoiding expenditure that goes above a stipulated minimum mainly budgeted for. Economizing resources and especially financial resources is necessary because needs and wants are so numerous while the resources are limited. Economy is, in effect, the management of resources so as to make them go as far as possible towards the fulfillment of needs and wants effectively. Management starts with the setting of goals to be achieved at some future date. What needs to be done to achieve the set goals and the means of attaining them, as well as the manner of attainment, constitutes economic planning. To economize requires a comparison of inputs and outputs. Such comparison brings in the issue of quantification that is so central in economics. Economizing

resources should go hand in hand with the concept of optimizing returns. Efficiency refers to a way of attaining maximum benefit in order to achieve the goals and objectives set. Economy and efficiency go hand in hand. One cannot economize resources without considering whether there is efficiency. A balance between the must be established. Effectiveness refers to the attainment of the goals and objectives of the school. Whatever activities are programmed in school must be cost effective. Principals of schools need the skill of costing as they manage their finances. This is important more so when schools have to handle new projects and/or changes in the curriculum. The manager must, before engaging in a given project, make sure that whatever project they enter into is cost effective and that each project is roped in according to priority. Therefore, economy, efficiency and effectiveness if carefully combined in their rightful proportion can increase productivity and reduce costs.



RESEARCH METHODOLOGY

Research Design

The research design used was descriptive survey design. Descriptive survey design helped establish and describe the knowledge, skills and attitudes principals of public secondary schools require to be able to perform their work effectively. Frankel and Wallen (1999) point out that survey is helpful in establishing the existing conditions of a phenomenon. This design suits studies that aim at describing a given situation at a given moment in time. Survey method was used to unearth the performance of

principals in financial management in public secondary schools.

Area of Study

The study was carried out in public secondary schools in Lurambi Sub-county of Kakamega County, covering Lurambi and Municipality. Statistics from the Sub-County Education office for the year 2001 revealed that there were seventeen (17) public secondary schools with five (5) public secondary schools in municipality and twelve (12) in Lurambi. The main economic activities are farming with concentration on growing sugarcane, maize, beans and horticultural crops, and small scale trading.

Study Population

The target population for this study was made up of principals of public secondary schools, the school bursars, heads of department (H.O.Ds) and finally the representatives of the various school boards of governors (B.O.Gs). The study population was drawn from seventeen (17) public secondary schools, thus seventeen (17) principals, seventeen bursars (17), one hundred and thirty six (136) heads of department (H.O.Ds) and seventeen (17) representatives of boards of governors. This gave a total study population of one hundred and eighty seven (187) people.

Sample Population

Twelve public secondary schools in Lurambi Sub-county were purposively selected for the study in line with the study objectives mentioned earlier. The geographical area studied was purposively selected after extensive field visits and consultation with the Sub-county Education Officer and principals of the public secondary schools in the sub-county. The individuals that formed the study population were selected using cluster sampling which narrowed the study to the schools in Lurambi Sub-county. The individuals that formed the population sample were selected using simple random method within the clusters of principals, bursars, heads of departments and representatives of boards of governors.

Twelve principals, twelve bursars, twelve representatives of boards of governors and ninety six heads of department were randomly selected from public secondary schools in Lurambi sub-county of Kakamega County.

Research Instruments

The following research instruments were used to collect data:

- Questionnaires: Three questionnaires were constructed to collect data from principals, bursars, heads of departments and representatives of board of governors who are directly linked to the management and running of the public secondary schools in Lurambi Sub-county of Kakamega County. The questionnaires contained items composed of both open and closed ended questions.
- Interview schedule: Interviews were conducted on selected principals and representatives of boards of governors to establish in detail the problems of financial management in public secondary schools. The interview helped to clarify some responses on the questionnaires and also gather information that questionnaires failed to capture from the various respondents.
- Observation schedule: The researcher gathered information through observation during visitations to the selected public secondary schools. Observation helped to verify the responses received through questionnaires and interviews.

To ensure the validity and reliability of the research instruments, questionnaires were piloted in two selected public secondary schools. The pilot study helped to:

- Establish whether relevant data would be collected from the respondents of the selected public secondary schools.
- Identify problems likely to occur when administering the questionnaires to the various respondents.
- Check whether the respondents understood the instructions on the questionnaires for the different groups.

The reliability coefficient of the instruments was calculated using cronbach reliability test. The test showed that the questionnaires to be administered to the principals, bursars and the heads of departments were reliable, having an alpha of above 0.6 as shown below:

Reliability of Instruments

	No. of cases	No. of items	Alpha
Principals' questionnaire	12	96	0.7123
Heads of dept. questionnaire	96	13	0.6126
Bursars' questionnaire	12	62	0.6235
B.O.G Representatives	12	22	0.2048

The representatives of board of governors' questionnaire had an alpha of 0.2048 which was low. The respondents were not genuine in their responses on the items in the questionnaire. The responses received on interviewing them were different from the ones in the questionnaire. Therefore, the responses from the interview were adopted because they were reliable.

Research Data Analysis and discussion

The data gathered in this research was analyzed based on the following objectives:

- To find out whether principals identify and mobilize financial resources for their schools.
- To find out whether principals draw up budgets for their schools according to priorities of the school needs.
- To find out whether principals carry out monitoring and control of the budget

- Sources of funds – specific objectives varied among the various respondents: the principals, heads of departments and bursars. The principals identified the sources of finance for their schools from the alternatives that were given as follows:

Sources of finance for schools (Respondents-principals)

Pri nci pal	Gove rnme nt	Pare nts	Com munit y	Stud ents	Offer of facilit	Othe rs
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s									ies			
	F	%	F	%	f	%	f	%	F	%	F	%
Yes	10	83.3	10	100.0	20	66.7	60	50.0	20	66.7	60	50.0
No	20	16.7	0	0.0	10	33.3	60	50.0	10	33.3	60	50.0
Total	12	100.0	12	100.0	12	100.0	12	100.0	12	100.0	12	100.0

The findings revealed that public secondary schools were greatly funded by the government and parents. The heads of departments indicated that their departments generated little revenue as shown: Generation of extra findings by departments (Respondents-HODs)

Heads of departments	F	%
Yes	8	8.3
No.	88	91.7
Total	96	100.0

The departments therefore depended mostly on funds from outside the school to run, thus the government and parents. The bursars identified the important sources of finance for their schools as shown:

Sources of finance (Respondents- Bursars)

		Yes	No	Total
Fees	F	12	0	12
	%	100.0	0.0	100.0
P.T.A Funds	F	12	0	12
	%	100.0	0.0	100.0
Fund Raising	F	9	3	12
	%	75.0	25.0	100.0
Leasing of School Assets	F	2	10	12
	%	16.7	83.3	100.0
Sale of Farm Produce	F	5	7	12
	%	41.7	58.3	100.0
Government	F	11	1	12

	%	91.7	8.3	100.0
Other Sources	F	2	10	12
	%	16.7	83.3	100.0

The findings from the bursars were that schools depended highly on funds from tuition, PTA, the government and fundraising.

2. Budgeting and monitoring the Budget-The principals agreed in total that all public secondary schools prepared annual budgets as shown:

Budget preparation for schools (Respondents-principals)

Principals	F	%
Yes	12	100.0
No	0	0.0
Total	12	100.0

On budget preparation, the findings revealed that budget preparation was carried out mostly by principals, bursars and heads of department.

People involved in budget preparation (Respondents-Principals)

		Yes	No	Total
Bursars	F	10	2	12
	%	83.3	16.7	100.0
Teachers	F	6	6	12
	%	50.0	50.0	100.0
Heads of Departments	F	80	16	96
	%	83.3	16.7	100.0
Non-teaching Staff	F	5	7	12
	%	41.7	58.3	100.0
Board of Governors	F	7	5	12
	%	58.3	41.7	100.0
Principals	F	11	1	12
	%	91.7	8.3	100.0

Parents	F	4	8	100.0
	%	33.3	66.7	100.0

Monitoring and supervision of the school budget was done by the principals and the board of governors

People involved in monitoring and supervision of the budget (Respondents-Principals)

		Yes	No	Total
Principals	F	10	2	12
	%	83.3	16.7	100.0
Heads of Departments	F	16	80	96
	%	16.7	83.3	100.0
Board of Governors	F	8	4	12
	%	66.7	33.3	100.0
Government	F	3	9	12
	%	25.0	75.0	100.0
Teachers	F	0	12	12
	%	0.0	100.0	100.0

The findings revealed that identification of programmes, projects and activities to be accomplished within the budget period was carried out by board of governors, teachers, principals, heads of departments and even parents. This was found to be a healthy involvement because all the stakeholders had a say on what was to happen in the school. People involved in Identification of Programmes, Projects and Activities to be accomplished during the budget period (Respondents- Principals)

		Yes	No	Total
Board of Governors	F	9	3	12
	%	75.0	25.0	100.0
Teachers	F	7	5	12
	%	58.3	41.7	100.0
Principals	F	8	4	12
	%	66.7	33.3	100.0
Heads of Departments	F	56	40	96
	%	58.3	41.7	100.0

Parents	F	8	4	12
	%	66.7	33.3	100.0

The findings on budget approval revealed that budget approval was mainly carried out by the board of governors. The government, parents and H.O.Ds were minimally involved.

People involved in the school budget approval (Respondents-Principals)

		Yes	No	Total
Principals	F	1	11	12
	%	8.3	91.7	100.0
Government	F	3	9	12
	%	25.0	75.0	100.0
Heads of Department	F	0	96	96
	%	0.0	100.0	100.0
Boards of Governors	F	11	1	12
	%	91.7	8.3	100.0
Parents	F	2	10	12
	%	16.7	83.3	100.0

The heads of departments were less involved in budget preparation although slightly above half were involved in identification of programmes, projects and activities to be accomplished within the budget period. This is as shown below: Involvement of H.O.Ds in budget preparation and identification of programmes, projects and activities to be accomplished within the budget period (Respondents-H.O.Ds)

Heads department of	Budget preparation		Identification of activities	
	F	%	F	%
Yes	36	37.5	51	53.1
No	60	62.5	45	46.9
Total	96	100.0	96	100.0

The findings on the role of B.O.Gs in budgeting revealed that B.O.Gs were to establish policy, implement and control. B.O.Gs felt that monitoring of the school funds should be left in the hands of principals while the principals were

divided on the issue with half of them feeling that the B.O.G should handle monitoring. This is as shown below:

Role of B.O.Gs in budgeting

		Establish policy		Implementation		Monitoring		Controlling	
		F	%	F	%	F	%	f	%
Principals	Yes	7	58.3	7	58.3	6	50.0	9	75.0
	No	5	41.7	5	41.7	6	50.0	3	25.0
	Total	12	100.0	12	100.0	12	100.0	12	100.0
BOG	Yes	10	83.3	6	50.0	1	8.3	8	66.7
	No	2	16.7	6	50.0	11	91.7	4	33.3
	Total	12	100.0	12	100.0	12	100.0	12	100.0

Findings and Discussions

Table 1: Identification and mobilization of financial resources for schools

Respondents	Sources of funding	Perceived causes of limited funds
Principals	Public secondary schools depend mostly on delegated and donated funds from the government and parents	Failure to develop other sources of funding to supplement the delegated and donated funds
Heads of Departments	The departments in their schools depend mostly on parents and the government for funding	Individual departments do not generate funds for their running
Bursars	Schools depend highly on tuition fees, P.T.A (paid in by parents, government and from fund raisings)	Failure to mobilize funds from internal sources.

It was clear that schools have strained parents and the government by failing to establish other ways of raising

funds. A study by Bogonko(1992) yielded similar findings showing that years have gone by and still there has been no change. Parents are still shouldering the burden by paying for tuition and capital expenditure through the P.T.A fund and the government shoulders the payment of manpower. Therefore the schools should move away from complete dependence on parents and the government to self sustenance for certain school activities by engaging in income generating activities.

Table 2: Budgeting and preparation of the budget

Respondents	Budget preparation	Perceived causes of poor budget preparation
Principals	<ul style="list-style-type: none"> At least all public secondary schools prepared budgets Budget preparation was mainly done by the principals and the bursars 	<ul style="list-style-type: none"> Heads of department are not involved Failure to involve the teachers and ancillary staff. Failure to consult the government and parents
Heads of Departments	<ul style="list-style-type: none"> The H.O.Ds were only involved when it came to requisitions 	<ul style="list-style-type: none"> H.O.Ds were not involved in the real budget preparation in respect to their areas of jurisdiction

Whereas budget preparation is an important activity, it is necessary to involve all stakeholders to make it more acceptable and realizable. Failure to involve stakeholders will lead to deficiencies in the budget where some areas will not be catered for.

Table 3: Monitoring of the budget and budget approval

Respondents	Monitoring of the budget	Perceived causes of improper monitoring and supervision of the budget
Principals	<ul style="list-style-type: none"> Monitoring and supervision of the budget was done by the principals and board of 	<ul style="list-style-type: none"> Failure to involve the government and H.O.Ds Involving the

	<ul style="list-style-type: none"> governors Budget approval was done by the B.O.G 	<ul style="list-style-type: none"> principal who is actually handling the expenditure The government was not involved in approving the budget
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It was important that the whole community be involved in planning, monitoring and evaluation of the school programs. Each individual in the school system should take care of his/her area of jurisdiction. In involving the school community in monitoring and supervision, it will help reduce opportunities for corruption. As much as the budget is approved by the B.O.Gs and that this was their responsibility, these administrators must be accountable to the government. Budget approval should actually be done by the government on recommendation by the B.O.Gs.

Table 4: Identification of programs, Projects and activities to be accomplished within the budget period

Respondents	Identification of programs, projects and activities	Perceived causes of failure of the programs, projects and activities
Principals	<ul style="list-style-type: none"> This was done by the B.O.Gs, principals, H.O.Ds and teachers 	<ul style="list-style-type: none"> Failure to involve parents who are actually the financiers.

It is important that all stakeholders be involved in the identification of projects to be accomplished and especially parents who are the financiers

CONCLUSIONS

This study was concerned with identification of knowledge, skills and attitudes required by principals of public secondary schools for effective financial management. Some of the general observations that can be made from this study are:

- (i) Schools have not fully established other avenues of raising funds and depend mostly on parents and the government and therefore burdening them. Parents paid heavily in terms of tuition (recurrent expenditure) and capital expenditure through P.T.A fund. The government on the other hand shouldered the payment of man-power.

- (ii) It was evident that schools did not involve all the people in the school system in budget building. The budgets produced were therefore the work of the principal and the bursar and this could have been shoddy. It was clear that monitoring and supervision was only done by principals and the B.O.G and therefore this could raise opportunities for collusion and corruption.
- (iii) It was clear that monitoring and supervision of the budget was only done by the principals and Boards of Governors.
- (iv) The school budget was approved by the Board of governors.

RECOMMENDATIONS

Considering the findings and conclusions of this study, the following recommendations were made:

- (i) Schools should find other ways of raising finance to lessen the strain on parents and the government as far as funding is concerned. This will help open up the budget to include items that are necessary to make the schools offer quality services.
- (ii) Principals should involve other people in the school system in budget building to provide cost effective educational programs that meet children’s needs. Those included should be those that are directly involved in the provision of education because they are in a better position to know the needs of their areas of jurisdiction.
- (iii) Schools should involve heads of department in monitoring and supervision of the budget, leaving school financial records open for scrutiny by the people in the system to curb on corruption and mismanagement of funds. They can serve as good internal auditors which can be a stepping stone for external auditing.
- (iv) The school administrators should be accountable to the government as far as expenditure within the budget is concerned and should show a high degree of transparency and accountability.
- (v) It is important that the whole school community be involved in the monitoring and supervision of the budget. This will help reduce opportunities for corruption.
- (vi) The school B.O.G should only recommend what has been budgeted for to the government which should then approve or reject the budget.

- (vii) The administrators must be accountable to the government, spending funds in accordance with the spending plan.

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