

PERCEPTIONS OF STAKEHOLDERS ON FORMS, FACTORS AND
EFFECTS OF FINANCIAL MISMANAGEMENT ON QUALITY
EDUCATION IN PUBLIC SECONDARY SCHOOLS IN GUCHA
DISTRICT, KENYA

BY

MOBEGI FLORENCE OSIRI

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ABSTRACT

The government of Kenya allocates between 35 to 40 percent of the total budget to education. It is essential that public funds be directed effectively and used for the purposes for which they are allocated for. However, there have been a number of cases reported mainly through the local print and electronic media regarding mismanagement of finances in public secondary schools. Gucha is one such district that experienced 47 cases of financial mismanagement and consistently taken the last position in KCSE performance in Nyanza province with its mean score averaging 3.970 for the last ten years. This study was therefore set to establish the perceptions on the effect of financial mismanagement on quality education in public secondary schools in Gucha district. The specific objectives of the study were to: Establish forms of financial mismanagement in public secondary schools in Gucha district, establish factors which contribute to financial mismanagement in secondary schools in Gucha district and find out perceptions of education stakeholders on the effects of financial mismanagement on the quality of secondary education in Gucha district. A conceptual framework was used to help focus on financial mismanagement and Quality secondary education. The study employed a descriptive survey design. The study population consisted of 126 headteachers, 126 heads of departments, 126 Board of governors' chairpersons, 126 bursars, 1011 teachers, and 10 quality assurance officers. Stratified random sampling technique was used to select 5 boarding schools, 37 day schools, 42 headteachers, 42 Bursars, 42 heads of departments, 42 BOG chairpersons, 337 teachers while purposive sampling was used to select 10 quality assurance and standards officers. Data was collected by the use of questionnaire, interviews schedule, Focus group discussions and observation forms. To validate the instruments, questionnaire and interview guide were presented to 3 experts in the department of Educational management and Foundations for scrutiny while reliability of the instruments was ascertained through Test-retest method and Pearson r coefficients whereby headteachers' questionnaire was 0.905, heads of departments' questionnaire was 0.922, board of governors' questionnaire was 0.917 and bursars' was 0.860 were considered reliable. Quantitative data collected through questionnaire were analyzed using descriptive statistics in the form of means, frequency counts and percentages. Qualitative data collected through interviews and Focused group discussions were transcribed, organized into themes and sub-themes as they emerged in an on-going process. The study established that: The most common forms of financial mismanagement were exaggerated travelling allowances, prices of repairs, prices of school items and exaggerated expenditure on co-curricular activities. The study found out that the factors which contributed to financial mismanagement included inadequate financial management skills on the part of headteachers, irregular auditing of school funds, illiterate board of governors and weak internal control mechanisms. Financial mismanagement had adversely affected instructional and physical facilities, enrolment, performance and the quality of workers. From the study it was concluded that mismanagement had affected the quality of education negatively. Based on the findings of the study it therefore emerged the need for financial training for all stakeholders involved in financial management directly and indirectly. School board of governors should set up financial advisory committee in schools to assist in financial management. The government should post trained bursars to schools to help headteachers in accounting of finances.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Finance is the most basic resource in any enterprise, education sector inclusive, hence everybody is concerned about its management. Financial management in education is concerned with the cost of education, sources of income to meet the educational costs and the spending of income in an objective manner in order to achieve the educational objectives (Okumbe, 1998). Hallak and Poisson (2001) reported that, Seventy-three percent of the World government's social sector expenditure and 40% of the national recurrent expenditure is channeled to the education sector. Households spend between five to seven percent of the GDP on education.

A report from financial audit Department of the public school systems in Hawaii in Rasalind and Downes (2004) reported that there were continuing problems with the financial management systems that called for improvement in certain internal control practices. On the other hand a report from China revealed that the free-tuition was being embezzled. Auditors discovered widespread random fee-collection, withholding and embezzlement of government funds. The National Auditor office reported that schools in 54 counties had illegally collected a total of 51.1 Million Yuan (7,4 million US dollars) from students from January 2006 through June 2007 on fabricated or prohibited excuses. Auditors also discovered embezzlement of 115 million Yuan due to poor management (National Advisory organization, 2009). Reported cases from USA revealed that there existed in schools financial corrupt practices. For instance a woman who had embezzled \$35,000 from a high school was sentenced to prison, where \$16,000 were claimed to

have been spent on a time share in Las Vegas (Arballo, 2007). In Mexico, school audit found close to 3.4 million dollars embezzled in Northern New Mexico schools (Martin, 2009). In Haryana the government discovered misappropriation in school funds totaling to Rs 4.4 million from funds meant for the State schools. Out of this amount, financial irregularities of over Rs 3.2 million were discovered in the period from November 2000 to March 2005 (Ians, 2006).

According to Hallak and Poisson (2001), the survey conducted in Uganda, using a sample of 250 schools revealed that the average level of funding that reached schools was very low and only 13 per cent of those funds were used to serve their intended purpose. It was further reported that financial malpractices increase the transaction costs, reduces the efficiency, quality of services and distorts the decision-making process. Gupta (2002) suggested that such malpractices lowered the quality of education by citing an example of a country in which only 16 per cent of children actually received textbooks, despite the significant financial efforts made by public authorities to provide each child with his/her own learning materials. Hallak and Poisson (2001) reported that financial misappropriation and misuse distort both the quality and availability of education services.

In Kenya, four senior officers including the education Permanent Secretary were under investigation for having mismanaged Ksh 9 billion in free school cash scandals (Amadala, Ng'etich & Kipsang, 2009). In a recent report from Kenya, it was indicated that even members of parliament misused cash for schools by ignoring guidelines on how to arrive at centres of excellence. The report indicated that politicians influenced the selection of schools to benefit from a Ksh 6 billion for the economic stimulus programme

(Cheboi, Karanja, Wanzala & Shilita, 2010). Otieno (2010) reported that 270 school principals were sacked in Free Primary Education audit, an action which was taken after 749 schools submitted questionable records on how funds were spent. It was also reported by Otieno (2010) that the fund was meant for textbook and school infrastructure which amounted to Sh1.5 billion.

From the foregoing discussion, literature indicates that cases of financial malpractices are global, regional, continental, national and school-level happenings. They are continuous and daily phenomena in both developed and developing countries; they do not involve the same actors; they do not occur with the same frequency, and their global impact on the volume of educational services as well as their quality and efficiency- are not of similar magnitude subsequently educational outcomes. Their effects on quality education could not be ascertained without a research study. It was against this background that the researcher was prompted to conduct a research study on the effect of financial mismanagement and misappropriation on quality education in public secondary schools in Gucha District.

1.2 Statement of the Problem

Cases of financial mismanagement are experienced in secondary schools in Kenya.

Gucha is one such district that is experiencing 47 cases of financial mismanagement and misappropriation (Table 1.1) coupled with poor quality education as evidenced in poor KCSE results for the last nine years (Table 1.2). In Gucha district's examinations performance has remained poor especially when compared to Nyamira and Kisii central. Gucha district has consistently taken the last position in Nyanza province with its mean score averaging 3.970. Where mismanagement and misappropriation of funds is

experienced, quality of education is bound to decline. However, from the literature that was reviewed, there was no research done in the district to find out the effect of financial mismanagement and misappropriation on the quality of education. Given that finance plays a major role in the provision of quality education, it is necessary to conduct a study to establish the effect of financial mismanagement and misappropriation on the quality of education in Gucha District.

Table 1.1

Financial Audit report for the year 2008-2009 for Gucha District.

Categories of Reports	Number
Headteachers dropped due to financial misappropriation	07
Headteachers serving interdiction due financial mismanagement	03
Headteachers' financial records with audit queries	15
Headteachers retired on public interest due to financial mismanagement	02
Headteachers transferred due to misuse of funds to give room for investigation	07
Headteachers alleged by the community for mismanagement of school funds	13
Total	47

Source: Gucha District Education Office, Audit Department: 2009.

Table 1.2

Nyanza Province KCSE performance per district for the period 2001-2009

DISTRICT	Mean scores in Kenya Certificate of Secondary Examination								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Kisumu	5.241	5.212	5.293	5.257	5.246	5.300	5.432	5.851	5.824
Homa Bay	5.519	5.384	5.311	5.623	5.580	5.384	5.684	5.894	5.812
Kisii	4.182	4.123	4.119	4.391	4.362	4.208	4.483	4.352	4.498
Siaya	5.665	5.582	5.373	5.874	5.628	5.523	5.776	5.872	5.954
Nyamira	3.996	3.930	3.967	4.315	4.087	4.214	4.501	4.545	4.351
Migori	5.825	5.858	5.621	6.113	5.888	5.471	5.620	5.826	5.855
Suba	4.976	5.671	5.919	6.046	6.014	5.701	5.727	5.791	5.505
Rachuonyo	4.911	4.868	4.973	5.440	5.401	5.001	5.373	5.562	5.958
Gucha	4.958	3.958	3.798	4.160	4.077	3.977	4.277	4.267	3.970
Bondo			5.923	6.112	5.973	6.698	5.935	6.005	6.013
Nyando			5.367	5.846	5.817	5.415	5.626	6.025	6.017

Source: PDE'S office Kisumu (2010)

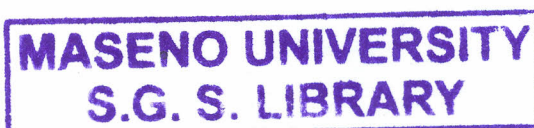
1.3 Purpose of the Study

The purpose of the study was to establish perceptions of educational stakeholders on the effects of financial mismanagement on quality education in public secondary schools in Gucha District.

1.4 Objectives of the Study

The objectives that guided the study relating to secondary schools in Gucha District were to:

- i. Establish forms of financial mismanagement experienced;
- ii. Establish factors which contribute to financial mismanagement and
- iii. Find out perceptions of educational stakeholders regarding the effects of financial mismanagement on the quality of education



1.5 Research Questions.

The following research questions guided the study:

- i. What forms of financial mismanagement are experienced in public secondary schools in Gucha District?
- ii. What are the factors that contribute to financial mismanagement in public secondary schools in Gucha District?
- iii. What are the perceptions of educational stakeholders on the effect of financial mismanagement on the quality of education in public secondary schools in Gucha District?

1.5 Significance of the Study

The study's findings would be significant in the following ways:

First, the findings of the study would help education policy makers, managers of schools, principals and teachers in Gucha District in providing them information on forms of financial mismanagement and misappropriation and therefore seek for alternative strategies on how to reduce the same. Second, the findings of this study would be useful to the government and policy makers in identifying factors contributing to financial mismanagement and misappropriation and help to improve and strengthen financial monitoring and control mechanisms in Gucha District. Third, this study would shed light on the effect of financial mismanagement and misappropriation on quality education, help education officers to seek for strategies of minimizing mismanagement and misappropriation of funds in secondary schools in Gucha district. Fourth, the study would be useful to the scholars and researchers who would be interested in the area of financial management in schools and hence enrich the existing literature and finally, this study

would shed light on the existing financial management malpractices in secondary schools and help Director Quality assurance and Standards to decide on financial training needs for secondary school principals in Gucha District.

1.6 Scope of the Study

The concept of financial management is wide. This study covered the following:

- i. The study covered 42 public secondary schools in Gucha District
- ii. The study explored the perceptions of HTs, HODs, BOG chairpersons, teachers, bursars and quality assurance officers on the effect of financial on quality education in public secondary schools in Gucha District

1.7 Assumption of the Study

The study was carried out on the assumption that:

- i. Financial mismanagement affects quality of education

1.8 Conceptual Framework

Sagimo (2002) points out that managers must ensure that organizations' financial resources are obtained and used profitably and efficiently in the process of accomplishing the objectives of the organization. Principals need to use financial resources effectively and efficiently (Knight, 1993). The effective planning and management of educational resources are prerequisite to the attainment of quality education outcomes. Planning and management lead to the optimal utilization of educational facilities, equipment, materials

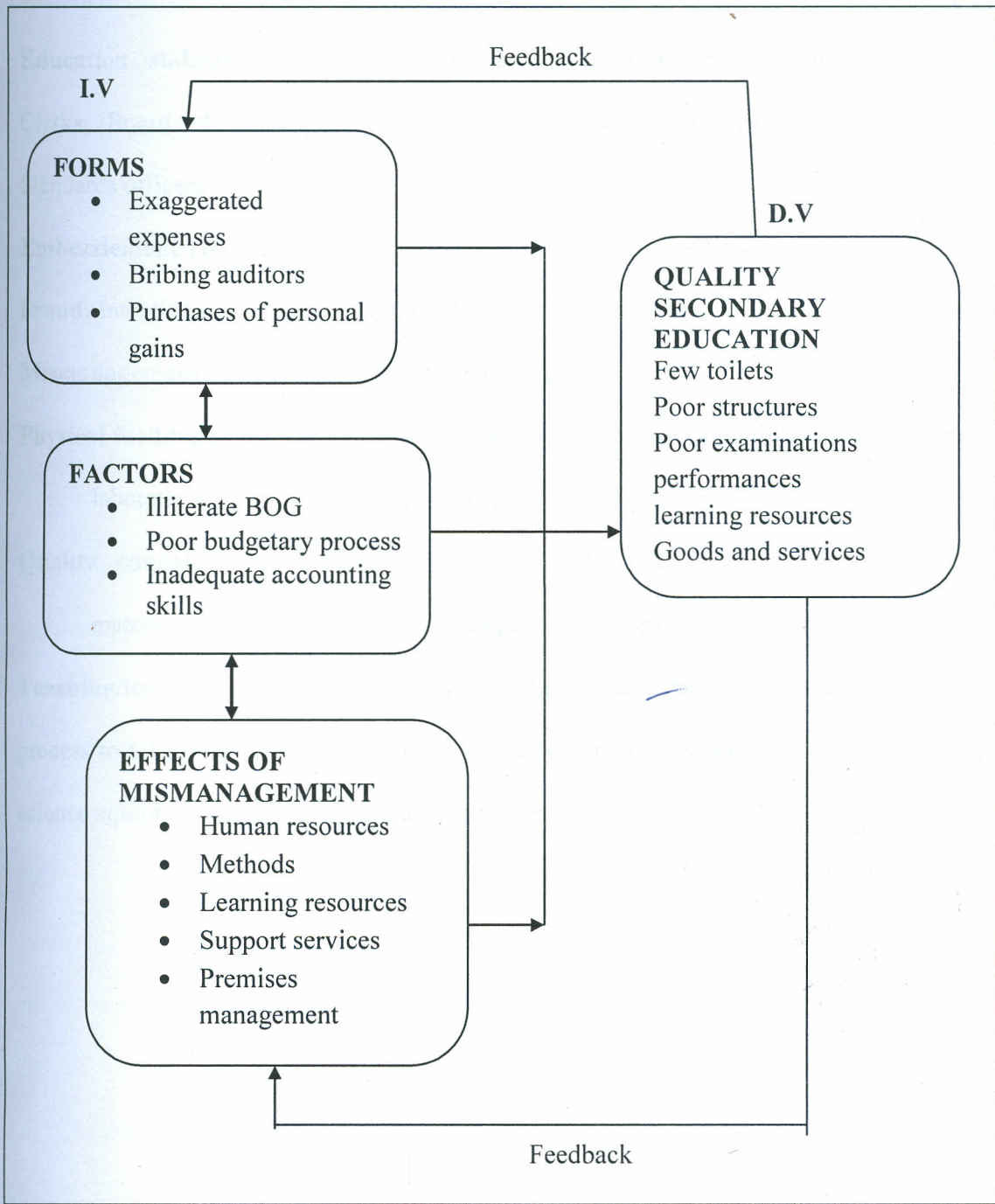
and personnel (Republic of Kenya, 2003). Educational managers must institute proper administrative structures for internal auditing (Okumbe, 1998).

The quality of education systems or school is defined both by the nature of the learning environment or process and student outcomes (World bank,1995). Quality can also be defined in terms of the specific impact that the school has on a pupils' learning. The school's impact is determined by the concentration of material inputs expended by the school per pupil and the efficiency with which the inputs are used in the school to improve learning (Eshiwani, 1993).

Gogo (2002) pointed out that schools that were small and had low incomes performed relatively poorly as compared to the big schools. This was due to lack of adequate learning and teaching materials that they could not afford because of inadequate finance.

Ayot and Briggs (1992) further point out that poor results in education are related to the resources allocated to it.

Literature indicates that there is a relationship between the allocation and utilization of school financial resources and the quality of education provided. For this study the researcher conceptualizes forms, factors and financial mismanagement as independent factors upon which quality secondary education (Dependent Factor) depends. The independent variables and dependent variables are conceptualized and their relationship illustrated in Figure 1.



KEY: I.V= Independent Variables

D.V= Dependent Variable

Figure 1. Conceptual framework showing Forms, Factors and Effects of Financial Mismanagement on Quality Secondary Education (Source: Researcher)

1.7 Definition of Operational Terms.

Education stakeholders: Headteachers, Heads of Departments, Bursars/Accounts Clerks, Board of Governors' Chairpersons, Teachers and Quality Assurance and Standards officers

Embezzlement The illegal transfer of money or property for personal use

Fraud: Intentional deception of another for a personal gain.

Mismanagement: Illegal use of public funds for personal

Physical facilities: Physical structures of a school e.g. classrooms, libraries, dormitories, laboratories, toilets, school gates, workshops and furniture.

Quality education: Is availability, adequacy and relevancy of teaching-learning materials and the number of students passing national examination

Teaching/learning materials: Supportive facilities that enhance teaching and learning process to take place including textbooks, reference materials, supplementary materials, science equipment, teaching aids and stationeries.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, literature was reviewed under the themes derived from the objectives of the study. They included:

- i. Forms of financial mismanagement
- ii. Factors contributing to financial mismanagement in secondary schools
- iii. Effect of financial mismanagement on the provision of quality education.

2.2 Forms of Financial Mismanagement

According to Hallak & Poisson (2001) funds mismanagement is a form of financial corruption practices found in schools. They define corruption as the systematic use of public office for private benefit, whose impact is significant on the availability and quality of educational goods and services, and has a consequence on access, quality or equity in education. The authors indicate that financial malpractices may include petty and grand financial misappropriation and mismanagement where petty refers to such cases found at the school level involving many small amounts of money which have a limited economic impact but can have a severe social impact on quality. On the other hand, Hallak and Poisson (2001) stated that grand mismanagement and misappropriation involves high level officials and politicians and large amounts of money. It usually has a high economic impact for instance fraud in public tendering for school construction or purchase of textbooks.

Amundsen (2000) and Heyneman (2002) make a distinction between different forms of mismanagement to include embezzlement and fraud in school procurement procedures for instance in ordering school supplies and appropriation of school equipment. Hallak and Poisson (2001) suggest that financial malpractices can occur at different steps in the process of allocation, distribution and use of funds. For instance, where funds are allocated according to the size of the schools, principals can be tempted to inflate enrolment figures in order to attract more funds. Distribution of finance may attract embezzlement of funds by education officers at different levels of the administration hierarchy: central, regional, local and school levels. Another level is that of use of funds where the authors suggest that it may take a variety of forms such as the following:

- i. Use of educational funds for purposes of other than education; either public, like the use of part of operational funds to cover administration costs.
- ii. Irregular bookkeeping and falsified receipts to cover up irregular payment.
- iii. Irregular payment made to officials, members of school committee, journalist and others.
- vi. Grant funds used for inappropriate goods and services and use of educational funds to finance political parties or electoral campaigns

According to Chapman (2002) funds mismanagement vary from petty to grand in forms and significant. However, the problem is not the magnitude of the fraud, but also its recurrence; in some cases it happens only once; in others, it is repeated many times that in the end it can represent large amounts of funds.

Literature reviewed indicate that financial misappropriation and mismanagement exist in educational institutions in different levels, forms and occurrences (Hallak and Poisson,

2001; Amundser, 2000; Heyneman, 2002). The authors were concerned more with the education sector and did not suggest how such malpractices influence quality of education. However, this study looked at the forms of financial mismanagement at the school level and how they influence quality of education in secondary schools.

2.3 Factors which Contribute to Financial Mismanagement

According to Hallak and Poisson (2001) factors that contribute to financial mismanagement include the following:

- i. The absence of clear norms and regulations in particular finance, allowances and area of public procurement
- ii. Lack of transparency at each level of the administration ladder generates opportunity for financial malpractices for example the lack of supervision and disciplinary matters allow expansion of phenomena.
- iii. Lack of professional norms: a few countries have developed norms for the education profession. Some have designed teachers' code of conduct, but often without setting up adequate enforcement mechanisms.
- iv. Low salaries and weak incentive systems. Low salaries in the education profession combined with low incentives can lead to misbehavior of both educational administrators and teachers. Lack of opportunity for individual promotion and poor prospects after retirement are indeed demotivating factors
- v. Low management capacity. Good governance requires suitable accounting and auditing tools. Lack of supervision and control mechanisms create risks of financial mismanagement such as diversion or embezzlement of funds.

According to Knight (1993) the school management may produce plans for school, but such plans may be useless unless they are linked to the budget because it is through budgeting that a school can decide to allocate resources so as to achieve organizational goals. The exercise of budget scrutiny at school level is important for minimizing opportunities for financial mismanagement and to monitor the actual performance of the school organization (Ziebell, 1991). According to Macharia (2002) and Dean (1991) managers of secondary schools need to establish priorities and plan the activities of the school by implementing development plans that are less taxing on the parent and at the same time enhanced learning. William (1999) defines education budgeting as a "working tool" for the successful operation of states and local school districts, and as a "significant opportunity to plan the mission, improve their operations, and achieve their education objectives" As such, the budgeting process allows various levels of government to "make better financial and program decisions, improve operations, and enhance relations with citizens and other stakeholders". He adds that in more technical terms, a budget is a statement of the total educational program for a given unit, as well as an estimate of resources necessary to carry out the program and the revenues needed to cover those expenditures. A vertical budget includes the various income and expenditure estimates (by line item, function, object, and cost center) in a given fiscal year, while a horizontal budget will include current estimates for a given fiscal year, compared to prior audited income and expenditures, and a projection of costs into the future. Hence, the budget is a statement of purpose and a review of income and expenditures by function—with a timeline to explain past, current, and future financial practices.

There should be financial control systems that determine how to use available resources optimally to produce quality results (Ayot & Briggs, 1992). According to Paisey (1992), the survival of an organization depends upon effective financial control. The author maintains that managers should adopt rules and regulations to prevent fraud, anticipated overspending and have a continuing and accurate knowledge of the overall finance position. Rosalind and Downes (2004) report that, to prevent fraud in school finances, the headteacher should establish clear procedures and responsibilities, for example, in procurement procedures including separating staff duties, designating procurement authorization and also exercise effective supervision to ensure that all rules and procedures are followed.

According to the World Bank (2001), education administrators need to be regularly informed of any new management techniques and changes that will make the programmes worthwhile. They need to be updated on the techniques of planning, organizing, controlling and directing human, financial and material resources for the goal set. Green (2005) stresses that, principals need advanced knowledge of high level financial management and strategies for handling funds in schools.

The Public Procurement and Disposal Act (2005) grant principals the power to control the tendering and procurement process in public schools. It is specified that a teacher who loses public funds and cannot give a good explanation will be held responsible and be expected to pay. The Board of Governors are mandated by the Education Act to audit and regulate expenditure by the administration to ensure that all the income received by the school is applied for the promotion of the objects of the school (Wanderi, 2009). Waihenya (2000) maintained that the government audit department should keep track of

the financial performance of the schools. According to Rosalind and Downes (2004), internal audit is not itself sufficient to prevent fraud by school personnel. Regular external auditing, either by the education authority or private auditors who are not employed by the school is also necessary.

Onyango (2001) conducted a study in Nairobi and Kakamega to determine the competencies needed by principals for effective and efficient management and leadership of secondary schools. In this study the main variables were the principals' management of curriculum and instruction, physical and material resources, personnel, school community. The researcher found out that in order for all these tasks to be performed effectively, principals needed prior training in secondary school administration. The researcher singled out principals' management tasks in different school aspects. However, the present study narrowed down to find perceptions of stakeholders regarding the effect of financial mismanagement on quality education. Onyango's study looked at schools management from a general point of view but the present study singled out financial mismanagement an aspect of school management.

Kahavisa (2003) carried out a study on financial management in public secondary schools in Kakamega. The variables of her study included sources of funds in secondary schools; budgeting and monitoring of the budget; requisition and purchase of school materials; financial records keeping and financial control looked from the point of view of prudent financial management. However, the present study used the same variable as internal control mechanisms as factors contributing to financial mismanagement and

misappropriation. Kahaviza's study employed survey design and used 17 public schools. The present study also used the same design but had a higher study population of 42 schools drawn from different categories. In her study descriptive statistics of frequencies and percentages were used to analyze data while the present study used both descriptive and inferential statistics in data analysis.

In terms of data collection instruments, kahaviza's study used questionnaires, interviews and observation while the present study used the similar instruments together with focus group discussions. The study found out that principals, board of governors and bursars were involved in identification of school projects and programmes while heads of department, teacher and parents were not involved or even consulted. The study also found that when board members did not understand the financial reports presented to them, they often made poorly informed choices or made delayed decisions indefinitely. The study further found out that there were no proper internal auditing set up in schools and that government auditing, through the auditors of the Ministry of Education, Science and Technology was irregular and therefore concluded that school funds could have been misappropriated. The present study looked at aspect of financial mismanagement and misappropriation from the point of their effects on quality education. The present study also looked at the factors contributing to financial mismanagement and misappropriation, the area that partly came out as the conclusion from Kahaviza's study.

The literature reviewed (Hallak & Poisson, 2001; Rosalind &Downes, 2004) identified both internal and external factors contributing to financial malpractices. They looked at education sector from a broad point of view and generalized the factors contributing to financial malpractices. However, this study narrowed down to factors contributing to

financial misappropriation and mismanagement in secondary schools level and how they affect quality of education.

On methodology, studies by (Hallak and Poisson, 2001; Rosalind &Downes, 2004) were comparative studies where many countries were involved such as Poland, England, Victoria, Brazil, Hong Kong and Uganda. This study will narrow down to an intensive study covering a small sample (public secondary schools) in Gucha District to find out the factors contributing to financial mismanagement and its effects on quality education.

Authors have underscored the importance of internal financial control measures (Paisey, 1992; Ayot & Briggs, 1995). Internal auditing, accurate record keeping, proper procurement procedures and accounting have been given weight as the measures principals should employ to safeguard school funds (Waihenya, 2001; Republic of Kenya, 2003; World Bank, 2001). These previous studies further suggested how other stakeholders should be involved in financial monitoring. However, this study adopted the variables mentioned, such as budget preparation, auditing, monitoring and supervision of financial management but as factors contributing to financial mismanagement and misappropriation. The various Acts and Guideline: Public Procurement and Disposal Act, 2005; Teacher Service Commission Act, 1967; Financial Management guidelines, 2009 outline what should be done in order to manage school funds properly. This study was out to establish whether principals complied with the laid down codes of regulations in order to prevent fraud in school finances but as one of the factors contributing to financial mismanagement

2.4 Perceptions on the Effects of Financial Mismanagement on Quality Education in Secondary Schools

Mismanagement of school finances affects the whole process of providing quality education including teaching-learning resources, physical facilities, teaching staff and support staff.

2.4.1 Perceptions on the Effects of Financial Mismanagement on the Provision of Teaching-Learning Resources

The provision of education requires monetary and non-monetary resources necessary for the teaching and learning process (Republic of Kenya, 1999). Indoshi (1992) pointed out that the availability of enough and relevant resources and teaching materials are important if instruction has to avoid over-emphasis on routine skills. He argued that the use of textbooks was believed to raise academic standards and increase efficiency in the system. Therefore to ensure good performance the principals have to provide required resources to the teachers and learners respectively. On this point, Heyneman (2000) highlighted the contribution of textbooks to academic achievement, and Squire (1991), writing on teachers reliance on textbooks, stated that those seeking to improve the quality of education believed that improvements in instructional materials would inevitably lead to changes in actual teaching. For many teachers, textbooks can provide an excellent and useful resource, without usurping the position of the teacher. While the selection of a textbook has been adjudged to be of vital importance to academic achievement, it is sad to say that relevant textbooks are not available for teaching and learning activities (Oni, 1992).

Gogo (2002) found that student' textbook ratio at the secondary education level was 4:1 which is far from the ideal ratio of 1:1 established by researchers. The textbook ratio affects teaching and learning since learners are not able to do assignment or make necessary references. He further established that poorly equipped laboratories, libraries, Home science and workshops make learners fail to do the necessary practice thus affecting mastery of content as well as leading to poor performance. UNESCO (2005) established a strong causal link between the quality and amount of science equipment and furniture on one hand and the quality of student outcome on the other. A difference of 7% in science occurred between schools rated low and high in overall science facility quality.

According to Akande (1991), learning can occur through one's interaction with one's environment. Environment here refers to facilities that are available to facilitate students learning outcome. It includes books, audio-visual, software and hardware of educational technology; so also, size of classroom, sitting position and arrangement, availability of tables, chairs, chalkboards, shelves on which instruments for practicals are arranged (Farrant, 1991 and Farombi, 1998). According to Oni (1992), facilities constitute a strategic factor in organizational functioning. He stated that their availability, adequacy and relevance influence efficiency and high productivity.

Writing on the role of facilities in teaching, Fabunmi (1997) asserted that school facilities when provided will aid teaching learning programme and consequently improve academic achievement of students and submitted that no effective science education programme can exist without equipment for teaching. This is because facilities enable the

learner to develop problem-solving skills and scientific attitudes. In their contribution, Ajayi and Ogunyemi(1990) reiterated that when facilities are provided to meet relative needs of a school system, students will not only have access to the reference materials mentioned by the teacher, but individual students will also learn at their own paces. The net effect of this is increased overall academic performance of the entire students. In another development, Aliyu (1993) as cited by Johnson (1998) found that there was no significant difference between students in secondary schools with and without adequate instructional facilities. However, he submitted that instructional facilities were indispensable to academic achievement of students in English, Language, Mathematics, Biology and Geography while students could perform well in other subjects without adequacy of sophisticated instructional materials. He concluded that the effect of instructional facilities on students' academic achievement is more felt in pure and social sciences. This implied that the quality, availability and quantity of teaching/learning materials directly correlated with the amount of finance spent on it.

Adeogun (2001) carried out a study to establish a relationship between school resources and student achievement. The study found that there were not enough educational resources in the selected schools. Physical, materials, financial and human resources were found to be significantly related to students' academic performance. He found that there was a significant relationship between material resources and students' academic performance. This result is in line with the previous findings of researchers and scholars like Oni (1995) and Aghenta (1999) who found that the quality of education received by the learners in school, to a very large extent is determined by the level of availability of the material resources and of course the overall atmosphere in which learning activity

takes place. Sodimu (1998) in his findings reported that based on the high cost of textbooks, many students have been unable to buy books that will help to promote the quality of education they receive in Lagos state public secondary schools. Textbooks as indicated by Oni (1995) are indispensable to the quality education and students' academic performance in all the schools in the world.

Jagero (1999) carried out a study on the factors affecting the quality of education in day secondary schools. The researcher looked at the extent to which school inputs such as laboratories, equipment supplied, instructional material, teacher qualification and influence of principals' qualification and experience contributed on affecting quality of education. The study found that schools which supplied more instructional materials performed better in the national examination in the district.

Faize (2011) conducted a study on the effect of the availability and the use of instructional material on academic performance of students in Punjab (Pakistan). Population of the study comprised all secondary and higher secondary schools, secondary teachers and secondary students in Punjab. Overall, a total of 288 schools, then 20 students and 10 teachers from each school were randomly selected as the sample of the study. Pearson correlation was used to find out the relationship (association) and Stepwise Regression analysis while linear function was used to find out the differential impact (causal-relationship) while the present study employed descriptive and inferential statistics. The study identified that there is a great deficiency in the availability and the use of instructional material. The study concluded that the less availability, misallocation and the deficiency in the use of instructional material lead to the wastage of resources, the less effectiveness of instructional material and lower academic performance. A study by

Faize's study was on the effect of the availability and the use of instructional material on academic performance of students. Instructional materials studied by Faize formed some of the variable of the present study but from the point of view how financial mismanagement affected quality of education in secondary schools in Gucha district.

All the previous authors and studies (Republic of Kenya, 1999; Indoshi, 1999; Heyneman, 2000; Squire 1991; Oni, 1992; Ajayi & Ogunyemi, 1990 and Faize, 2011) underscored the importance of school instructional facilities on student achievement. They cited the impact of inadequate materials on performances and also identified that such resources were inadequate, non-existent in many schools and also not utilized well. They investigated the relationship between the school instructional materials and student's achievement and found that where such facilities were inadequate, they negatively impacted on performance. However none of these studies investigated perceptions regarding how financial mismanagement affected the state of the facilities as they were in the schools.

2.4.2 Perceptions on the Effects of Financial Mismanagement on the Provision of Physical Facilities in Secondary Schools

According to Hallak (1990), facilities form one of the potent factors that contribute to academic achievement in the school system. They include the school buildings, classroom, accommodation, libraries, laboratories, furniture, recreational equipment, apparatus and other instructional materials. He went further to say that their availability, relevance and adequacy contribute to academic achievement. He, however, added that

unattractive school buildings and overcrowded classrooms among others contribute to poor academic attainment. Describing where these facilities should be located, he ascribed that educational facilities should be located in appropriate places, while the needs of the users should be put into consideration. A situation where there are overcrowded classrooms with insufficient number of desks and benches have negative effects on teaching and learning environment in the class (Republic of Kenya, 2003). In this perspective, Luvega (2007) observes that instructional materials are critical ingredients in learning and the intended curriculum cannot be easily implemented without them. In her study she established that lack of school infrastructure like classrooms, desks and toilets were major hindrances to quality teaching and learning.

Roy (2008) observed that developing school infrastructure is necessary in improving school attendance and academic performance. He grouped school infrastructure into three: basic, supportive and activity based. He however noted that all the three categories are essential in the provision of quality secondary education. Lewis (2000) tried to identify the independent effects of school quality in a study of test scores from 139 schools in Milimauke and found that good facilities had a major impact on learning while ILEP (2005) noted that school facilities affect learning as such attributes as spatial configuration, noise, heat, cold and air quality obviously bear on students and teachers' ability to perform. Akinkugbe (1994) observed that everywhere you look, primary, secondary, special, technical, tertiary, there is abundant evidence of crippling inertia, criminal neglect and a pervasive decay in values and standard of school facilities.

Writing on poor performance of students in public examinations, London (1993) stated that in many developing nations certain physical facilities are none existent, and in those e instances where amenities were available many were of sub standard quality. In his study on resource concentration, utilization and management as correlates of students learning outcomes in Oyo State, Farombi (1998) found that the classroom learning environment in some schools was poor. He cited examples of schools without chalkboard, absence of ceiling, some roofing sheets not in place, windows and doors removed among others, a situation which the researcher regarded as hazardous to healthy living of the learners.

According to Shodimu (1998), many schools operate without libraries and noted that total absence of an organized school library would continue to spell dooms for thousands of secondary school students. Ojoawo (1990) described a library as a building or room in which collection of books, tapes, newspapers etc. are kept for people to read, study or borrow. Library is an essential factor in teaching-learning process. It must be properly supported financially to fund materials and services among others. On this respect, Ola (1990) made observation that secondary school library in whatever form, has replaced the traditional method of 'chalk and talk' in imparting knowledge to students that its effect on academic performance need not to be over-emphasized. He concluded that a well equipped library is a major facility which enhances good learning and achievement of high educational standard. In his words, Farombi (1998) reiterated that school libraries may not be effective if the books therein are not adequate and up-to-date as its impact

may only be meaningful if the library could be opened to the students always for a considerable length of time in a school day.

Cash (1993) carried out a study that examined the relationship between building condition and student achievement in small, rural Virginia high schools. Student scores on achievement tests, adjusted for socioeconomic status, were found to be as much as 5 percentile points lower in buildings with lower quality ratings. Achievement also appeared to be more directly related to cosmetic factors than to structural ones. Poorer achievement was associated with specific building condition factors such as substandard science facilities, air conditioning, locker conditions, classroom furniture, more graffiti, and noisy external environments. The study found that “where the problems with working conditions are serious enough to impinge on the work of teachers, they result in higher absenteeism, reduced levels of effort, lower effectiveness in the classroom, low morale, and reduced job satisfaction. Where working conditions are good, they result in enthusiasm, high morale, cooperation, and acceptance of responsibility.”

Fisher (2006) conducted a research on the impact of school infrastructure on student outcome and behavior in Georgia and established linkage between building design and student outcome. This study established that academic achievement improves with improved building conditions; lighting level, air quality and temperature. Eshiwani (1993) pointed out that the curriculum cannot be efficiently implemented in the absence of the necessary infrastructure. For instance the laboratory is necessary to teach the science subjects while a field is a must for co-curricular activities. Lack of necessary sanitary facilities may lead to outbreak of diseases making the learning environment not

conductive. Farombi (1998) argued the saying that “seeing is believing” as the effect of using laboratories in teaching and learning of science and other science related disciplines as students tend to understand and recall what they see than what they hear or were told. Laboratory helps to provide a forum wherein the learner is given the exercise to subjects, his beliefs, ideas, statements, theoretical propositions etc. to some forms of experimental test (Soyibo, 1990). Thus practical work forms an important feature in any science and mathematics course (UNESCO, 2008). To maintain and arouse the interests of students in subjects involving laboratory work, the teacher should be effectively involved in order to transfer knowledge and facts to learners for a good performance in any examinations. Writing on the situation of secondary schools in Nigeria, Okoli (1995) reported that laboratories have become shelves of empty bottles of chemicals. However, all the items of science laboratory equipments, apparatus, material and chemicals is less provided and inefficiently used in the schools; therefore, the availability and the use of science laboratory have negative impact on academic achievement. However, if all the items are better provided, properly allocated and efficiently used, it may have a large impact.

A recent national survey conducted by the American Association of School Administrators found that 74 percent of school facilities should be replaced or repaired immediately; another 12 percent were identified as inadequate places of learning (Hansen 1992). Deferred maintenance can create an environment of peeling paint, crumbling plaster, nonfunctioning toilets, poor lighting, inadequate ventilation, and inoperative heating and cooling systems. This, of course, affects both the health and the morale of staff and students. Most alarming is the effect of poor indoor air quality on school-age

children. Decaying environmental conditions such as peeling paint, crumbling plaster, nonfunctioning toilets, poor lighting, inadequate ventilation, and inoperative heating and cooling systems can affect the learning as well as the health and the morale of staff and students. Ogunmoyela (1994) lamented that school buildings of public schools in Nigeria, had no roof, windows and doors, some walls are cracked, instructional facilities were lacking while teachers were frustrated consequent upon lack of equipment/facilities to meet educational endeavors. Comparing schools in developing countries with what obtains in industrialized world, in terms of facilities, materials, utilization, and provision, Akintayo (1997) opined that crowded classroom conditions not only make it difficult for students to concentrate on their lessons, but inevitably limit the amount of time teachers can spend on innovative teaching methods such as cooperative learning and group work or, indeed on teaching anything beyond the barest minimum of required material. In addition, because teachers must constantly struggle simply to maintain order in an overcrowded classroom, the likelihood increases that they will suffer from burnout earlier than might otherwise be the case.

Gogo (2002) conducted a study on the impact of cost sharing on access, equity and quality of secondary education in Rachuonyo District. The variable of the study were cost sharing strategies and costs borne by parents in education recurrent and development expenditures. Although this study was carried out in the area of school finances, the researcher singled out the impact of cost-sharing on equity and quality of secondary schools. However, Gogo's study and the present shared an aspect of quality of education but the present study narrowed down the effect of financial mismanagement and misappropriation on quality education. Gogo's study employed correlation research

design but the present study employed descriptive survey design. The study found that the quality of education had remained average for the entire period 1996 to 1999. The author concluded that the low performance could be attributed to lack of adequate finance which resulted to inadequate supply of teaching and learning materials and equipment. The present study investigated the effect of financial mismanagement on performance and supply of teaching and learning facilities.

A study conducted by Owoeye (2010) looked at the provision of facilities as it relates to academic performance of students in agricultural science in Ekiti state of Nigeria between 1990 and 1997. The study population was results of the West African School Certificate Examinations (WASCE) conducted between 1990 and 1997 in 50 secondary schools in both rural and urban areas of the state. One validated instrument (STQF) was used for data collection. Data were analyzed using mean and t – test. The results showed that there were no significant differences in the performance of students between rural and urban secondary schools in term of availability of library facilities ($t = 1.79, p < 0.05$), availability of textbooks ($t = 1.20; p < 0.05$) and availability of laboratory facilities ($t = 1.83, p < 0.05$). It was established that facilities were potent to high academic achievement of students. The present study had the same variables as those of Owoeye 's study as it looked at physical facilities and teaching learning resources in schools. However, it differed from Owoeye's study which investigated the impact of at the provision of facilities as it related to academic performance of students in agricultural science while the present study investigated the impact of financial mismanagement and misappropriation on quality education. The former study studied agricultural science while the current looked at quality as a whole from the perspective of physical facilities,

teaching learning materials, KCSE performance, quality of school workers and school enrolments.

A study was conducted by Faize (2011) which investigated the effect of the availability and the use of science laboratories on academic achievement of students in Punjab (Pakistan). Science laboratories play a very important role in the teaching-learning process of science subjects. Population of the study comprised all secondary and higher secondary schools, secondary teachers and secondary students in Punjab. The sample of the study was a total of 288 schools, 20 students and 10 teachers from each school which were randomly selected. The study employed questionnaire and interviews in data collection. Pearson correlation was used to find out the relationship and Stepwise Regression analysis with linear function was used to find out the differential impact (causal-relationship). The study identified that there is a great deficiency in the availability and the use of science laboratories. The study concluded that the less availability, misallocation and the deficiency in the use of science laboratory items lead to the wastage of resources, the less effectiveness of science laboratory and lower academic achievement. The study of Faize investigated effect of the availability and the use of science laboratory on academic achievement of students while the present study was out to establish the effect of financial mismanagement and misappropriation on all physical facilities where laboratories were inclusive. The study sample of faize's study was 288 schools, 20 students and 10 teachers. However, the present study took a sample of 42 schools together with 42 principals, 42 head of departments, 42 BOG representatives, 42 bursars, 10 quality assurance and standards officers and 337 teachers.

In data analysis, the present study used descriptive statistics while the former study used inferential statistics.

Chan (1996) conducted a similar study of the impact of physical environment on student success. This study classified 165 Georgia schools into one of three categories: Modern Learning, obsolete Learning and half Modern Learning Environment. Other than building age, differences in the three categories included lighting, color schemes, air control and acoustic levels. As one might expect, Chan (1996) found student achievement to be highest in Modern Learning Environments and lowest in Obsolete Learning Environments. The researcher concluded that, technologies and adaptabilities of modern environments equipped students for success and that to ignore that fact was to disregard the physical difficulties of learning.

Previous studies (Studies done by (UNESCO,2005; Gogo,2002; Mobegi, 2007;Indoshi,1992; Republic of Kenya, 2003; Roy, 2008; Eshiwani, 1993; Lewis, 2000; Luvega, 2007; Hallak, 1990; Chan,1996; Faize, 2011; Owoeye ,2010; Gogo,2002; Ogunmoyela, 1994; Adesoji and Olatunbosun, 2008; Raimi, 2002; Adeyegbe, 2005; Aliyu,1993; Hofstein an& Lunetta, 2004; Tobin 1990; Hodson, 1993; Lazarowitz and Tamir, 1994; Lunetta 1998; Hofstein, 2004; Lunetta et al., 2007) investigated the effect of school physical facilities on student achievement and found that there was significant relationship between the two. All the authors underscored the importance of school facilities in the provision of quality education. They identified the fact that school facilities were inadequate and not well utilized in schools. None of these studies investigated the perceptions regarding the effects of financial mismanagement on the

school physical facilities although they were inadequate and had a significant negative relationship to student achievement.

2.4.3 Perceptions on the Effects of Financial Mismanagement on school personnel.

The quality of education is directly related to the quality of instruction in the classrooms. It is a fact that the academic qualifications, knowledge of the subject matter, competence, and skills of teaching and the commitment of the teacher have effective impact on the teaching learning process (National Education Policy, 1998-2010). The teacher resource is one of the most important inputs into the education system and, therefore, efficient management and utilization of teachers is critical to the quality of learning outcomes (Republic of Kenya, 2004). Anderson (1991) suggests that trained teachers are particularly important in the management of instruction and teacher centered activities given that most educational institutions in developing countries are lacking textbooks. It was also noted that the quality of education provided highly depended on the quality of instructions that teachers provide. In addition, Ayodo (2003) singled out the teacher as the most influential factor affecting the learning characteristics of the pupils, followed by textbooks.

Sanders (1998) and Sanders and Rivers (1996) argue that the single most important factor affecting student achievement is teachers, and the effects of teachers on student achievement are both additive and cumulative. Ferguson (1991) concluded from his research in Texas and elsewhere, "Good teachers have distinguishable impacts on student exam scores." Likewise, Sanders (1998) found that the "single largest factor affecting academic growth of populations of students is differences in effectiveness of individual

classroom teachers". Teacher experience long has been thought to affect student achievement, with more experienced teachers associated with greater gains in student achievement. Although not directly related to teacher certification, there is a connection between the two. Beginning teachers who are fully certified tend to have more classroom experience than their uncertified counterparts. This experience is gained through observation blocks and student teaching as an undergraduate. Most uncertified beginning teachers do not have these types of experiences, thus have less actual classroom experience.

Ferguson (1991), in his study of over 900 school districts in Texas, found that teacher experience was positively associated with student achievement gains at the district level.

In their study of high school students, Ehrenberg and Brewer (1994) found that teacher experience was positively related to White and African American student gain scores, but negatively related to Hispanic gain scores. Goldhaber and Brewer (1996) also found that teacher experience is positively related to high school student achievement. Interestingly, in his study of high school mathematics and science teachers, Monk (1994) found that teacher experience had no effect on student performance.

Teacher characteristics are more strongly related to students' achievement than school effects (Kilplinger, 1997). Fuller and Clark (1994) remarked what really matters is the teachers' knowledge of the subject". Elaborating the importance of teacher knowledge as criterion for producing better results in the teaching learning process, Fawns and Nance

(1993) state that “teacher knowledge, reason and judgment rather than teaching behaviour should be emphasized as the basis of an account of exemplary teaching”.

Aaronson, Barrow, and Sander (2007) found that 90 percent of the variance in teacher effects on student learning was not explained by teacher characteristics such as highest level of education, experience, credentials, and selectivity of the college that the teacher attended. Five studies reviewed by Rice (2003), which examined student achievement in a wide variety of grades and subject areas, found that teachers having completed an advanced degree had no significant effect on student performance (Monk, 1994).

All reviewed related literature revealed that the nature of teachers had an effect on student performance (Monk, 1994; Rice, 2003; Aaronson, Barrow, & Sander, 2007; Fawns and Nance, 1993; Kilplinger, 1997; Fuller & Clark, 1994; Goldhaber & Brewer, 1996; Ferguson, 1991; and Ayodo, 2003). However, none of these authors and studies investigated the effect of financial mismanagement and misappropriation on the quality of school workers including teachers.

2.4.4. Perceptions regarding Effects of Financial Mismanagement on KCSE Performance.

Majority of schools fall short of providing for the learning needs of their students, leading to poor academic performance (Republic of Kenya, 1998). In respect to this Ongiri and Abdi (2004) reported that many of the country’s 4000 secondary schools post bad examinations result year in year out and that there are only about 600 schools that excel and if a student is not in any of these schools he or she is not expected to get a credible

grade. Wekesa (1993) noted that to improve student performances, principals are required to improve on management of the schools. This can be done by management setting a clear vision for the schools, and support its achievements by giving resources and by being visible in every part of the institution that account for students' performance.

Omariba (2003) conducted a study on factors that contributed to performance in public examinations in rural secondary schools in Kisii District. The researcher found out that school's size, expenditure on library, expenditure on school equipment and teacher qualification accounted for 68.1 percent change in performance. From Omariba's study, it came out clearly that performance is a function of many factors. The present study investigated how financial mismanagement and misappropriation had affected the provision of quality education in terms of availability, sufficiency and utilization of school resources. In Omariba's study correlation design was used. This design was able to give the relationship between various variables but could not establish or describe the factors as they existed in the field. Hence the present study adopted descriptive design to establish the existing situation of physical facilities, teaching/learning material, enrolment and performance in school.

Jagero (1999) carried out a study on the factors affecting the quality of education in day secondary schools. The researcher looked at the extent to which school inputs such as laboratories, equipment supplied, instructional material, teacher qualification and influence of principals' qualification and experience contributed on affecting quality of education. His study looked at the general factors which contributed to the quality of education while the present study narrowed down to the effect of financial mismanagement and misappropriation on quality education inputs. The study found that

schools which supplied more instructional materials performed better in the national examination in the district. The present study investigated how financial mismanagement and misappropriation affected instructional facilities and KSCE performances. The former researcher employed descriptive, linear multiple and correlation in data analysis while the present study employed descriptive statistics.

2.4.5. Perceptions on the Effects of Financial Mismanagement on School Enrolments.

Low enrolment in secondary education in East Africa may reflect lack of supply of schooling, the opportunity cost of attending school and factors such as distance from school (Raja & Burnett, 2004). Major determinants for enrolment include household income, schooling costs, presence of schools, transportation, community involvement, and education quality and relevance (Raja & Burnett, 2004). The impact of safe, clean toilets in schools in Africa has been documented. A study by UNICEF reports that from 1997 to 2000, enrolment rates for girls jumped 17% after improvements in school sanitation, and the dropout rate among girls fell by even greater percentage (Rihani, 2007).

Kiage (2003) did a study on the effect of cost-sharing policy on secondary school enrolment in Nyamira District. The variables of the study were numbers of students who dropped out due to fees and other levies in schools. Other variables included various factors that influenced drop outs. Although Kiage's study was in the area of school finances, it narrowed down to how cost-sharing led to school dropout. However, the present study investigated the effect of financial mismanagement and misappropriation on School Enrolments. The study found out that many factors were responsible for school

drop outs in Nyamira district among them being lack of fees and other levies. Other factors included poor KCSE performance and inadequate school facilities. Variables in Kiage's study formed some of present study's variables such as School Enrolments, KCSE performance and school facilities. However, the present study looked at the perceptions of stakeholders on the effects of financial mismanagement on School KCSE performance and school facilities.

3.3 Research Design

The research design employed in this study was descriptive survey design since the purpose of the study was to describe the existing situation of the study area. Surveys are used to collect information about a particular situation at a specific point in time. The design of the study survey was a cross-sectional design. Cross-sectional design is a type of observational study that analyzes data from a population at a specific point in time. This design is used to describe the prevalence of a disease or condition in a population at a specific point in time. The study area was Nyamira district. The study was conducted in Nyamira district. The study was conducted in Nyamira district. The study was conducted in Nyamira district. The study was conducted in Nyamira district.

3.3 Area of Study

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the methodology that was used in the study. It comprises of the description of the research design, the study area and population, the sample and sampling techniques, instruments of data collection, validity and reliability of research instruments, data collection procedures and lastly methods of data analysis used in the study.

3.2 Research Design

The research design adopted for the study was descriptive survey design. A descriptive survey design attempts to describe what was or what is in social systems such as a school setting. Surveys are useful in establishing the existing conditions of a phenomenon (Frankel & wallen, 1999). This design is ideal for studies that aim at describing a particular situation at a specific period of time (Vockel & Asher, 1995). For the purpose of this study survey method was used to establish how financial mismanagement and misappropriation affected quality education in public secondary schools in Gucha District.

3.3 Area of Study

The study was carried out in public secondary schools in former huge Gucha District in Kenya. At the time of study the district had been sub-divided into seven small districts which were formed using the former divisions: namely Sameta, Ogembo, Nyamache, Nyacheki, Etago, Kenyanya and Nyamarambe. It is one of the former 11 districts that

formed Nyanza Province, the others being Kisumu, Homa Bay, Kisii Central, Siaya, Nyamira, Migori, Suba, Rachuonyo, Bondo and Nyando. It is bordered by the following districts: Nyamira District to the North, Kisii central to the East, Trans-Mara to the South and Migori to the West. The map for the study area is shown in Appendix XIV. Gucha district lies between latitude $0^{\circ} 22'$ and $0^{\circ} 43'$ North and Longitude $34^{\circ} 42'$ and $34^{\circ} 58'$ East. The whole district covers an area of approximately 393km^2 . According to the 1999 National census the district has a total population of 438,123 persons and a population density of about 1000 persons per km^2 . Poverty index range per division was between 51 to 69 percent (Republic of Kenya, 2003). The climate of the district is of a highland equatorial type. It receives moderate temperature which is approximately between 21°C and 27°C . The economic activities practiced here are crop farming, dairy farming, soapstone carvings, brick making and small scale businesses.

The selection of Gucha District was prompted by the following considerations:

- a). In spite of diverse economic activities carried out in the district, it is among the districts with schools lacking the basic facilities: classrooms, desks, laboratories and dormitories (DEO, 2009; Mobegi, 2007)
- b). The district performs poorly in KCSE among all the districts in Nyanza province with an average mean score of 3.42 an equivalent of D+ for the last 10 years (Nyanza PDE, 2009)
- c). It is one of the districts in Nyanza among the many that has highest cases (47) of financial mismanagement and misappropriation reported between the year 2008 and 2009 (Gucha Education Audit report, 2008).

3.4 Study Population

The study population consisted of 126 public secondary schools, 126 principals, 126 Heads of Departments, 126 Board of Governors chairpersons, 126 bursars, 1011 teachers, 2 quality assurance officers and 8 field officers. This gave a total of 1525 study population. The study population according to schools is presented on Table 3.1

Table 3.1

Study population.

Divisions	Girls' schools	Boys' schools	Mixed boarding	Day schools	Total
Kenyena	2	1	3	20	26
Etago	1	0	1	12	14
Nyamarambe	0	1	0	14	15
Sameta	1	1	1	10	13
Nyacheki	1	0	0	14	15
Nyamache	0	0	1	14	15
Ogembo	0	1	0	27	28
TOTAL	5	4	6	111	126

3.5 Sample and Sampling Techniques

Stratified random sampling technique was used to select the schools and the category of respondents to be included in the sample. The schools were grouped into four categories as follows: Girls' boarding schools, Boys' boarding schools, Mixed Boarding schools and public Day schools. The sample constituted of 42 schools: 2 girls boarding schools, 1 Boy school, 2 mixed boarding and 37 day schools. This accounted for 33% of the total

public secondary schools. The sample size according to categories of schools and respondents is presented in Tables 3.2 and 3.3.

Table 3.2.

Sample size according to categories of schools

Types of schools	Number	Sample
Girls' boarding schools	5	2
Boys' boarding schools	4	1
Mixed boarding schools	6	2
Day schools	111	37
Total	126	42

Table 3.3.

The Sample Size according to categories of Respondents

Category of Respondents	Population	Sample
Headteachers	126	42
Heads of departments	126	42
BOG chairpersons	126	42
Bursar/Accounts Clerk	126	42
District Quality assurance officers	02	02
Field officers	08	08
Teachers	1011	337
Total	1925	515

3.6 Data collection Instruments

Four instruments were used in data collection namely: questionnaires, In-depth interview guide, Focus Group Discussions and direct observation schedule.

3.6.1 Questionnaire

Four sets of questionnaires were constructed for purpose of collecting data. They included principals' questionnaire (HTQ), heads of departments' questionnaire (HDQ), bursars'/Accounts clerks' questionnaire (H/ACQ) and BOG Chairpersons' questionnaire (BOGCQ). Items in the questionnaire were both structured and unstructured.

3.6.1.1 principals' Questionnaire (HTQ)

The principals' questionnaire had two sections. Section A was used to elicit background information of the principals. Section B had items which sought for information on factors contributing to financial mismanagement and misappropriation, and the principals' perceptions on the effect of financial mismanagement and misappropriation on quality education. The questionnaire for principals is presented in appendix I.

3.6.1.2 Heads of Departments Questionnaire (HODQ)

The Heads of departments' questionnaire had two sections. Section A was used to elicit background information of the HOD. Section B was used to elicit HODs' responses on forms of financial mismanagement and misappropriation, factors contributing to financial mismanagement and misappropriation, and the perceptions on HODs on the effects of financial mismanagement and misappropriation on the provision of quality education. The questionnaire for HODs is presented in appendix II.

3.6.1.3 BOG Chairpersons Questionnaire (BOGCQ)

This questionnaire consisted of two sections. Section A was used to elicit background information of the BOG chairpersons. Section B sought for BOG chairpersons' responses on forms of financial mismanagement and misappropriation, factors contributing to financial mismanagement and misappropriation and the perceptions of BOG Chairpersons on the effect of financial mismanagement and misappropriation on quality education. The questionnaire for BOG chairpersons is presented in appendix III.

3.6.1.4 Bursars/Accounts Clerks Questionnaire (B/ACQ)

This questionnaire contained **two** sections. Section A was used to seek for information on background information of school bursars/Accounts Clerks. Section B had items seeking for Bursars' responses on the factors contributing to financial mismanagement and misappropriation in public secondary schools, forms of funds mismanagement and misappropriation in public secondary schools and the perceptions of Bursars on the effect of mismanagement and misappropriation on the quality and distribution of teaching-learning facilities. Finally contained items seeking for information on how financial mismanagement and misappropriation would be minimized in secondary schools. This questionnaire is presented on appendix IV.

3.6.2 Interviews schedule

According to Patton (1989) the fundamental principle of qualitative interviewing is to provide a framework within which respondents can express their own understandings in their own terms. Saidman (1991) points out that interviewing is one of the best instruments for qualitative data generation. This viewpoint is supported by many of the authors of qualitative research methodology including Rogers and Bouey in MacKenzie

and Knipe (2006) who state that without a doubt the most utilized data collection method in qualitative research is the interview. One of the greatest advantages of the interview is flexibility. According to Patton (1989) the researcher is allowed flexibility to explore unanticipated topics as they are discovered.

Many of the proponents of qualitative research methodology classify qualitative research interviews into three types that is structured interviews, unstructured interviews and semi-structured interviews. Arguably the most widely interview type used is the semi-structured interview. Semi-structured interviews are sometimes referred to as guided interviews – the guides or probes allow the researcher to develop “areas of inquiry” during the interview and display the following strengths:

- a. The guides or probes increase the comprehension by respondents making data collection systematic
- b. All respondents answer the same questions thus increasing comparability
- c. The interviews remain fairly conversational and situational
- d. Flexibility allows for “logical gaps” in the data to be anticipated and closed

In-depth interview schedules consisted of a few guiding questions. Face to face interviews were administered to 2 quality assurance and standards officers at the district office and 8 at the Zonal levels.

3.6.2.1 Interview Schedule for Quality Assurance and Standards Officers

Interview schedule was administered to 2 district quality assurance officers and 8 field officers sampled for the study. Interview items for quality assurance officers sought for information on forms of financial mismanagement and misappropriation and factors which contribute to financial mismanagement and misappropriation in schools. Finally, information on their perceptions on the effect of financial misappropriation and mismanagement on quality education was also sought. The interview schedule for quality assurance and standards officers is presented in Appendix V.

3.6.3 Focus Group Discussions

Focus Group Discussions (FGDs) do not aim for a representative sample of a population; they try to generate talk that will extend the range of thinking about an issue, and this is done by recruiting groups that are defined in relation to the particular conceptual framework of the study (Saile, 2004). According to Cohen (2007) focus groups are a form of group interview ... the reliance is on the interaction within the group who discuss the topic supplied by the researcher yielding a collective rather than an individual view – from the interaction of the group, data may emerge that will represent the views of the participants rather than the agenda of the interviewer.

A total of 17 FGDs were held which involved 17 teachers each giving a total of 289 teachers. Teachers were considered to be useful in this case since they understood better the distribution of teaching/learning facilities in their respective schools. A focus group discussion guide with a few guiding items was prepared by the researcher. This guideline is presented in Appendix VI.

3.6.4 Observation Checklist

Direct observation of the school's physical facilities, classroom learning environment, and teaching facilities in general was carried out by the researcher. Particular attention was given to each school regarding the quality, adequacy and availability of school Physical facilities, and instructional facilities. Other aspects which were considered included: gender of respondents, qualification of personnel involved in the study, age of the BOG chairpersons, Bursars, and principals and finally literacy level of the same. The researcher prepared a checklist and administered it personally at the time of visiting each sampled school and proper writer-up made later. The observation checklist is indicated in Appendix VII.

3.6.5 Validity of Research Instruments

To make instrument valid, Cohen and Marion (1994) stress that the validity of research instruments should be determined by experts. To validate the instruments, questionnaires and interview guide, Focus group Discussion guide and observation checklist were presented to three experts in the department of Educational Management and Foundation at Maseno University for examination. Suggestions and comments were incorporated with a view to improve the validity. After their suggestions were incorporated a pilot study was conducted in 10 schools in the study area which were not included in the sample to ascertain validity. After this, final copies were made for the study.

3.6.6 Reliability of Research Instruments

Reliability of questionnaires was determined through running a correlation using the Pearson Product moment. Test-retest method was used to confirm the reliability of the instruments. The questionnaires were administered to the same respondents twice within an interval of 2 weeks. The scores of the responses from the sets of questionnaires that were administered on the two occasions were computed and the coefficients were calculated using Pearson Product Moment. The correlations of the instruments used were high, that is 0.905 for principals, 0.922 for heads of Departments, 0.917 for Board of Governors Chairpersons and 0.860 for Bursars questionnaire as in Appendix IX meaning that they were reliable. A pilot study was carried out using ten principals, heads of Departments, accounts clerk/accountants/ bursars and board of governors' chairpersons from ten schools of the population that had not been sampled for the study.

3.7 Data Collection Procedures

The researcher applied to the National Council for Science and Technology for permit to collect data from secondary schools in Gucha District through School of Graduate Studies Maseno University. The Data collection process started on the month of April, 2011 and ended in March, 2012. Questionnaire were administered to HTs, HODs, BOGs' chairpersons and bursars and collected after a period of 2 weeks. Interviews and observation schedules were conducted at the time of collecting completed questionnaire. Face to face interviews were administered to 2 quality assurance and standards officers at the district office and 8 at the Zonal levels. Data on interviews were collected on notes form at every session. Focus group discussions were conducted at the scheduled times

after conducting interviews. A total of 17 FGDs were held which involved 17 teachers each giving a total of 289 teachers. Data from focus group discussion was collected through discussions and recorded in notes form.

3.8 Methods of Data Analysis

Quantitative data collected through questionnaire and observation checklist were analyzed using descriptive statistics whereby data was coded and tabulated after which means; frequency counts and percentages were worked out. Qualitative data from open-ended questions were analyzed using line-by-line analysis and then categorized as theme and sub-themes emerged while data from in-depth interviews and Focus group discussions were transcribed, organized into themes and sub-themes in an on-going process as they emerged from data.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter deals with data presentation, analysis, interpretation and discussion of results. Data collected was arranged into categories and interpreted on the basis of themes driven from the research objectives. The following were the research objectives for the study:

- i. To establish forms of financial mismanagement in public secondary schools in Gucha District.
- ii. To establish factors which contribute to financial mismanagement in public secondary schools in Gucha District.
- iii. Find out the perceptions of educational stakeholders on the effect of financial mismanagement on the quality of education in public secondary schools in Gucha District.

4.2 Forms of Financial Mismanagement in public secondary schools in Gucha District

The first research objective for the study was: To establish forms of financial mismanagement and misappropriation in public secondary schools in Gucha District.

The study respondents; headteachers, heads of departments, bursars and board of governors' representative were asked to give their perceptions on the forms of financial

mismanagement experienced in public schools as either most common, common or less common. The responses given were as presented as shown in this sub-section.

4.2.1 Exaggerated expenses

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding exaggerated travelling allowances as a form of financial mismanagement in schools.

Their perceptions were presented on Table 4.1

Table 4.1

Exaggerated Travelling Allowances

Respondents	Responses n=42					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	28	66.6	9	21.4	5	11.9
HODS	30	71.4	5	11.9	7	16.7
BOGs	34	80.9	6	14.3	2	4.8
Bursars	31	73.8	5	11.9	6	14.3

The findings on table xxx revealed that 28(66.6%) of the HTs, 30(71.4%) of the HODs, 34(80.9%) of the BOGs and 31(73.8%) of the bursars indicated that exaggerated travelling allowances were most common form of financial mismanagement in schools under study. During focus group discussions one of the teachers stated: “Exaggerated traveling expenses is a common practice involving all stakeholders” while one of the QUASO reported “It is easy to exaggerate traveling expenses as many people make use of falsified receipts.” In this respect, one of the teachers stated: “My headteacher left for

Mombasa Heads Association workshop with Ksh 80,000 for his use in a single week but after the workshop he claimed Ksh 20,000 from the Board for the over expenditure incurred.”

4.4.2 Exaggerated prices of items

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding exaggerated prices of items in schools. Their perceptions were presented on Table 4.2

Table 4.2

Exaggerated prices of school items e.g. stationeries and boarding items

Respondents	Responses n=42					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	17	40.5	13	30.9	12	28.6
HODS	28	66.7	10	23.8	4	9.5
BOGs	19	45.2	18	42.8	5	7.14
Bursars	22	52.4	13	30.9	7	16.7

The findings on Table 4.2 revealed that exaggerated prices of items was one of the most common form of financial mismanagement in schools as indicated by 17(40.5%) of the HTs, 28(66.7%) of the HODs, 19(45.2%) of the BOGs and 22(52.2%) of the bursars while 12(28.6%) of the HTs, 4(9.5%) of the HODs, 5(7.14%) of the BOGs and 7(16.7%) of the bursars indicated that it was a less common form of financial mismanagement.

During interviews one the QUASO noted: “Principals are in apposition of exaggerating the prices of items since they influenced who would be the supplier” on the same note

another QUASO said: "It is a kickback issue. Supply of school items rotates around the aspect of scratch my back I scratch yours." From focus group discussion teachers were of the view that principals compromised standards of school repairs so as to gain from school funds. In respect to this, one the teachers said, "Poor structures are put into place which do not conform to the amount of funds spent on them."

The study further established that schools offered uniforms at higher prices compared to the market prices. It was noted by one of the teachers that majority of schools especially boarding charged Ksh 3800 for uniforms instead of Ksh 2400, which was the market price. They indicated that this formed a loophole for principals to share with the suppliers the money in excess, since no receipt was given for the same. One of the teachers reported: "headteachers purchased items which are not budgeted for." It was also revealed that principals reported to the staff that such items had been paid in kind but they were finally accounted for from school funds. Seven teachers gave examples where donated books worthy Ksh150,000 and a tank paid in kind worthy Ksh 80,000 were later accounted for by using school money.

Interviews with quality assurance officers and teachers from FGDs involved in the study revealed that principals exaggerated the prices of boarding facilities such as food and disinfectants whereby they bought maize at higher prices instead of buying at lower prices at the seasons of plenty. They noted that this was true for the case of boarding schools and big day district schools. This was also noted in the area of other consumable items such as meat and vegetables which were difficult to quantify as reported by 3 out of 10 of the quality assurance officers. In this respect, one the QUASO reported: "In one

of the schools the headteacher spent Ksh500,000 to work on the school farm which finally yielded produce worthy Ksh 200,000.”

The findings revealed that exaggerated traveling expenses, exaggerated prices of repairs, and exaggerated prices of school items bought were the most common forms of financial mismanagement in schools. This was due to the fact that principals, board of governors and bursars had a direct responsibility of handling school finances. Principals are the officers allowed to incur expenditure in secondary schools and to account for the same money. This could also be due to nature of areas which could be supported by receipts and other documents. However, exaggerated costs and prices of the school items meant that the principals abused their office which was against the laid down stipulations by the Teachers Service Commission and the Code of Ethics and Conduct for teachers and civil servants. This was an indication that the entire mandate for spending school money rested on the hands of the principals and they could spend school financed in any way and account for it. It could also be explained that BOGs did not understand their roles as pertaining to financial management and they were either compromised, colluded with principals or were unable to interpret financial documents presented to them. This finding is similar to what is stated in public procurement and disposal Act (2005) which grants principals the powers to control the tendering and procurement process in public schools. However, the principals did contrary to what TSC (2003) state : A public officer shall not use his office to improperly enrich himself or others. It also states that; a public officer shall not improperly use his office to acquire land or other property for himself or another person, whether or not the land or property is paid for or for personal benefit of himself or another.

4.2.3 Exaggerated Expenditure on Co-curricular Activities

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding exaggerated expenditure on co-curricular activities in schools. Their perceptions were presented on Table 4.3

Table 4.3

Exaggerated Expenditure on Co-curricular activities

Respondents	Responses n=42					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	-	-	21	50.0	21	50.0
HODS	-	-	28	66.6	14	33.4
BOGs	-	-	23	54.7	19	45.3
Bursars	-	-	24	57.1	18	42.9

Results presented on table 4.3 revealed that exaggerated expenditure on co-curricular activities was a common form of financial mismanagement as vied by 21(50%) of the HTs, 28(66.6%) of the HODs, 23(54.7%) of the BOGs and 24(57.1%) of the bursars.

During Focus group discussions one of the teachers remarked: “Exaggerated expenses on co-curricular activities are made possible because several stakeholders including games masters and principals wished to benefit from it.” The findings from the study showed that principals gained from money meant for co-curricular activities. In this respect, one the QUASO stated: “Headteachers budget for food and other expenses for the whole school in co-curricular activities when actually it is for school teams only. The excess

money is accounted to have been spent for school function but landed in principals' pockets."

4.2.4 Board of governors visiting schools frequent

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding frequent board of governors' visits to schools. Their perceptions were presented on Table 4.4

Table 4.4

Board of Governors' visit Schools frequently and Given Allowances

Respondents	Responses n=42					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	2	4.76	30	71.4	10	23.8
HODS	4	9.52	36	85.7	2	4.76
BOGs	3	7.14	21	50.0	18	42.8
Bursars	8	19.0	23	54.7	11	26.2

The findings obtained on Table 4.4 revealed that majority of the HTs, HODs, BOGs and bursars were of the opinion that board of governors' visits to schools and given allowances was a common form of financial mismanagement. During focus group discussions one of the teachers altered: "Some board of governors may visit the schools two to three times in a week without proper reasons" while one of the QUASO reported: "Headteachers fear members of the board and to continue maintaining their position they give them something to see them off." During the filling of questionnaires one of the bursars remarked: "People who benefit most from school funds are the members of the board." This implied that the members of the board did not understand their roles as

stipulated in the Education Act (1980). The Act states that BOGs are mandated to audit and regulate expenditure by the administration to ensure that all income received by the schools is applied for the promotion of the objects of the schools.

4.2.5 Improper use of school resources

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding improper use of school resources. Their perceptions were presented on Table 4.5

Table 4.5

Improper Use of School Facilities n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	5	7.14	23	54.7	14	33.3
HODs	9	21.4	28	66.7	5	11.9
BOGs	10	23.8	19	45.2	13	30.9
Bursars	6	14.3	29	69.0	7	16.7

The findings on Table 4.5 indicated that over 45.2% of HTs, HODs, BOGs and bursar agreed that improper use of school facilities was a common form of financial mismanagement in schools. From interviews, one of the teachers reported, “The District Education officers’ demands on school buses is an extension of their influence to schools” while on the same point another teacher said: “ school buses are part of the principals’ and BOGs’ families’ property as they are used to take them for funerals and weddings”. Another teacher further said: “School buses are hired at unknown prices.”

From focus group discussions, teachers made observation that funds from school income generating activities were rarely reported to the board. This implied that money received from school activities was never quantified and not used properly for the intended purposes. This finding is similar to what is stated in public procurement and disposal Act (2005) which grants principals the powers to control the tendering and procurement process in public schools.

4.2.6 Purchases of Personal gain

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding purchases of personal gain. Their perceptions were presented on Table 4.6

Table 4.6

Purchases for Personal gains n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	6	14.3	20	47.6	16	38.1
HODS	5	11.9	28	66.7	9	21.4
BOGs	9	21.4	18	42.6	15	35.7
Bursars	10	23.8	23	61.9	9	21.4

The findings on Table 4.6 revealed that 20(47.6%) of the HTs, 28(66.7%) of the HODs, 18(42.6%) of the BOGs and 23(61.9%) of the bursars agreed that purchases of personal gains were a common form of financial mismanagement in schools. In respect to this, one of the QUASO stated: “Headteachers are greed and want to become richer as sooner as they climb the headship position”. On the same note one of the teachers reported: “As a

result of wanting to become richer, principals exaggerated prices of school items such as stationeries, boarding repairs and co-curricular activities” while another teacher stated: “headteachers purchase pieces of land, vehicles and even magnificent houses as soon as they raise to headship positions.” From another focus group discussion, one of the teachers emphasized: “This is a common practice however done in a disguised manner.” The practice of using school funds for personal gains limits the majority of teachers and learners from accessing quality education as it impacts on the availability and adequacy of resources. This revealed an aspect of misuse of power entrusted unto the position of headteachers. This finding is similar to what is stated in the Teachers Service Commission Act (2003), that: A public officer shall not use his office to improperly enrich himself or others. It also states that; A public officer shall not improperly use his office to acquire land or other property for himself or another person, whether or not the land or property is paid for or for personal benefit of himself or another.

4.2.7 Awarding of contract

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding a awarding of contracts in schools. Their perceptions were presented on Table 4.7

Table 4.7

Contracts Awarded to Related Persons e.g. Relatives n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	-	-	21	50.0	21	50.0
HODS	2		27	64.3	15	35.7
BOGs	-	-	22	52.4	20	47.6
Bursars	-	-	21	50.0	21	50.0

The findings on Table 4.7 revealed that 21(50%) of the HTs, 27(64.3%) of the HODs, 22(52.4%) of the BOGs and 21(50%) of the bursars were of the perceptions that contracts awarded to related persons were a common form of financial mismanagement in schools. From interviews, one of the officers reported, "Awarding of contracts is not done in a transparent and procedural manner, since the principals together with the board of governors award contract to fit their interests." Asked how contracts resulted to financial mismanagement, one of the teachers stated: "contracts are awarded with strings attached" while another teacher remarked, "Tendering and awarding of contracts is a top secret between principals and members of the board."

Awarding of contracts with strings attached implied that the right procedures were not followed and this could attract ways of exaggerating prices of goods. Teachers were of the view that all these happened as a result of principals carrying out administrative roles together with financial roles. This implied an abuse of the powers endowed to them. This also implied that there were no functional tendering committees in schools and that the principals and BOGs had whole responsibility of awarding tenders without adhering to

the laid down stipulations and they colluded with suppliers to inflate the prices. This finding reveals that principals violated the laid down stipulations according to the Public procurement and Disposal Act (2005). The Act states that, goods, services and works with known market prices shall be procured at the prevailing market price. Another clause states that; No person shall collude or attempt to collude with any other person to make any proposed price higher than would otherwise have been. A public officer involved in transactions in which goods, services and works are procured at inflated prices shall be required to pay the procuring entity for the loss resulting from their actions.

4.2.8 Lending school funds to gain Popularity

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding lending school funds to teachers to gain Popularity. Their perceptions were presented on Table 4.8

Table 4.8

Lending school funds to teachers to gain popularity n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	1	2.38	5	7.14	36	85.9
HODS	-	-	11	26.2	31	73.8
BOGs	3	7.14	9	21.4	30	71.4
Bursars	2	4.76	10	23.8	30	71.4

Findings obtained on Table 4.8 revealed that giving of school funds to teachers to gain popularity was a less common form of financial mismanagement in schools. From focus group discussions teachers made observation that principals could wish to have a group of people within the school that would come to their support in case of any problems. However, in response to this, one of the teachers lamented, “Headteachers would prefer popularity from BOG and bursars whom they share responsibility in spending school finances.” During interviews one of the QUASO reported: “The need for popularity tempts principals to mismanage school funds.” This implied that school finance which would have been used for improvement of quality education was diverted to a different purpose.

4.2.9 Bribing Ministry of Education Auditors

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding bribing of ministry auditors. Their perceptions were presented on Table 4.9

Table 4.9

Bribing Ministry of Education Auditors n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	4	9.5	24	42.8	14	33.3
HODS	6	14.3	31	73.8	5	11.9
BOGs	1	2.38	22	52.4	19	45.2
Bursars	-	-	29	69.0	13	30.9

KEY: - No response given

The findings on Table 4.9 revealed that over 42.8% of the HTs, HODs, BOGs and bursars indicated that bribing of the Ministry of Education auditors was a common form of financial mismanagement in schools. During interviews teachers were of the opinion that auditing of school finances was irregular as schools books of accounts took many years to be audited. In respect to this, one of the teachers said, "The long duration taken by auditors to visit schools gives ample time to principals to manipulate financial records for their own benefit" while one of the QUASO remarked: "The money given to auditors is just lunch although it is a bigger amount" and on the same point another teacher reported: "Mismanagement of funds is a corporate effort and involves many stakeholders. With or without ministry auditors, schools finances will be mismanaged."

Irregular auditing gave principals ample opportunity to doctor the financial figures at their own advantages. This finding was contrary to what Rosalind and Downs (2004) suggested that to prevent fraud in school finance, the headteacher should establish clear procedures and responsibilities for example in procurement procedures including separating staff duties, designating procurement authorization and also exercising effective supervision to ensure that all rules and procedures are followed. Ayot and Briggs (1995) also reported that there should be financial control systems that determine how to use available resources optimally to produce quality results. This implied that the keeping and balance of books of accounts was virtually the work of principals instead of bursars and accounts clerks and this gave principals an opportunity to manipulate records for own interest. It also implied that there was lack of delegation to the tendering committee and bursars were not empowered to do their designated duties. It further meant

that the schools lacked segregation of duties and gave autonomous opportunity to principals to manage school funds. This finding is similar to Kahavisa (2003) The study further found out that there were no proper internal auditing set up in schools and that government auditing, though the auditors of the Ministry of Education, Science and Technology was irregular and therefore concluded that school funds could have been misappropriated.

4.2.10 Irregular Payment of School Workers

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding irregular payment of workers. Their perceptions were presented on Table 4.9

Table 4.10

Irregular Payment of Support Staff n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	4	9.52	4	9.52	34	80.9
HODS	3	7.14	10	23.8	29	69.0
BOGs	-	-	11	26.2	31	73.8
Bursars	1	2.38	10	23.8	31	73.8

Findings on Table 4.10 revealed that majority of HTs (80.9%), HODs (69%), BOGs (73.8%) and bursars (73.8%) were of the opinion that irregular payment of the support staff was a less common form of financial mismanagement. During focus group discussion one of the teachers was of the opinion that the support staff always complains of irregular and poor payment of their salaries while another teacher said: "money for

workers salaries is sometimes diverted to other activities and they are told to wait until the time funds will be available.” Low responses on the irregular payments of support staff was due to the reason that majority of workers such as teachers were paid by the government. However, irregular payment reduced the morale of workers and attracted high turnover to green pastures. This implied that at the time workers were not working as usual it caused delays and hence affected quality education in terms of contact hours. On the other hand BOG employed teachers, when poorly paid they kept on moving from one school to another and this affects syllabus coverage.

4.2.11 Payment of Non-existing Staff

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding payment of non-existing staff. Their perceptions were presented on Table 4.11

Table 4.11

Payment of Non-existing Staff n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	-	-	1	2.38	41	97.6
HODS	-	-	2	4.76	40	95.2
BOGs	-	-	-	-	42	100
Bursars	-	-	1	2.38	41	97.6

Key: - No response given

Findings obtained on Table 4.11 revealed that majority of the HTs (97.6%), HODs (95.2%), BOGs (100%) and bursars (97.6%) were of the opinion that paying non-existing

staff was a less common form of financial mismanagement. During interviews one of the QUASO reported: “principals are ever busy and they employ untrained teachers to cover up their lessons. They use school funds to pay them an aspect not known to the BOG and Teachers service Commission.” From focus group discussion one of the teachers said: “There are ghost teachers in schools.” From one of the teachers it was established that there were even names of workers that appeared on the payrolls of the school that were not physically seen yet they are paid. This implied that money intended for other school activities were used for different purposes and this affected the quality of education and this was could be termed as misuse of school funds.

4.2.12 Exaggerated Expenditure on Teachers’ Motivation

HTs, HODs, BOGs and bursars were asked to give their perceptions regarding exaggerated expenditure on teachers’ motivation. Their perceptions were presented on Table 4.12

Table 4.12

Exaggerated Expenditure on Teachers’ motivation e.g. Lunch n=42

Respondents	Responses					
	Most common		Common		Less common	
	f	%	f	%	f	%
Headteachers	-	-	21	50.0	21	50.0
HODS	-	-	19	45.2	23	54.7
BOGs	-	-	20	47.6	22	52.4
Bursars	-	-	23	54.7	19	45.2

Results presented on table 4.12 indicated that slightly above half of HTs 21(50%), HODs 23(54.7%), BOGs 22(52.4%) and bursars were of the perceptions that exaggerated expenditure on motivation of teachers was a less common form of financial mismanagement in schools. From interviews, one of the QUASO stated: "This is a disguised way of mismanaging school funds." On the same point one of the teachers reported, "We eat a skeleton while principals eat the flesh." This implied that principals exaggerated money spent on teachers' lunch but the actual amount spent on teachers was very little. From FGDs one of the teachers reported: "Headteachers in some schools failed to remit National Social Security Fund for workers" while another teachers noted: "Headteachers occasionally deposit the same money and other school monies in their personal bank accounts and interests yielded from such money is used for personal gain." During FGDs one of the teachers reported, "Funds allocated for teachers seminars are not used as expected" while another teacher lamented:

Letters of invitation for teachers to attend different workshops are sent to schools and no teachers are allowed to attend. However, principals indicated that the money has been spent on those workshops. In some cases one or two teachers are allowed to go to seminars while principals inflate the figures to five or more.

The findings from teachers from day schools during FGDs indicated that parents paid for lunch expenses. It was noted that the type of food given to students comprised of a mixture of maize and beans every day. However, they lamented that parents remitted Ksh 1500, Ten kilograms of maize and four kilograms of beans to schools for their children to be given varied meals. They argued that even the remaining stock of cereals at the end of the term was not accounted for. The study established from all teachers that lunch fees was not receipted but just written in an exercise book and parents were continuously asked to pay even at the time schools received Ksh 10,500 per student from free

secondary education, amount higher than Ksh 6,000 which was charged on each student before. When funds allocated for the motivation of teachers are mismanaged, teachers' morale to work is reduced and this affects their performance. When teachers do not attend training workshops, they are unable to get information on new strategies and approaches of teaching as well as new changes in the curriculum. This has got a direct bearing on performance and quality of education provided.

4.2.2. Stakeholders involved in Financial Mismanagement

The respondents: HTs, HODs, Bursars and BOGs' chairpersons were asked their perceptions on the stakeholders involved in financial mismanagement; the following responses were given as indicated in Table 4.13

Table 4.13

Responses on the Perceptions on Stakeholders involved in Financial Mismanagement

Respondents	Responses	N=42											
		HTS		Bursars		BOGs		Teachers		Workers		PTA	
		f	%	f	%	F	%	f	%	f	%	f	%
HTs	Agree	23	54.8	37	88.1	29	69.0	16	38.1	6	14.3	9	21.4
	Disagree	19	45.2	5	11.9	13	31	26	61.9	36	85.7	33	78.6
HODs	Agree	38	90.5	35	83.3	33	78.6	15	35.7	7	16.7	18	42.9
	disagree	4	9.5	7	16.7	9	21.4	27	64.3	35	83.3	24	57.1
BOGs	Agree	36	65.7	30	71.4	31	73.8	13	31.0	10	23.8	15	35.7
	Disagree	6	34.3	12	28.6	11	26.2	29	69.0	32	76.2	27	64.3
Bursars	agree	29	69.0	11	26.2	22	52.4	9	21.4	8	19.1	14	33.3
	Disagree	13	31	31	73.8	20	47.6	33	78.5	34	80.9	28	66.7

The finding in Table 4.13 indicate that over 21(50%) of the HTs, board of Governors' chairpersons, Bursars and heads of departments in forty two schools involved in the study were in agreement that secondary school principals, board of governors and bursars/accounts clerks were the major stakeholders involved in financial mismanagement in public secondary schools. During interviews, one of the QUASO said: "Headteachers, bursars and board of governors are the stakeholders most involved in financial mismanagement due to the fact that they are directly involved in financial management in schools." In this respect, another QUASO reported, "Headteachers and board of governors executive are the bank signatories and the principals are the counting officers, all having access to school funds" From focus group discussions teachers were of the view that principals were the stakeholders mostly involved in financial mismanagement and misappropriation. On this note, one of the teachers stated: "Board of governors are illiterate and like toothless dogs who are given bones and principals ate the flesh". Another teacher pointed out: "Due to illiteracy large shares of school money ends in the pockets of principals and the board of governors' chairpersons while others are given a soup to test." In another occasion one of the teachers said: "In schools where bursars and accounts clerks have more knowledge of accounting and book keeping than principals, they mismanage school funds without the knowledge of principals."

The findings in Table 4.12 revealed that principals, board of governors, HODS and Bursars agreed that teachers, other school workers apart from bursars and parents were less involved in financial mismanagement. During focus group discussions one of the teachers remarked, " Teachers are rarely involved in financial management and this gives

them low chances of mismanaging finances” while another teacher stated: “Teachers and school workers are at the periphery of financial management in schools.” However, another teacher reported: “Teachers and school workers may mismanage school funds if they get an opportunity” while another teacher, testified: “Such opportunities include travelling allowances, co-curricular activities and occasions when asked to purchase departmental books and materials.”

During interviews one of the QUASO reported: “teachers and school workers apart from bursars are rarely involved in budget preparation, procurement process and financial decision making”. This implied that school workers and teachers given an opportunity would also mismanage school funds. It also implied that principals, board of governors and bursars were able to mismanage school funds because they had access to management of finances. The school principals and governors had neglected their roles as school managers and abused their powers and officers. This also meant that all school stakeholders given a chance would involve themselves in financial mismanagement. This finding is similar to Hallak and Poisson (2001) who suggest that financial malpractices can occur at different steps in the process of allocation, distribution and use of funds. For instance where funds are allocated according to the size of the schools, principals can be tempted to inflate enrolment figures in order to attract more funds. Distribution of finance may attract embezzlement of funds by education officers at different levels of the administration hierarchy: central, regional, local and school levels.

4.3 The Second Research Objective of the Study was: To establish factors which contributed to financial mismanagement in public secondary schools in Gucha District.

The study respondents HTs, HODs, Bursars and BOG chairpersons were asked their perceptions concerning the factors contributing to financial mismanagement in public schools. The information given is presented in Table 4.14

Table 4.14

Perceptions of HTs, HODs, BOGs and Bursars on Factors Contributing to Financial Mismanagement

Factors	Respon.	N=42							
		HTs		HODs		BOG		Bursars	
		f	%	F	%	f	%	f	%
Ignorant HTs	Agree	22	52.4	20	47.6	21	50	20	47.6
	Disagree	10	47.6	22	52.4	21	50	22	52.4
Salaries/incentives	Agree	14	33.3	14	33.3	22	52.5	11	26.2
	Disagree	28	66.7	28	66.7	20	47.6	31	73.8
Illiterate BOG	Agree	27	64.3	33	78.6	29	69.0	25	59.5
	Disagree	17	40.5	9	21.4	13	31.0	17	40.5
Long duration	Agree	22	52.4	36	85.7	35	83.3	18	42.9
	Disagree	20	47.6	6	14.3	7	16.7	24	57.1
Weak Internal control	Agree	33	78.6	38	90.5	39	92.9	24	57.1
	Disagree	9	21.4	4	9.5	3	7.1	18	42.9
Promotion to headship	Agree	19	45.2	26	61.9	28	66.7	20	47.6
	Disagree	23	54.7	16	38.1	14	34.3	22	52.4
Not involving teachers	Agree	21	50.0	33	78.6	27	64.3	29	69.0
	Disagree	21	50.0	9	21.4	15	35.7	13	31.0
Irregular auditing	Agree	27	64.3	36	85.7	38	90.5	35	83.3
	Disagree	15	35.7	6	14.3	4	9.5	7	16.7
Doubling roles	Agree	23	54.8	36	85.7	34	81.0	33	78.6
	Disagree	19	45.2	6	14.3	8	19.0	9	21.4
Unqualified bursars	Agree	28	66.7	29	69	39	92.9	35	83.3
	Disagree	14	33.3	13	31	3	7.1	7	16.7
Illiterate parents	Agree	21	50.0	31	73.8	29	69.0	21	50.0
	Disagree	21	21	11	26.2	13	31	21	50.0

The findings obtained on Table 4.14 revealed how HTs, HODs, BOG chairpersons and bursars involved in the study perceived the factors that contributed to financial mismanagement and misappropriation in public secondary schools.

4.3.1. Ignorance of Headteachers on Financial Management Procedures and Lack of Accounting Skills

The findings of the study as indicated on Table 4.14 revealed that principals' ignorance on financial management procedures contributed to financial mismanagement as indicated by 22(52.4%) of the principals, 20(47.6%) of the HODs, 22(52.4%) of BOG chairpersons and 20(47.6%) of the bursars/accounts clerks. The study established that over 19(45.2%) of all the respondents involved in the study indicated that the mode of promotion to headship also contributed to financial mismanagement as it involved giving of bribes. It was noted that due to corrupt modes of promotion, headteacher used school funds to be upgraded to higher positions. It was argued that classroom teachers were promoted to management positions without any training on financial accounting and management skills. The study further revealed that principals bribed sponsors so as to gain popularity as reported by teachers involved in Focus group discussions. They also stated that promotion to headship was not on merit as it also depended on the influence and support from the sponsors. In this respect, one of the QUASO stated: "High ambitions for acquiring more assets and need to make a difference between principals and their juniors tempts principals to mismanage school funds."

The findings obtained revealed that lack of accounting skills and budgeting skills among principals were other factors contributing to financial mismanagement and misappropriation. In this respect, one of the QUASO, "Majority of the principals had no financial management and accounting skills as they were just promoted to headship with TSC without prior training in the same area" while another officer noted, "Due to lack of financial training, majority of school principals take books of accounts to pseudo-accountants to update them." From focus group discussion one of the teachers, reported: "Due to lack of financial management training, principals are not in position of identifying wrong entries and anomalies in financial records if done by the bursars/accounts clerks." On the same note, one of the teachers reported "Inadequate training in financial management skills was a challenge principals faced in financial management." From focus group discussion teachers were of opinion that the training workshops conducted were inadequate for they took short duration and the trainers were not conversant with financial management. They indicated that financial training programmes offered by the Ministry of Education through Kenya Education Staff Institute were not able to take all managers for training and did not equip the few who attended such workshops with adequate financial and accounting skills. In respect to this, one of the teachers said, "The manners in which such training workshops are conducted are haphazard and not objective."

Findings obtained revealed that principals had inadequate financial and accounting skills. They were promoted to headship without prior training. The nature of financial knowledge possessed by principals was significant on how efficient and effective school finances would be managed. This also influenced how the bursars and accounts clerks

related to principals in terms of financial accounting. In this case tricky bursars would mismanage school finances and balance the books of accounts for their own interest without principals' knowledge. This implied that principals without accounting skills would not be in a position to discover any anomalies in financial management since they did not possess any training in financial management. This finding is similar to the views given by World Bank (2001) that education administrators need to be regularly informed of any new management techniques and changes that would make the programme worthwhile. They need to be updated on the techniques of planning, organizing, controlling and directing human, financial and material resources for the goal set. The finding was also in line with Green (2005) who stressed that principals needed advanced knowledge of high level financial management and strategies for handling funds in schools. The Kamunge (1988) and Koech (1999) Reports emphasize that; training of principals will bring about quality and raise standards of education in Kenya.

4.3.2. Low salaries and incentives given to principals

The findings obtained revealed that 26(62%) of the HODs and BOG chairpersons involved in the study were of the view that low salaries and incentives given to principals was not a factor contributing to financial mismanagement as opposed to 15(35.7%) of the principals and bursars involved in the study (Table 4.14). During FGDs, teachers were of the opinion that salaries given to principals were not sufficient as the community viewed them as their local members of parliament who always were invited to be guest of honors for community fund raising. Teachers also felt that the community demands on principals were too much. In respect to this, one of the teachers remarked "Headteachers are at high

demands and pressure to save their image from the community” while another teacher said, “headteachers’ names appear as guest of honors on several fund raising cards in the village.” From interviews one of the QUASO noted “headteachers’ needs to maintain prestigious position in the society tempts them to mismanage school finances” while another officer lamented: “Headteachers just want to satisfy their greed motive.”

Findings revealed that school headteachers misused school funds in the name of supporting the community. This could be seen as an abuse of one’s office. Principals are the custodians to manage school funds effectively and efficiently. This finding was similar to what is stipulated in the TSC Code of Ethics (2003) which stated that a public officer shall take all reasonable steps to ensure that property that is entrusted to his care is adequately protected and not misused or misappropriated. However, Hallak and Poisson (2001) gave controversial views to this finding that low salaries and weak incentive systems in education profession could lead to misbehavior of both educational administrators and teachers. Lack of opportunity for individual promotions and poor prospects after retirement are demotivating factors.

4.2.3. Nature of the Board of Governors

The findings of the study indicated that 27(64.3%) of the HTs, 21(50%) of the BOGs, 33(78.6%) of the HODs and 24(57.1%) of the bursar/accounts clerks involved in the study were of the perceptions that illiterate and ignorant board of governors were some of the factors contributing to financial mismanagement in public secondary schools (Table 4.14). From forty two schools involved, 15(35.7%) of the bursars and 11(26.2%) of the BOGs indicated that majority of members of the board of their schools were illiterate, not

conversant with accounting procedures. The study also established from 30(71,4%) of the BOG and 28(66.7%) of the bursar involved in the study that majority of the board members had retired from public service and teaching profession while 20(47.6%) of the bursars revealed that majority of them were unable to interpret financial records and statements presented to them.

The study revealed that seventy one point one percent of the board of governors' chairpersons had chaired their current schools for more than seven years. From FGDs one of the teachers noted "In some cases one person served as a chairperson of BOG in five schools and for many years" while one of the QUASO, reported "BOG chairpersons are viewed to be permanently there as their terms keep on being renewed." On the same point another officer said, "Majority of members of the board have no financial management background and accounting skills and never contribute to financial management in schools. Some of the members do not understand financial statements and documents presented to them" while another officer stated: "Majority of Board of governors are selected just to fill the required number as some are illiterate retirees from various government departments. They just sit not contributing anything but wait for lunch and sitting allowances as their words only end with yes."

During focus group discussions, one of the teachers reported that selection of members of the board was predetermined by the area member of parliament who chose people of their interest. He was of strong feeling that the selection criteria was not clear as the majority of the board members were businessmen, peasant farmers and retirees from public service. It was noticed that such members were not able to make informed decision,

interpret financial statement and financial documents presented to them during general annual meetings. One the QUASO said, "BOG members rely on the principals' words just like people of Israel relied on the prophets" while another officer reported "Majority of the BOG members were illiterate and would not communicate in English or Kiswahili and tended to hold prolonged meetings which bore no fruits. At workshops /seminars held for BOG members, majority of them could not even communicate well and their presence was just there to eat." It was also observed from the filling of the questionnaires that majority of them were not conversant with their roles and could not understand what they were asked unless with further explanation and more especially in the language of the catchment.

Headteachers were asked to identify challenges they faced in financial management. The findings obtained revealed that 26(62%) of the principals were of the opinion that BOG was a hindrance to prudent financial management as most of them did not assist principals in making financial work plans, were illiterate and did not understand expenditure procedures, visited schools frequently to be given allowances after the impromptu meetings and preferred to have principals of their choice who could listen to their wishes.

One of the quality assurance officers and one teachers interviewed felt that skills deficit among BOG weakened the effective functioning of BOG. In this respect, one teacher, explained: "BOG members lack confidence and are not sure about their duties." While one of the QUASO said: "this resulted in their depending on the principal "... who uses

his professional powers to influence the BOG.” Where teachers felt the BOG was not effective, it was often attributed to a lack of interest in the school, low levels of literacy and lack of training, which led one teacher to suggest that “BOG should have members who were involved in education, for example ex-headteachers and ex-teachers and not so many illiterate parents.”

Findings revealed that BOG was not conversant on financial transactions for the daily running of the school, payment of salaries and putting up development project. This implied that the members of the board did not understand their roles in school administration and financial management. Due to the nature of the BOGs, it also implied that such BOG without accounting skills had no means of discovering financial anomalies in the books of accounts and were not in a position of interpreting if the trial balances and balance sheets presented to them were a true picture of income and expenditures for their schools. They relied on the principals words and approve the expenditures. This finding was in line with MOE (2001) which pointed out that poor education background of board of governors was a factor towards poor management of schools.

The issue of selection of BOG was critical to how funds would be managed. However, the selection of retired public servants and teachers, illiterate peasants and businessmen meant that this was a category of persons who could be easily manipulated to fulfill principals’ interests in enriching themselves from school funds. This meant that such BOG could delay decision making process or don’t contribute in any way to prudent financial management in schools. This finding is similar to that of previous studies of Wakubwa (2003) and Kahaviza (2003) who noted that most school funds were

misappropriated because most board members did not bother to verify expenditures made delayed decisions indefinitely Kahaviza (2003) in her study also found that when board members did not understand the financial reports presented to them, they made poorly informed choices or. This finding is also similar to Rosalind and Downs (2004) who found out that the school council relied on the work of the principal to provide it with information on the budget allocation due to their limited education or lack of time to dedicate to these matters. They reported that schools often tried to recruit governors with a background on accountancy to help them in this aspect. Mestry (2006) made observation that in some schools the principal and the school governing bodies did not work collaboratively with each other in managing the schools' finances. The School Governing Boards (SGBs) are not effectively trained to manage the school's finances efficiently

4.3.4. Long duration of stay of principals in one school

The findings obtained on Table 4.14 indicated that over 21(50%) of the HTs, HODs ,BOG chairpersons and 17(40.5%) of the bursars involved in the study were of the view that long duration of stay by principals in one station was another factor which contributed to financial mismanagement in public schools. In response to the duration of stay by principals in their current stations, the findings revealed that 21(50%) of the principals had over-stayed in one station for between eight and sixteen years. One of the QUASO said, "In some schools principals have turned them as their homes and forgotten professional ways of running school funds. They release school money as if they are giving their wives and their children without recording." Another officer reported "Headteachers who over-stayed in one station learned the weakness of the BOG and the

community and started manipulating them for their own interest. They even reached at a point of determining who should be the chairman for the board” while another QUASO reported,

This is one of the reasons why some people remained as chairpersons of the BOG for over 15 year”. It was also noted and reported by one of the teachers, “due to the same reasons, principals could now do virement of schools funds without the authority of school board.

Over fifty percent of headteachers had stayed in their current stations for more than ten years. This provided an opportunity for principals to lose direction in financial management and professional ways of administering schools. Over-staying in one station by principals had an implication on financial mismanagement as principals got to learn on fishy means of gaining from school finances. It also gave them an opportunity to compromise other stakeholders such as board of governors, sponsors, the community, parents, government auditors and even teachers.

4.3.5. Weak internal control mechanisms

In responding to factors contributing to financial mismanagement, over 25(59.5%) of the BOG chairpersons, HODs, Bursars/accounts clerks and HTs involved in the study were of the view that weak internal control mechanisms were major factors contributing to the same (Table 4.14). The study found out that 11(26.2%) of the HTS involved in the study rotated workers to check on anomalies, 16(38.1%) of the HTs bonded their workers, 2(4.8%) of HTs gave impromptu leave to accounts clerks and bursars to enable them check on records and 18(42.9%) segregated duties of workers. From FGDs with teachers, all teachers revealed that most bursars had not gone for leave for several years and there was nothing like segregation of duties as the typists were performing their duties together

with receiving school money the work meant for accounts clerks and bursars. It was further noted that principals did the work of administration as well as receiving school money and accounting for it as reported by one of the teachers. In this respect one of the teachers said: "Principals of secondary school are the-know it all as they handle financial accounting together with administrative issues" while One of the QUASO reported, "Headteachers never read the annual balance sheet to the stakeholders and their procurement processes are questionable as at most times they do the purchases." From FGDs, one of the teachers noted that all 42 schools had no internal auditors and school financial records were only audited by auditors from the district. Another QUASO reported: "Receipting of school money had a problem as at times fees registers missed, schools had no trained storekeepers and school property which included food, games facilities, farm tools and textbooks were all kept in the deputy principals' offices." From interviews one of the officers noted that lack of internal auditors, storekeepers, segregation of duties and doubling of financial duties formed loopholes for mismanaging school finances.

The study found out that 11(26.2%) of the principals involved in the study rotated workers to check on anomalies, bonded their workers, gave impromptu leave to accounts clerks and bursars to enable them check on records and segregated duties of workers. The percentage of responses given was an indication that in most schools internal control mechanisms were weak and different stakeholders involved in financial management could be tempted to mismanage school funds. Most bursars had not gone for leave for

several years. Principals did the work of administration as well as receiving school money and accounting for it and their procurement procedures were highly questionable.

All 42 schools had no internal auditors and school financial records were only audited by auditors from the district. Schools had no trained storekeepers. This was an indication that the management of school funds fully lay in the hands of principals and the whole system lacked checks and balances. Siringi (2002) found similar results to this study and noted that it was at the secondary school level that huge amounts of money were subjected to little accounting procedures and there were no proper structures for making schools accountable. He felt that this was because management of such schools was, in most cases undemocratic-with principals and a few cronies making arbitrary decisions on expenditures. This finding concurred with that of Kiboiy (1998) who reported that the management of school finances was wanting due to several reasons: there was poor budgeting for school finance characterized by frequent requests for virulent and excesses of expenditure over income and audit reports portrayed negatively on the management of school finances were those related to the management structure. Mestry (2006) found similar findings to this study in schools in South Africa:

- i. Bank reconciliation statements were rarely compiled
- ii. Signatories to the school fund account were questionable
- iii. Finance policies and control measures were non-existent
- iv. Cheque and cash payments were generally made in the absence of payment authority and supporting documents
- v. Procurement procedures were highly questionable

- vi. The external auditor generally wrote up the books of account and thereafter conducted the audit
- vii. School fee registers were non-existent and school fees could not be tracked
- viii. Stock registers were non-existent

4.3.6. Not involving Teachers and other Stakeholders in Financial Management

The responses from 21(50%) of the HTs, 32(76.2%) of the HODs, 19(45.2%) of the BOG chairpersons and 23(54.8%) of Bursars/accounts clerks involved in the study as shown in Table 4.14 were of the view that not involving teachers in financial management was another factor contributing to financial mismanagement in secondary schools. Asked to indicate how teachers and other stakeholders were involved in financial management, HODs gave the information presented in Table 4.15

Table 4.15.

Involvement of Teachers and other Stakeholders in Financial Management according to the HODs

Acts of involvement	Responses			
	n=42			
	Agree		Disagree	
	F	%	f	%
Teachers involved in budget preparation	12	28.6	30	71.4
HODs help in identifying school project	13	31	29	69.0
HODs involved in decision making	16	38.1	26	61.9
Teachers consulted in financial decision making	7	16.7	35	82.3
BOGs major financial decision makers	33	78.6	19	21.4
Parents consulted before financial decisions are made	13	31	29	69.0
HODs involved in financial planning	9	21.4	33	78.6
Parents are not involved in planning school projects	21	50	21	50.0
BOGs involved in project identification	28	66.7	14	33.3
Teachers have a say on project identification	7	16.7	35	83.3

The obtained results on Table 4.15 revealed that over 26(61.9%) of HODs indicated that teachers and HODs were not involved in budget preparation, financial planning, identification of school projects and financial decision making while over 28(66.7%) revealed that BOG were the major financial decision makers and were involved in identifying school project. The results further indicated that Parents were not consulted before financial decisions were made and they were not involved in identifying school projects as indicated by (69%) Of the HODs (Table 4.14). In terms of staff involvement, 51 teachers out of 289 involved in FGDs indicated that it was appropriate to involve staff in fulfilling the financial management functions of the school. In respect to this, one of

the teachers reported: "Staff members are not actively involved in the various committees during the process of drawing up the school budget" while another respondent added: "principals do this to keep teachers off from knowing how much money the schools has and stop them from asking for teaching and learning facilities now and then" and another teacher said: "because of lack of transparency, teachers utilize any possible opportunity to benefit from school funds." Teachers cited incidents of exaggerated budget for co-curricular activities and traveling allowances so as to gain if possible. It was clear that schools prepared annual budget and the preparation was done by principals and bursars. Heads of department and other teachers were minimally involved in financial planning, budget preparation but they were totally not involved in project identification and monitoring of budget implementation. It was therefore clear that schools prepared budget but failed to involve all the people in the schools.

Not involving teachers in financial management meant that teachers were kept in darkness and gave an opportunity to principals to spend school finances as they wished. It also implied that teachers had little impact on financial management as a majority of them did not understand financial documents and possessed no accounting skills to discover any anomalies. It further implied that principals were not transparent and accountable for school funds to all stakeholders. This finding is consistent with the views of Campbell (1996) who in his study revealed that people within the school system be involved in preparing the budget because they were part of the system and shared in the operations of the programme. This finding is was contrary to that of Rosalind and Downs

(2004) who found that the school budget was available to teachers in Poland and Brazil.

However, they very rarely read it or discuss it and they didn't easily understand it.

4.3.7 Budgetary process

Findings obtained revealed that schools did the process of budgeting for the school funds.

The findings revealed that 34(81%) of the bursars/accounts clerks and 30(71.4%) of the

HODs involved in the study were of the views that tender system was being used in

schools Table 4.14. Asked to give information about tendering systems in their schools,

HODs gave the data presented in Table 4.16.

Table 4.16

Tendering System in Schools

Procurement in schools	Responses				
	n=42				
	Agree	Disagree			
F	%	f	%		
Tender system in use	31	73.8	11	26.2	
Tender committee in existence	37	88.1	5	11.9	
Tender committee transparent	18	42.9	24	57.1	
Headteachers in charge of requisition	31	73.8	11	26.2	

Findings presented on Table 4.16 revealed that public schools had tendering system in

use and tender committees were in existence. However, 24(57.1%) of the HODs revealed

that tender committees available in schools were not open and transparent. At the time of

filling the questionnaire for the study, one of the bursars lamented “The budget is a document on paper and its actual implementation is a mystery” On the same point one of the teachers reported, “two projects ran co- currently that is school project verses principals’ personal projects whereby construction materials meant for schools are sub – divided into two respectively.”

In response to the nature of school projects, 36(85.7%) of bursars and 16(38.1%) of the HODs involved in the study revealed that school projects were not carried out according to the budget as some came up as needs arose. They also stated that many school projects had remained stalled due to the fact that many projects were started at the same time. The findings also revealed that over 23(54.8%) of the HODs and Bursars noted that the need to complete urgent projects affected proper budget implementation and even paved way for misappropriation. They lamented that this gave way for mismanagement and misappropriation of funds as money meant for one activity was used to complete another project. In respect to this, one of the teachers reported “there are no budgeting committees in schools, though a draft budget made by HTs and bursars exist” while one teacher from provincial schools stated: “our schools have a budget made by HTs and HODs but it is not strictly followed.” She also reported: “the budget is not made available to teachers and interested parties.”

A situation where a budget existed but not adhered to create an opportunity that money would be spent anyhow. It also means that budget scrutiny is not done. The exercise of budget scrutiny at school level is important for minimizing opportunities for financial mismanagement and to monitor the actual performance of the school organization.

However absence of the same, this gave principals a chance to spend school money as they wished and then accounted for the same. This could be attributed to irregular auditing of school finance from the side of Ministry of education. This therefore implied that where there were no budgets in schools, school funds were not properly managed and schools could not be able to weigh their performances. Schools would not make better financial and program decisions, improve operations, and enhance relations with other stakeholders. This finding is consistent with that of Mestry (2006) who revealed that in schools in South Africa, budgets were poorly compiled or non-existent and if budgets existed, then variance reports were never compiled.

4.3.8 Irregular auditing of school funds

The responses from 27(64.3%) of the HTs, 33(78.6%) of the HODs, 38(90.1%) of the BOGs chairpersons and 35(83.3%) of the bursars/accounts clerks involved in the study revealed that irregular audit of school funds was a major factor that contributed to financial mismanagement (Table 4.14). Asked to give information on the nature of financial auditing in schools, HODs gave the information presented in Table 4.17.

Table 4.17.

Financial Auditing in Public School

Financial Auditing in Schools	Responses			
	N=42			
	HTs		HODs	
	Agree		Agree	
	f	%	f	%
Government audit done at irregular intervals	18	42.9	24	57.1
Audit report presented to other stakeholders	21	50.0	21	50.0
Auditors bribed	13	31.0	29	69.0
Schools have own auditors	6	11.3	2	9.5

Findings revealed that 18(42.2%) of the HTs and 24(57.1%) of the HODs indicated that government auditors visited schools but at irregular intervals (Table 4.17). Less than 21(50%) of HTs and HODs indicated that audited reports were presented to other stakeholders while less than 5(11.9%) of the HTs and HODs reported that schools had their own auditors. During FGDs one of the teachers reported: “Auditors visit schools at irregular intervals and since they take too long to visit schools they are unable to discover anomalies in the records from different schools. The same auditors are at times used to balance books of accounts before the actual audit.” The findings revealed that 33(78.6%) of the bursars/account clerks indicated that auditors were not transparent as their audit findings were only shared among the executive BOG members and left out other stakeholders. These barred other stakeholders from knowing how school funds were used and act as checks and balances. In respect to this, one of the teachers stated: “Government auditors are as corrupt as traffic police on the Kenyan roads” while one of the QUASO explained “Due to shortage of adequate auditors at the district level, few

qualified accountants who are used by schools to balance books of accounts are also temporarily deployed as co-auditors.” Another QUASO reported: “Headteachers with mismanagement queries are assisted by auditors to get cross-transfers so as cover up financial anomalies.” The study also established that all the QUASO in the district had no accounting background and had no authority to check financial document at the zonal level as auditing was being done at the district level. In this respect, one of the QUASO said: “Quality assurance officers at the Zonal level have no authority to enter and audit books of accounts at secondary school level.” Asked to identify challenges faced by principals in financial management, fifty percent of headteachers involved in the study indicated that there was inadequate audit staff at the district and audit report took many years to be prepared.

It was clear that schools financial records were not audited regularly and for those audited it took many years for auditing report to be given to schools. Some auditors were used to balance books of accounts as a result of some schools not having qualified bursars and accounts clerks. Auditing reports given to school were not open to all stakeholders. Reasons for irregular auditing of school funds were due to a shortage of enough auditors at the district level and lack of transport to schools in the interior areas. This showed that only schools along the road were audited. However, irregular auditing had an implication on the prudent management of school finances. It is when audit fails that the financial system is exposed to the possibility of accidental error or deliberate fraud and that principals can find themselves exposed to temptations and able to exploit loopholes for personal gains. The absence of auditing mean that no advice is given to school managers on how to manage school finances effectively, the status of school finances would not be

established and ways of managing finances could not be revealed to the school stakeholders. Therefore school funds could be managed well and reduce mismanagement if the school had instituted proper internal auditing. This finding concurred to that of Kahaviza (2003) who found out that there were no proper internal auditing set up in schools and that government auditing, through the auditors of the Ministry of Education, was irregular and therefore schools funds could have been misappropriated. Okumbe (1998) in his views also suggested that educational managers must institute proper administrative structures for internal auditing while Waihenya (2000) maintained that the government audit department should keep track of the financial performance of the schools.

4.3.9. Doubling of administrative and financial roles

The findings obtained revealed that 23(54.8%) of the headteachers, 35(83.3%) of the HODs, 34(81%) of the BOG chairpersons and 33(78.6%) of the bursars/accounts clerks were of the view that doubling of administrative, supervisory and financial roles by the headteachers gave a leeway for financial mismanagement (Table 4.14). They argued that the TSC had bestowed much power to heads of institutions in terms of financial management. In this respect, one of the QUASO reported: "headteachers double administration and financial accounting roles because majority of schools that is ninety five percent have untrained financial personnel." Headteacher received the money, receipted it, deposited it in the bank account, withdrew it and did the procurement process. From FGDs one of the teachers noted: "In some schools headteachers even purchased boarding facilities such as equipment, stationary and farm inputs." It was noted

by one of the QUASO that this barred transparent and accountability of school funds hence giving the headteachers an upper hand of mismanaging and misappropriating school funds.

School headteachers and bursars were asked to indicate the activities they carried out in their schools. The responses given were presented in Table 4.18.

Table 4.18

Financial Activities carried out by Principals and Bursars in Public Schools

Activities	Responses							
	N = 42							
	Headteachers				Bursars			
	Agree		Disagree		Agree		Disagree	
f	%	f	%	f	%	f	%	
Preparing the school budget	42	100	00	00	36	85.7	6	14.3
Presenting the budget to the board	41	97.6	1	2.4	32	76.2	10	23.8
Keeping of financial records	41	97.6	1	2.4	40	95.2	2	4.8
Receiving banking statements	41	97.6	1	2.4	38	90.4	4	9.6
preparing financial records	41	97.6	1	2.4	10	23.8	32	76.1
interpreting financial records	32	76.2	10	23.9	6	14.3	36	85.7
Making payments	31	73.8	11	26.2	24	57.1	18	42.8
Purchasing school items	23	54.7	19	45.3	12	28.6	30	71.4
Depositing funds to bank accounts	36	85.7	6	14.3	15	35.7	27	64.3
General business administration	42	100	00	00	15	35.7	27	64.2
Auditing school finances	37	88.1	5	11.9	1	2.4	41	98.6
Budget evaluation	39	92.9	3	7.1	24	57.1	18	42.8
Allocating money to departments	20	47.6	22	52.4	2	4.8	40	96.2
Inspect purchases	31	73.8	11	26.2	1	2.4	41	98.6

The findings of the study in Table 4.18 revealed that there were some activities being shared by both headteachers and bursars in schools involved in the study. It indicated that over 28(66.7%) of the headteachers involved in the study were of the view that headteachers and bursars carried out the activities shown in Table 4.4. It was revealed that 23(54.8%) of the headteachers involved in the study did the purchase of school items while 20(47.6%) allocated funds to each department for use. The findings of the study further revealed that headteachers did all activities pertaining to financial management. They received the money, kept financial records, purchased school items and equipments, deposited money in the bank and presented financial records to BOG for scrutiny. headteachers also prepared the budget, made work plans, supervised the budget implementation, and evaluated it (Table 4.18).

Headteachers did financial tasks which were for the bursars. This could be possible because headteachers did not trust other school workers and members of the teaching workforce. This resulted into no delegation of duties and responsibilities and allocation of funds to other stakeholders. These activities were virtually bursars'/accounts clerks' and when done by both headteachers and bursars they eventually created confusion on who should be responsible and accountable for any anomalies. This finding is similar to that of Mestry (2006) who reported that in South Africa schools, there were two roles played by the principal, as ex officio member of the School Governing Board on the one hand and on the other, as employee of the Department of Education. However, the role of the school headteachers has been underscored by the Institute of Public Finance (2003) that while the Board of Governors must determine how the school's financial budget will be

allocated for specific purposes, the principal is normally responsible for expenditure estimates, day-to-day decisions on spending and weekly monitoring of expenditure to make sure that the school budget is not exceeded. The principal must ensure that full financial records are kept in relation to all school funds and that these records are presented regularly to the Board of Governors in keeping with the requirements of the guidance issued by the Funding Authority. The Public Financial management Act (2000) states clearly that accounting officers of schools must:

- i. Maintain a system of financial controls
- ii. Maintain a system of internal audits
- iii. Maintain appropriate procurement procedures
- iv. Account for and control revenue
- v. Account for and control expenditure
- vi. Take responsibility for the maintenance and safeguarding of assets.

4.3.10. Unqualified bursars and accounts clerks

The findings obtained indicated that 28(66.7%) of HTs, 25(69%) of the HODs, 38(90.4%) of BOG chairpersons and 35(83.3%) of the bursars/accounts clerks were of the view that unqualified bursars/accounts clerks contributed to financial mismanagement in secondary schools Table 4.14. The bursars/accounts clerks were asked to indicate their qualifications. Their responses were presented in Figure 2

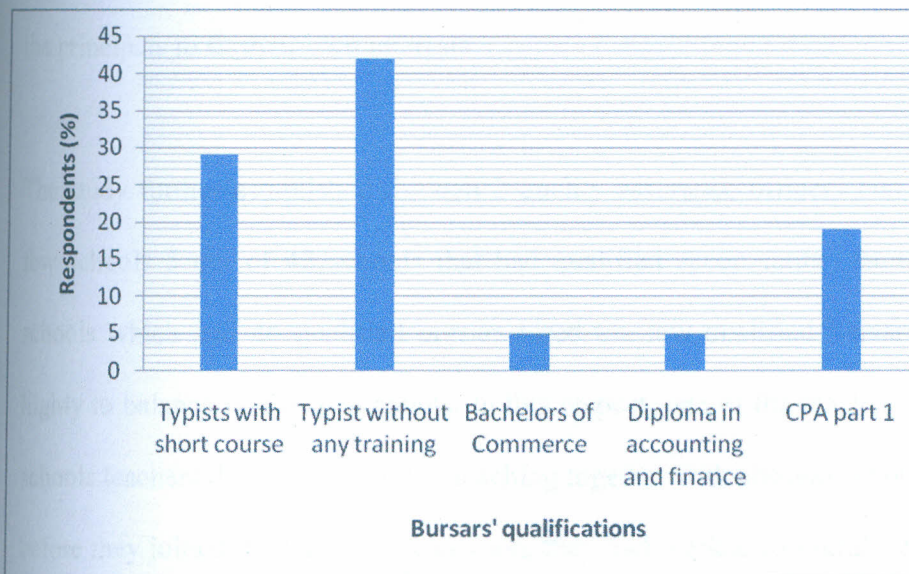


Figure 5 illustrates the composition of bursas/accounts clerk

The study established that 19(42,9%) of bursars/accounts clerks were typists without any training while 12(28,6%) were holders of short courses. Trained and qualified personnel in accounting made up to 12(28,6%) combined as shown in Figure 2. The findings of the study revealed that 29(69%) of the bursars/accounts clerks were women in the age bracket of twenty five to thirty years. It was also noted that 19(45.2%) of the bursars/accounts clerk had stayed in their current stations for more than ten years.

The study also established that bursars were poorly paid but handled a lot of money. From observation findings revealed that out of 42 accounts clerks/ bursars, 80% of them were women aged between 25-35years who were assumed to be secretaries. They doubled the work of accounts clerk/ secretaries. They had no financial accounting background. In respect to this, one of the QUASO said: "The work of the secretaries is to receive school money and write in exercise books which are handed over together with money to the principals at the end of the day after thorough scrutiny if it is the right

amount of money collected. Such books are either misplaced or at times manipulated by the principals to fit their own interests”.

The study further established through 2 quality assurance officers that there were very few schools 5 out of 42 schools that had qualified accountants / bursars. Majority of schools which had no qualified bursars hired the few qualified bursars and paid them highly to balance books of accounts. In this respect, one of the teachers noted: “In some schools teachers double the work of teaching together with accounting due to the fact that before they joined the teaching profession, they had worked as untrained accounts clerks in some schools.” Observation made by 4 quality assurance officers revealed that wives, cousins, brothers to headteachers worked as accountants/bursars in the same schools. The presence of unqualified bursars meant that the work of balancing books of accounts was done by hired accountants. Hired accountants could be compromised by headteachers to balance books for their advantages. Unqualified bursars did not do the work of banking school money. This gave principals an opportunity to deposit school funds even in their private accounts to gain interests instead of the schools. Employment of bursars on temporal basis meant that they were not transferable and worked under the mercies of the school Board of Governors. This made them not to work independently and report any cases of financial mismanagement in schools as they feared being laid off. Duration of bursars serving one station for more than ten years coupled with the many years of serving by principals in the same stations meant that they could easily collude in mismanaging school funds.

Majority of the bursars being women was an indication that they could easily be compromised with something little of women bursars who had no qualifications, could easily be manipulated and accept any pay. They could not work independently and therefore not in a position to questioning principals in case of any mismanagement of finances. Unqualified bursars increased chances of poor accountability of school finances and poor book keeping. This finding is consistent with the findings of Kiboiy (1998) who found out that many schools in Nandi district had untrained bursars and accounts clerks. He also found out that there were a few schools which had trained accountants. However, where head teachers had no such training in financial administration, the later could not supervise the former; several schools lacked the complete range of books of account and internal control was found to be undermined by poor record keeping, absentia of a well defined separation of duties and dishonesty.

4.3.11. Personal gains

During focus group discussion teachers were of strong opinion that principals used school funds for personal gains. In this respect, one the teachers stated: "School money has enriched principals to purchase heavy vehicles and look unique from other teachers" He lamented: "principals are just like other teachers but after years of headship, they lead a luxurious life, some driving very good vehicles, others with big businesses, and some with very nice houses constructed after a short time" while another teacher observed: "Due to the need to be recognized, principals committed their payslips until they earned nothing and that made them vulnerable to mismanage school finances."

School principals used school funds for their private activities and personal gains. This was basically abuse of their offices and their duties. This finding is in agreement with the stipulation in the Education Act (1980) which states that headteacher as accounting officer of the schools' finances should not abuse his/her office by mismanaging all that is under his/her jurisdiction. If this happens then he/she should pay for the loss incurred (TSC, 2003).

4.3.12. School Sponsors

Findings obtained revealed that the sponsors formed a fertile ground for financial misappropriation and mismanagement in schools. On the area of sponsors one of the QUASO explained: "This is due to the powers endowed to the sponsors by the Education Act" and said: "sponsors find themselves interfering with schools financial affairs" while one of the teachers remarked: "Sometimes sponsors need money for church business and even some percentage as tithes while there is no vote head to cater for the same" and another officer said, "..... this is a common phenomenon in SDA, AIC and Catholic sponsored schools". In another FGDs one of the teachers reported: "Sponsors have little knowledge concerning financial management of schools. In cases of financial mismanagement they come in strongly to defend a headteacher of their faith." On the perspective, one of the QUASO reported: "Due to strong influence from sponsors, several giant schools of eights are now dead" added another officer said: "Sponsors are dead people and the ministry should do away with them." One of the teachers asserted: "The sponsors are too strong for the principals to manage school funds independently." In

cases where principals had refused to listen to them, they opted for transfers and hence became a major source of conflicts in schools.

The study findings revealed that the school sponsors demanded for money from schools for church activities. The sponsors decided on who should be the board chairpersons and also whom to head their schools. This implied that the sponsors did not understand their roles and needed to benefit from schools even through unfair means. These findings agree with Olyula (2004) views that a church sponsor in Nyanza province withheld a secondary school donation for purchasing laboratory and carpentry equipment until the head teacher was transferred. The findings revealed that some sponsors nominated ineffective representatives in the BOG who on several occasions do not attend meetings nor evaluate school project initiated by the PTA. This leads to some involvement in non-productive wrangles accusing the head teacher of gross mismanagement and embezzlement of funds. The findings agree with Mwanzia (2005), Cheruiyot (2005) that church sponsors insisted that the chairperson of the BOG should be of their faith irrespective of their competence to perform and some nominated chairpersons did not provide adequate facilities in schools. This was also observed in the Koech Report (Republic of Kenya, 1999) that some sponsors neither contributes financially nor morally to the development of sponsored schools.

4.3.13. The role of the community

The study established that the community was one of the factors contributing to financial misappropriation and mismanagement in schools. During focus group discussion one of the teachers was of strong feeling that the community demanded for assistance from

schools during fundraisings and funerals. He reported, "At times amount donated is not factored for in the budget" while another teacher said: "The community looks at schools as a project and have interest in how much to benefit from it." The finding revealed that, over 20(47.6%) of the principals indicated that they faced a challenge of pressure from District Education Office (DEO), pressure from members of parliament, and from the community. In this respect, one of the teachers said: "The DEOs look at the school buses as an extension of the government vehicles in schools. They don't make plans for repair and maintenance and at time demand for buses with full fuel."

Pressure from the community and other stakeholders including area members of parliament and district education officers could easily influence principals to mismanage school funds. This was possible because principals would be in a situation of defending their positions. This finding was similar to that of Hallack and Poission (2001) who revealed that grand financial mismanagement involves high level officials and politicians, and distribution of finance, may attract embezzlement of funds by education officers at different levels of the administration hierarchy: central, regional, local and school lever. However, this could be due to the fact the community members were not aware of their roles as pertaining to school administration and financial management. The finding is similar to the view that it was almost impossible to find someone from the local community who understood the funding system and had an idea about the value received by the schools in Brazil, Poland and England (Rosalind & Downs, 2004). The World Bank (2001) study revealed that if the school community was involved in monitoring and supervision, this could help reduce opportunities for corruption.

4.3.14. Ignorant and illiterate parents

The study established that 20(47.6%) of the HTs and Bursars, 29(69%) of the HODs and 27(64.3%) of the BOGs' chairpersons revealed that ignorance and illiteracy of parents contributed to financial mismanagement and misappropriation in schools (Table 4.13). Responses from over 32(76.2%) of the HODs involved in the study revealed that parents were not consulted when making major financial decision. It was also noted that principals and BOG executive members were the major financial decision makers in the schools as indicated by seventy eight point six percent of the HODs involved in the study.

The study established that parents' weaknesses further contributed to financial mismanagement and misappropriation. During interviews one of the QUASO reported, "Most parents do not understand the financial documents e.g. financial statements presented to them at the annual general meeting as they lacked competences and skills of interpreting the same" while one of the teachers said: "Parents are only used to rubber stamp principals and BOG's fishy plans during annual general meetings." During FGDs, one of the teachers stated: "parents keep on paying for lunch and other levies to schools for example school buses without inquiring on how the money is spent. Parents never demanded for accountability of the money paid to schools." A number of teachers also felt that parents did not fully understand their roles and responsibilities in the BOG, adding: "Most of them are illiterate and therefore fail to execute the tasks delegated to them. It therefore seems that, parents do not play a significant role in school financial management."

The study findings revealed that parents were not consulted when making financial decisions. Parents did not understand financial statements presented to them during annual general meetings. A situation where parents get interested with how school funds are utilized makes headteachers to be keen on how to manage the finances. However, reasons why parents got disinterested in school funds was due the fact that majority of them were illiterate and lack skills of interpreting financial records presented to them. This implied that principals could prepare the school budget, work on books of accounts, manipulate them for their advantage and present them to parents for approval. This finding concurred with that of Rosalind and Downs (2004) who found out that in Brazil, Poland and England very few parents participated in school administration. They found that it was almost impossible to find a parent who knew how funding was done and what criteria was applied in spending the money. As most parents had very little schooling, financial terms and procedures were not part of their vocabularies and common knowledge. This hindered parents control over school decisions. This finding is also similar to that of Mestry (2000) who made observation that, in spite of having the majority representations on the BOG, many parents serving on BOGs were reticent and relied on the principal and teachers for financial management decision making. Karlsson (2002) ascribed this to parents' weak understanding of their role, a capacity deficit in the range of skills needed to perform governance functions and irregular attendance of meetings. This finding is further similar to as Maile (2002) puts it: "Illiteracy precludes parents from accessing relevant management information."

4.4. The third research Objective of the study was: To find out Perceptions of Education Stakeholders on the Effects of Financial Mismanagement on the Quality of Education in Public Secondary Schools in Gucha District.

The study was set to find out the perceptions of HTs, HODs and bursars on the effects of financial mismanagement on quality education specifically on physical facilities, teaching/learning resources, the quality of school workers, enrolments and examination performances.

4.4.1 Effects of Financial Mismanagement on Teaching/Learning Resources

The HTs, HODs and Bursars were asked their perceptions on the effects of financial mismanagement on teaching/learning resources in their schools. Their responses were presented in Table 4.19.

Table 4.19

Perceptions on the Effects of Financial Mismanagement on Teaching/Learning Resources as indicated by HTs (n=42), Heads of Departments (n=42) and Bursars (n=42)

Teaching/learning resources	P	HTs		HODs		Bursars	
		F	%	F	%	F	%
Lack of science equipment	HE	13	31.0	28	66.7	29	69.0
	HNE	29	69.0	14	33.3	13	31.0
lack of stationery	HE	9	21.5	22	52.4	20	47.6
	HNE	33	78.5	20	47.6	22	52.4
Inadequate class textbooks	HE	7	16.7	26	61.9	24	57.1
	HNE	35	83.3	16	38.1	18	42.9
lack of supplementary materials	HE	15	35.7	23	54.8	20	47.6
	HNE	27	64.3	19	45.2	22	52.4
No wall maps and atlases for use	HE	8	19.4	14	33.3	9	21.4
	HNE	34	80.6	28	66.7	33	78.6
Co-curricular facilities e,g balls	HE	10	23.8	16	38.1	9	21.4
	HNE	32	76.2	23	54.9	33	76.2

KEY: HE= Had an Effect : HNE=Had No Effect : P= Perceptions

Findings obtained in Table 4.19 indicated that different teaching and learning material had been adversely affected by financial mismanagement.

4.4.1.1 Lack of Science Equipment

Findings obtained in Table 4.19 revealed that 13(31%) of the HTs, 28(66.7%) of HODs and 29(69%) of the bursars were of the perception that financial mismanagement had a

negative effect on science equipment while 29(69%) of the HTs, 14(33.3%) of the HODs and 13(31%) of the bursars felt that financial mismanagement had no effect on science equipment. During FGDs teachers made observation that all secondary schools in the district of study had inadequate science equipment including the provincial schools. In respect to this, one of the science teachers stated, “Due to lack of science equipment we are forced to improvise facilities for practicals” while another teacher confirmed: “We make use of ‘Chipsy containers’ in the place of beakers and local candles when doing practicals.” Another teacher lamented: “This has greatly affected our science performance as candidates are usually allowed to sit for practical during mock and national examinations.” During observation, it was noted that in majority of the schools laboratory equipment were so dusty an indication that practicals were rarely carried out.

Situations where funds meant for science equipment are mismanaged, their availability, adequacy and sufficiency is negatively impacted upon. It hinders learners from doing discoveries and practical science activities and this eventually affects the quality of education offered. This finding is similar to the views of Okoli (1995) who reported that laboratories had become shelves of empty bottles of chemicals. However, where all the items of science laboratory equipments, apparatus, material and chemicals were less provided and inefficiently used in the schools; their availability and use had negative impact on academic achievement. It is also similar to Gogo (2002) who established that poorly equipped laboratories made learners fail to do the necessary practice thus affecting mastery of content as well as leading to poor performance.

4.4.1.2 Lack of Stationeries

Finding obtained revealed that 9(21.5%) of the HTs, 22(52.5%) of the HODs and 20(47.6%) of the bursars (Table 4.19) agreed that financial mismanagement had adversely affected the availability of stationeries in schools. During FGDs teachers were of the perception that financial mismanagement had contributed to inadequacy of stationeries in schools. In respect to this, one of the teachers pointed out, “We sometimes do without pieces of chalks and writing materials” while another teacher said: “Examinations are delayed in my school due to lack of photocopying papers.” When funds meant for stationeries are mismanaged schools are likely to have inadequate writing materials and this affects the smooth teaching and learning process. The absence of such facilities reduces the morale of teachers. It even makes them employ more of lecture methods in the place of activity based and learner centered methods. This finding is similar to that of Republic of Kenya (1999) which revealed that to ensure good performance the principals have to provide required resources to teachers and learners respectively. Oni (1992) also found similar finding to this study and stated that the availability, adequacy and relevancy of facilities influenced efficiency and productivity.

4.4.1.3 Inadequate Class Textbooks and Reference/Supplementary materials

The results obtained indicated that 7(16.7%) of the HTs, 26(61.9%) of the HODs and 24(57.1%) of the bursars (Table 4.19) while the remaining percentage of HTs, HODs and bursar respectively indicated that financial mismanagement had no effect on class textbooks and reference materials. During FGDs teachers reported that schools had inadequate class textbooks. In respect to this, one of the teachers stated: “Due to financial

mismanagement, schools have inadequate textbooks and other teaching and learning support materials” and from interviews with the QUASO, one officer noted: “there are about 5 textbooks per subject against the population of 50 students per class” while another QUASO reported: “this has greatly affected performance as the learners depend much on the teachers notes. Students produced teachers’ work as reflected in the notes through cramming and this encouraged a system which was examination oriented” and another officer said: “day schools received more than what they used to collect and if used well utilized this would have improved textbook distribution.”

During observation, it was revealed that distribution of textbooks was not even in all subjects. From FGDs, one of the teachers stated “Some bit of emphasis is placed in the area of languages, but in other areas like sciences and humanities schools have 2 to 3 books just for reference” while another teacher from languages reported “Even language area is equally affected as we depend largely on books bought to students by their parents”. However, one of the officers maintained, “The number of books in schools has improved with the introduction of subsidized secondary education although the quantity cannot reflect the amount allocated to schools.”

When funds for textbooks are not used properly, teaching and learning processes are affected as teachers and learners cannot access books for preparation and further learning respectively. It implies that the quality, quantity and availability of textbooks in schools directly correlated with amount of finances spent on them. When schools lack textbooks, teachers will avoid giving assignment and student lack access to books for further

discovery and learning. This finding is similar to that of Ajayi and Ogunyemi(1990) reiterated that when facilities are provided to meet relative needs of a school system, students will not only have access to the reference materials mentioned by the teacher, but individual students will also learn at their own paces. The net effect of this is increased overall academic performance of the entire students. Sodimu (1998) in his findings reported that based on the high cost of textbooks, many students have been unable to buy books that will help to promote the quality of education they receive in Lagos state public secondary schools. Textbooks as indicated by Oni (1995) are indispensable to the quality education and students' academic performance in all the schools in the world.

4.4.1.4 Inadequate Co-curricular Facilities

Findings obtained revealed that financial mismanagement had an effect on co-curricular activities as indicated by 10(23.8%) of the HTs, 16(38.1%) of the HODs and 9(21.4%) of the bursars (Table 4.19). However, 32(76.2%) of the HTs, 23(54.9%) of the HODs and 33(76.2%) of the bursars revealed that mismanagement had no effect on co-curricular activities. During FGDs teachers were of the perception that schools performed poorly in co-curricular activities due to less funds spent on it. In respect to this, one of the teachers reported, "Most schools go up to district level and never proceed to provincial or national level due to the fact that funds collected for the same are diverted to other school programmes" while another teachers stated: "Even at the time we qualify for provincial level headteachers report that there is no money and this reduces the morale of teachers and learners."

The amount of money spent on co-curricular activities and facilities influences the performance of the school in the same area. However, where co-curricular activities are ignored learners become inactive even in class activities. This implied that schools that did not spend reasonable financial resources on co-curricular facilities had inadequate facilities which affected the achievement of their goals. This finding is similar to the views of Roy (2008) who observed that developing school infrastructure was necessary in improving school attendance and academic performance. He grouped school infrastructure into three: basic, supportive and activity based. He however noted that all the three categories are essential in the provision of quality secondary education. Adeogun and Osifila (2001) found similar findings that the availability of educational resources was very important because of its role in the achievement of educational objectives and goals. The extent to which an organization like educational institution attains her objectives is directly proportional to the educational resources available and their utilization. Educational resources can be categorized into human, material, physical and financial resources.

4.4.2 Perceptions of the HTs, HODs and Bursars on the effects of Financial Mismanagement on Physical Facilities

The HTs, bursars and HODs were asked their perceptions on the effects of financial mismanagement on physical facilities in public secondary schools. Their responses are presented as shown in Figure 3.

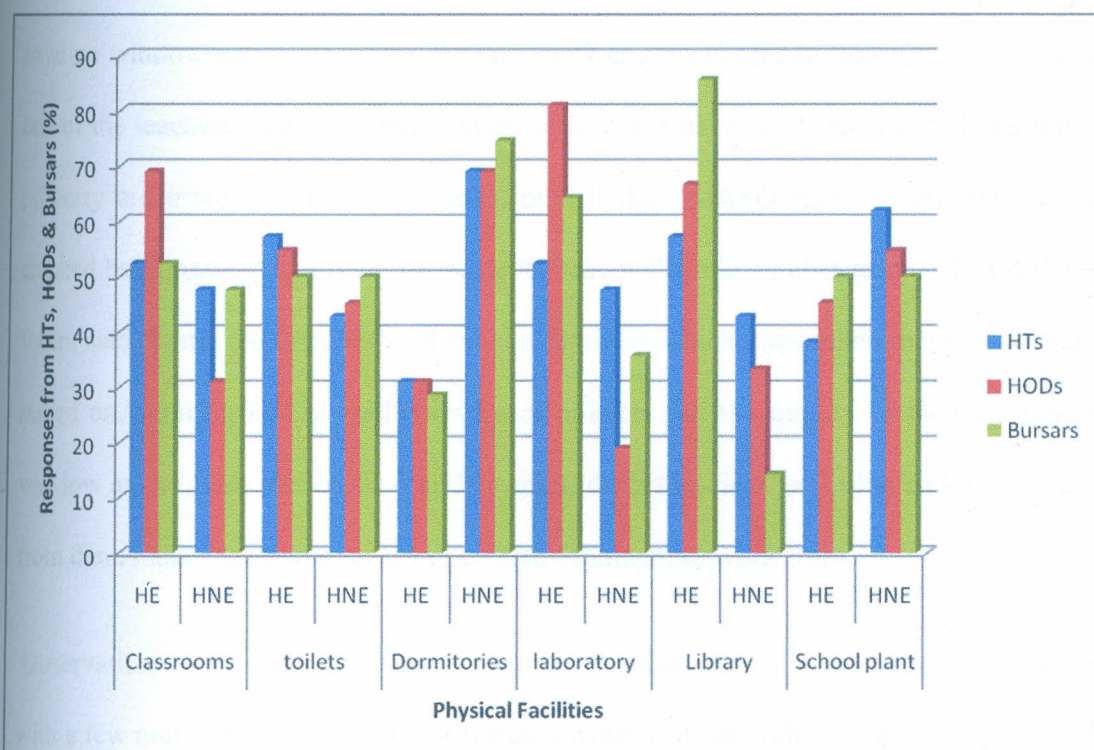


Figure 3 showing the Perceptions on the Effects of Financial Mismanagement on Physical facilities according to the principals, Heads of Department and Bursars.

The results presented on Figure 3 revealed that financial mismanagement in schools had an effect on the physical facilities which included classrooms, laboratories, libraries, toilets and dormitories.

4.4.2.1 Classroom in poor conditions

Findings obtained revealed that over 21(50%) of the HTs, HODs and bursars were of perception that financial mismanagement had a negative effect (HE) on the quality of classrooms while less than 19(45.2%) of the same respondent perceived that financial mismanagement had no effect (HNE) on the nature of classrooms found in schools (Figure 3). During interviews, with quality assurance and standards officers, one of the

officers lamented, "Classrooms in most district schools are in poor conditions as they have no window panes, no doors, leaking roofs and poorly made floors." In this respect one of the teachers said: "For many years classrooms have not been repaired and school property are insecure" from interviews, one of the QUASO said, "There are old and cracked buildings especially in district level schools" while another teacher in a different forum said "come and see heaps of broken furniture which have taken many years being rained on." During FGDs teachers were of opinion that the quality of their classrooms was low as the floor has cracked and cleaning them took learners' time and a lot of dust from them made classroom un-conducive environment to work from.

Observation on the nature of classrooms indicated that classes were congested, equipped with a few number of desks, without window panes and not well ventilated. The floors in such classes were in poor conditions and had a lot of potholes an indication that sometimes in the past were well made. In other schools the floors were dusty and walls were not plastered or painted.

Poor state of classroom implied that funds meant for maintenance was not properly used and the nature of classrooms directly correlated with the amount spent on it. When classroom situation is un-conducive, teachers' morale is lowered and students' performance may be affected. The amount of learning that takes place is proportionate to the quality of resources available in the classrooms. For instance desks and lockers when of good quality make seating comfortable for learners to learn. This finding is similar to that of Akintayo (1997) who made observation that crowded classroom conditions not only make it difficult for students to concentrate on their lessons, but inevitably limit the

amount of time teachers can spend on innovative teaching methods such as cooperative learning and group work or, indeed on teaching anything beyond the barest minimum of required material. In addition, because teachers must constantly struggle simply to maintain order in an overcrowded classroom, the likelihood increases that they will suffer from burnout earlier than might otherwise be the case. Republic of Kenya (2003) found that a situation where there are overcrowded classrooms with insufficient number of desks and benches have negative effects on teaching and learning environment in the class. Farombi (1998) found similar finding to this study that the classroom learning environment in some schools was poor. He cited examples of schools without chalkboard, absence of ceiling, some roofing sheets not in place, windows and doors removed among others, a situation which the researcher regarded as hazardous to healthy living of the learners.

4.4.2.2 Schools had very few Toilets

The results obtained on Figure 3 revealed that 24(57.1%) of the HTs, 23(54.8%) of HODs and 21(50%) of the bursars were of the perception that financial mismanagement had affected (HE) on the quality and quantity of toilets in schools while 18(42.9%) of the HTs, 19(45.2%) of the HODs and 21(50%) of bursars perceived financial mismanagement to have no effect (HNE) on toilets. During FGDs one of the teachers remarked, “The quality of students’ toilets is poor as they have bad smell, they are full and lack cleaning detergents” while another teacher said: “Girls’ toilets lack privacy and they are ashamed to queue as the number of toilets are few” and another teacher reported “Sanitation facilities especially for district schools are not accommodative as there are fewer toilets for students forcing them to queue and wasted a lot of learning time.”

However, at another FGDs one of the teachers reported: "School toilets were enough before the implementation of Free primary Education which resulted to increased enrolments at secondary schools."

Absence of adequate toilets influences poor time management on the side of learners and the retention of girls in schools. Where funds meant for construction of new toilets and repair of the old ones are misused, schools are likely to have un-accommodative environment for studies and this may influence students' performance. This finding is similar to that of Rihani (2007) who reported that the impact of safe, clean toilets in schools in Africa had been documented. A study by UNICEF reports that from 1997 to 2000, enrolment rates for girls jumped 17% after improvements in school sanitation, and the dropout rate among girls fell by even greater percentage. Luvega (2007) found similar findings to this study that lack of necessary sanitary facilities may lead to outbreak of diseases making the learning environment not conducive.

4.4.2.3 Dormitories in poor conditions

Findings obtained revealed that 13(31%) of the HTs and HODs, and 12(28.6%) of the bursars perceived that financial mismanagement had an effect (HE) on dormitories while 29(69%) of the HTs and HODS, and 31(73.8%) of bursars felt that financial mismanagement had no effect (HNE) on dormitories (Figure 3). All respondents agreed that the quality of dormitories had been affected by financial mismanagement while 21(50%) of the HODs and bursars/accounts compared to less than 16(38.1%) of the HTs involved in the study who indicated that furniture and school plant had been affected by

financial mismanagement. From FGDs very few teachers were of opinion that financial mismanagement had affected the quality of dormitories. One of those teachers from boarding schools reported: “dormitories in schools are poor conditions as they have broken window panels, doors are not lockable and the drainage system is very poor” Another teacher said: “A few dormitories in schools are congested and the lighting system is bad.”

Poor dormitories conditions attract insecurity and endangered the life of students. Congested dormitories made it difficult for students to clean them and this wasted learners' time for learning and eventually their performance. This finding is similar to that of Roy (2008) who observed that developing school infrastructure is necessary in improving school attendance and academic performance. He grouped school infrastructure into three: basic, supportive and activity based. He however noted that all the three categories are essential in the provision of quality secondary education.

4.4.2.4 Schools have one laboratory for science subjects

The findings obtained revealed that 22(52.4%) of the HTs, 34(81%) of the HODs and 27(64.3%) of the bursars were of the opinion that financial mismanagement has an effect (HE) on the quality of laboratories while 20(47.6%) of the HTs, 8(19%) of HODs and 15(35.7%) of bursars felt that financial mismanagement had no effect (HNE) on laboratories (Figure 3). During interviews, one of the QUASOs had a perception that “the quality of school facilities could have improved if funds received were put into proper use” while another QUASO reported: “School facilities are in poor states quo as before

schools received subsidized secondary education funds". During FGDs, one of the teachers stated: "Wait until the time for examinations, when a crisis comes up and learners go in for practical in trips until midnight." Another teacher confirmed: "This has affected our performance due to lack of frequent practical activities." The findings from observation on physical facilities in schools involved in the study revealed that all district day schools (37) had poorly equipped laboratories and libraries as there were no water systems, no gas and preparation rooms were dark. Available science equipments were dusty and disorganized an evidence that no regular practical or experiments were carried on.

All the 37 day schools involved in the study had one laboratory for all science subjects. Observation on physical facilities revealed that in 23 out 42 schools involved in the study, there was only one laboratory being used for the three science subjects and also for optional subjects. A school should have at least 2 laboratories for teaching biology and physical sciences. Ideally a school should have 3 laboratories for teaching biology, physics and chemistry since each discipline need different sets of equipment and facilities.

In a situation where a school has only one laboratory, students did not have enough time to do experiments and practical let alone time to familiarize themselves with the laboratory equipment and reagents. All these had an impact on the student achievement. This finding is similar to that of Adeogun (2001) who carried out a study to establish a relationship between school resources and student achievement. He found out that,

physical resource of a school was significantly related to students' academic performance while Yadar (2007) suggested that practical work ought to be carried out by individuals either in science laboratories or in classes. Thus practical work forms an important feature in any science and mathematics course (UNESCO, 2008). Similarly, Adesoji and Olatunbosun (2008) described that laboratory adequacy was also found to enhance achievement through attendance at chemistry workshop.

4.4.2.5 Libraries not well stocked

The result obtained in Figure 3 revealed that over 21(50%) of the HTS, HODs and bursar were of the opinion that financial mismanagement had an effect on the quality of libraries in schools. During FGDs one of the teachers noted, "libraries are non-existent in schools as a few books are kept in Deputy principals' offices" Another teacher reported: "In some schools one of the classrooms have been converted to be libraries" while another teacher remarked, "There are occasions when we see books brought to schools and then disappear to nowhere, since there are no rooms set aside for their storage." Findings from observation indicated that in all 42 schools involved in the study, library rooms existed. In seven schools out of 42 such room were in use and served the right purpose as books were kept there. However, in 33 schools there were no books in the library and instead they were kept in the deputy principals' office not even arranged per subject. In the five boarding schools, books of the old education system were heaped together in one corner and some in bags. It was revealed that due to the provision of lunch in all schools, firewood and cereals were stored in what would be library rooms.

The quality of libraries and books kept therein reflected the amount of finances spent on them. Where funds are not put into library use, the availability of such buildings and books will be affected. Lack of rooms for storage of books influences theft cases and reduction of the number of books in schools. This denies students and teachers a chance to access teaching and learning materials. This is likely to affect the learner's performance as they lack extra reading materials apart from what teachers give them. Teachers are unable to give additional assignment to students and also affect syllabus coverage. This finding is similar to the views of Shodimu (1998) that many schools operate without libraries and noted that total absence of an organized school library would continue to spell dooms for thousands of secondary school students. Ojoawo (1990) described a library as an essential factor in teaching-learning process. It forms one of the most important educational services. It must be properly supported financially to fund materials and services among others. On this respect, Ola (1990) made observation that a well equipped library is a major facility which enhances good learning and achievement of high educational standard. In his words, Farombi (1998) suggested that school libraries may not be effective if the books therein are not adequate and up-to-date as its impact may only be meaningful if the library could be opened to the students always for a considerable length of time in a school day.

4.4.2.6 School plant in poor state

The results obtained in Figure 3 revealed that 16(38.1%) of the HTs, 19(45.2%) of HODs and 21(50%) of bursars agreed that financial mismanagement had an effect on the state of school plant. The findings from observation revealed that school plant in over 25 schools

was in poor conditions as there were no staffrooms for teachers, schools had no strong fences, drainage system was poor while in some schools buildings had cracked and were deteriorating in quality. In respect to this one of the teachers lamented, "From a glance on the quality of physical infrastructure, one may tell the quality of education provided" while another teacher stated, "We work under poor conditions until the morale is gone."

Findings from observation on general school plant revealed that all (5) provincial schools had modern type of gates and adequate offices as well as staffrooms. From the district schools only 11 out of 37 schools had quality gates. In 13 out of 37 district schools involved in the study school building were of good quality and the lawn together with flower beds were well done. The study established through 5 out of 10 quality assurance officers that in five schools A,B,C,D and E where finances were managed properly, facilities such as classrooms, textbooks, laboratories and libraries had greatly improve as well as their examination performances. However, they lamented that due to poor facilities in majority of public schools, students kept on transferring from one school to another. In this respect one of the QUASO remarked, "A student learns in four different schools in four years while searching for better teaching/learning facilities."

Where funds were not used properly to improve infrastructure, performance could be affected due to poor facilities. This finding is similar to Hallack (1990) who discovered that learning experiences were fruitful when there were adequate quantity and quality of physical resources and unattractive school buildings, crowded classrooms, non availability of playing ground and surroundings that had no aesthetic aspect could

contribute to poor academic performance. Stockard and Mayberry (1992) noted that the specific physical environment of the school could influence student achievement and found that a strong tie existed between the physical condition of school buildings and expenditures. In Virginia, both Cash (1993) and Hines (1996) concluded that secondary students in both rural and urban areas performed better in higher quality school buildings. Honeyman (1998) noted that postponed structural repairs such as roofing could lead to costly cosmetic repairs as roofs leaked and damaged ceilings, walls, floors, or carpeting had to be replaced. Lemer (1995) also discussed the issue of deferred maintenance. By postponing needed repairs into the future, administrators had allowed school buildings to deteriorate and had robbed future generations of both adequate facilities and needed funds. He also noted that even without deferred maintenance issues, the natural obsolescence of facilities would necessitate extensive spending on schools as programs changed, technology advanced, and school populations grew. They were often poorly heated, dilapidated, unsafe, poorly equipped and furnished, and inadequate (Lackney, 1994).

4.4.3 Effects of Financial Mismanagement on the Quality of School Workers

The results obtained revealed that less than 9(21.4%) of the bursars, 10(23.8%) of the HODs and 7(16.7%) of the HTs involved in the study indicated that due to financial mismanagement schools employed unqualified teachers, laboratory technicians, bursars /account clerks and store keepers. During FGDs, teachers reported that majority of the teachers were employed by Teachers Service Commission and their salaries came directly from it. They argued that financial shortages contributed more to employment of unqualified personnel. They indicated that in cases where financial mismanagement was

experienced BOGs teachers were not paid regularly. As a result of this, they opted to move from school to school in search of better pay and this affected syllabus coverage and contact hours.

The study also established that 27(64.3%) of the HODs involved in the study revealed that financial mismanagement had affected motivation of teachers and students. During FGDs, teachers argued that money meant for teachers' seminars once mismanaged barred them from going to workshops and seminars. They emphasized that due to this teachers came to schools and attended to their lessons only and they left for private business. They lamented that this affected teachers' morale to offer remedial teaching. During focus group discussion one of the teachers reported, "teachers' morale is affected by not attending to seminars and as a result of not given other non- monetary incentives." She cited examples of lab coats, writing materials as some of the missing facilities which demotivated teachers. Because of doubling of administrative, supervisory and financial management roles, principals employed form 4 school leavers to teach their lessons. During FGDs, one of the teachers reported: "such teachers have no qualifications to teach in high school levels" while another teacher stated: "principals just pick on form four leavers to cover for them the syllabus"

Findings obtained revealed that quality assurance officers were of the opinion that cases of financial mismanagement had resulted to interdiction of principals. In respect to this, one of the QUASO reported, "Because the majority of principals come from within the community, members of the community and the sponsors do not accept any other

principals sent for replacement. During that time there is confusion in the schools and teaching and learning processes are affected as there is lack of supervision.” Such wrangles divided up teachers based on groups of those supporting the outgoing principals and those for the incoming principals. This affected contact hours as it ended up in some teachers transferred especially those in support of the outgoing principals.” The nature of school workers influenced the quality of teaching and non-teaching services rendered in schools. In situations where the laboratory technician was unqualified it impacted on the organization of science equipment in the laboratories and therefore the rates at which experiments were carried out. The same applied to the nature of the librarians.

In cases where schools employed untrained bursars and typist had an impact on how school materials could be acquired and how soon examination papers would be ready. Employment of untrained teachers to cover up for the principals was a great blow to the quality of teaching and learning process in such schools. This greatly impacted on the quality of education provided in schools. This finding is in line to the views of Farombi (1998) who reiterated that school libraries may not be effective if the books therein are not adequate and up-to-date as its impact may only be meaningful if the library could be opened to the students always for a considerable length of time in a school day. This finding was also similar to a study by Adeogun (2001) who discovered that human resources (teaching and non-teaching staff) had positive significant effect on students’ academic performance. The finding was in agreement with earlier findings of Oni (1995) who discovered that human resources played the most important role in the teaching - learning situation than any other factors of production in the school system. Also,

Anderson (1999) suggested that teachers who regularly monitored and supervised their students' learning by checking students' work and helping individual students to overcome errors and learning difficulties were likely to have students who exhibit higher level of achievement.

4.4.4 Perceptions regarding Effects of Financial Mismanagement on KCSE

Performance

From FGDs teachers were of opinion that due to financial mismanagement money meant for examination was not well used. They argued that money meant for examination was not channeled to exam committee and this affected internal exams as exam papers were photocopied. It was reported that principals misused examination fees and were unable to register candidates at the deadlines. They mentioned names of four schools where some students missed to sit for KCSE examination due to delays in registration. In respect to this, one of the teachers reported, "Due to collision between principals and suppliers, schools received low quality science equipment for practicals and this affect KSCE performance negatively." Another teacher reported "due to financial mismanagement schools lack textbooks and other teaching learning facilities which are important for examination performances."

All (10) quality assurance standards Officers involved in the study indicated that standards of education had fallen as the mean score for the district remained averagely 3.970 an equivalent of D plain due to mismanagement of funds. In respect to this, one of the teachers stated; "Schools have inadequate facilities and untrained teachers, factors which are crucial for examination performances." This was due to the fact that the

amount of money spent on school facilities influenced their availability, adequacy and sufficiency. School facilities have a direct bearing on the students' achievement. This finding was similar to the study by Adeogun (2001) which found that financial resource available in the schools in Nigeria in the study area had significant effect on students' academic performance. It was discovered that students performed better in schools that were well funded than those that were poorly financed. This result was in line with earlier findings by Beeby (1966) which reported that good education costed more than bad one. Inadequacy of funds handicapped principals in their administrative and academic functions. Adeogun (2001) asserted that education as a social service required adequate funding to procure, maintain and keep the school services going.

4.4.5 Perceptions regarding Effects of Financial Mismanagement on Students

Enrolment

Findings obtained indicated that less than 8(19.4%) of the HTs, BOG chairpersons, Bursars and HODs were of the view that financial mismanagement had an effect on enrolments in their schools. During FGDs, one of the teachers was of perception that financial mismanagement had negatively affected enrolments. He reported, "due to mismanagement school had inadequate physical and teaching /learning facilities. Those schools which have adequate facilities and good examination results attracted high student population." However, during FGDS, one of the teachers reported, "Due to variation in the distribution of teaching learning facilities students practice nomadic life" Another teacher remarked "A student may learn in six different schools in four years before sitting for KCSE."

During observation, results obtained revealed that in some schools, there the enrolment was low while in others student population was high. This was an indication that where funds meant for school facilities was spent for the same purpose, schools improved the availability and adequacy of resources and this attracted high enrolments. However, in general student population had increased in all schools. This could be due to the fact that a part from financial mismanagement there could be other factors that contributed to school enrolments. Such factors included the historical background of the schools, geographical position of the schools, leadership styles and the political will of the community and parents. For the case of this study it could be due the provision of Free Secondary Education (FSE). This finding is similar to that of Chuck (2009) who found that due to provision of free primary education in Kenya, enrolment increased by 39% from 5.9 million to 8.2 million in 2008.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, conclusions and recommendations. These are presented under the following research objectives:

- i. To establish forms of financial mismanagement in public secondary schools in Gucha District.
- ii. To establish factors which contribute to financial mismanagement in public secondary schools in Gucha District.
- iii. To find out the perceptions of educational stakeholders on the effect of financial mismanagement on the quality of education in public secondary schools in Gucha District.

5.2 Summary of the findings

5.2.1 To establish forms of financial mismanagement and misappropriation in Public Secondary Schools in Gucha District.

The study found out that exaggerated traveling expenses, allowances given to BOG members during their visit to schools, exaggerated prices of repairs, exaggerated prices of school items bought and contracts awarded to related parties were the most common forms of financial mismanagement in schools. This was as a result of the management of school finances bestowed on the hands of principals who could manipulate funds using falsified receipts. The study also found that purchase of personal gain, improper use of

school facilities e.g vehicles, bribing of ministry auditors and exaggerated expenditure on teachers motivation were common form of financial mismanagement in school.

The less common forms of financial mismanagement and misappropriation included use of school telephones for extensive personal calls, lending school funds to teachers to gain popularity, sale of school property for personal use, hiring of school buses at unknown rates, underpaying support staff, payment given to non-existing staff and receiving of unusual pattern of personal loans from schools.

The study found out that the following forms of financial mismanagement were common in boarding schools:

- i. Exaggerated prices of boarding facilities such as detergents, beds and disinfectants
- ii. Exaggerated prices of maize and other foodstuffs
- iii. Improper use of school facilities e.g school vehicles
- iv. Exaggerated costs of repairs and construction

The study also found out that major stakeholders involved in financial mismanagement in public secondary school were principals, bursars and board of Governors due to their direct accessibility to finances while teachers, parents and school workers played a peripheral role.

5.2.2 The second objective of the study was: To establish factors which contribute to financial mismanagement and misappropriation in public secondary schools in Gucha District

The study found out that principals were not ignorant of financial management skills since they had been trained in school administration at undergraduate studies where financial management skills were covered. However, they had inadequate financial management skills of modern techniques of financial management.

The study also found out that low salaries and incentives given to head teachers was not a factor that contributed to financial mismanagement and misappropriation. Headteacher enjoyed luxurious life whereby they bought heavy vehicles and built decent houses for their private use and wanted to gain prestige over other teachers.

The study found out that schools had illiterate board of governors who were not conversant with accounting procedures. Majority of them were illiterate, lacked accounting skills and had no financial management backgrounds. They did not understand financial documents presented to them and were not conversant with financial transaction for daily running of schools. Many of the board chairpersons had stayed in school for more than three terms.

The study found out that majority of principals had overstayed in their current stations between eight and sixteen years. Such principals learned on how to manipulate the BOGs

and the community on financial management and demanded on who be the chairperson of the board and even did virement without consulting board of governors.

The study found out that all public secondary schools had no segregation of duties as bursars and typists doubled their activities. There was no bonding of workers and all bursars had not gone for leaves for many years. Principals did not present annual balance sheet to the stakeholders and their procurement processes were questionable. All public schools had no internal auditors and advisory committee.

All public secondary school prepared budget and the budget preparation was carried out mainly by principals and bursars. Heads of departments were involved only when it came to requisitions. Other teachers were totally not involved in financial management. Identification of programmes, projects and activities to be accomplished within the budget period was done by principals and board of governors, while heads of departments, teachers and parents were not involved. Teachers were deemed to have inadequate knowledge on how to interpret the technical details in financial documents.

The study found out that majority of schools prepared financial budget and used tender system. However, tendering committees were not functional and transparent as tenders were awarded in a manner that was not transparent. There were no budget committees in schools and budget document was not open to teachers and parents. School projects were not carried out according to the budget as the completion of urgent projects affected proper budget implementation. The process of budgeting remained a top secret to principals and BOGs. These paved way to financial misappropriation and

mismanagement as other stakeholders were not aware of what was included in the budget.

In the area of auditing, the study found out that schools had no internal auditing set up and schools took many years to be audited by government auditors. Most schools books of accounts were audited once within a period of three years by government auditors from the Ministry of Education. In schools where there were no trained bursars government auditors from the district office were used to balance books of accounts. There was a shortage of government auditors as there were only 2 auditors at the district level to audit books of accounts from 126 public secondary schools. Government auditors were not transparent as they only shared audit reports with BOG executives. The quality assurance officers at the zonal level had no powers to check on financial records at their areas of jurisdiction for the whole exercise awaited for district auditors.

The study found that in majority of public secondary schools involved in the study principals doubled administrative and financial roles. The principals shared financial roles with bursars for they both received school money, kept financial records, deposited school money to bank accounts, withdrew money from the bank and purchased school boarding facilities, equipment, stationeries and farm inputs. There was no delegation of duties as principals hardly delegated duties touching on financial matters to other staff in the school. This caused a total confusion on who should be responsible of any anomaly in financial mismanagement if any found.

The study found out that majority of schools had untrained bursars and accounts clerks who handled school finances. Such bursars/accounts clerks were not able to balance books of accounts, could not work independently as they perceived themselves as employees of the board and were poorly paid but handled a lot of money. Due to lack of accounting skills, schools hired accountants from outside to balance books of accounts and were highly paid.

The study found out that principals used school funds to carry out their private activities, cited were purchasing of personal vehicle, pieces of land and construction of houses. They lived luxurious life compared to their juniors and made themselves recognized by the community.

The study found out that sponsors demanded for school funds for church business. Education secretaries were bribed to maintain principals in their positions even after mismanaging school funds. The sponsors did not look at standards and qualifications of those to head their schools. They did not take into consideration on the qualifications of board of governor chairpersons as the sponsors had a say on who should be the chairpersons. In some schools, sponsors were reported to have incited teachers to go against their principals incase did not comply with their demands.

From the study it was found out that the community played a great role in financial mismanagement as it determined whom to head their schools. It demanded tenders and influenced principals to comply with their demands especially those of employing members of the community even without skills. The community defended the principals

even after mismanaging school funds provided they received kickbacks. All these came in due to the fact that the community did not understand their roles in school administration and had no skills of financial management.

The study found out that parents were not consulted when making financial decisions. Majority of the parents were ignorance and illiteracy. Parents were not interested in the management of school funds. They did not understand the financial documents presented to them as they lacked competences and skills of interpreting the same. Principals caused divisions among parents through lobbying so that one group supported him/her at the time of problems even financial related ones.

5.2.3. The third objective of the study was: To find out perceptions of educational stakeholders on the effect of financial mismanagement on the quality of education in public secondary schools in Gucha District.

i. Perceptions on the Effects of financial mismanagement on teaching/learning facilities.

The study found out that in over forty seven point six percent of schools involved in the study, financial mismanagement had affected teaching/learning resources. Schools had inadequate science equipment and teachers were forced to improvise facilities during practicals. Schools had dusty science equipment an indication that science practical activities were rarely carried out and this affected students' exposure and performance in the KCSE.

The study also found that due to financial mismanagement, schools lacked stationeries such as writing materials and chalks. Lack of stationeries affected the rate at which internal examinations were carried out. Lack of stationeries killed teachers' morale to work and even the methods of teaching employed. Teachers employed more of lecture method at the expense of activity based and other learner centred methods due to lack of stationeries.

The study found out that financial mismanagement had affected the availability and adequacy of textbooks in schools influencing pupil textbooks ratio to remain as low as 5:1. Schools had inadequate textbooks which encouraged students to depend on teachers' notes and this affected learning process. Teachers were discouraged from giving assignments to students due lack of textbooks. The quality of textbooks directly correlated with amount of finances spent on them. Lack of textbooks influenced methods of teaching and learning employed by the teachers. Schools also lacked wall maps, laboratory charts and atlases which were important in the learning process.

The study found that financial mismanagement had influenced poor performance of co-curricular activities. Schools lacked co-curricular facilities such as nets and balls. Schools which had qualified at district levels were unable to continue to provincial level due to financial mismanagement.

ii. Perceptions on the Effects of financial mismanagement on physical facilities

The study found out that in over twenty one schools, financial mismanagement had an effect on physical facilities. Financial mismanagement had affected the quality of classrooms. Schools had unrepaired floors and walls had cracked, not painted, leaking

roofs, walls were not plastered and yet schools received funds for repairs and maintenance. Classrooms were congested with a few low quality desks and lockers. All these were attributed to financial mismanagement.

The study found out that due to financial mismanagement had affected the quality of toilets as perceived by HODs, teachers and bursars. Schools had few toilets which were in poor conditions, had bad smell, were full and lacked privacy. Sanitation facilities especially in district schools were not accommodative. Fewer toilets forced students to queue at break time leading to wastage of learning hours. Lack of privacy for girls attracted high drop-out of girls from schools.

The study found that financial mismanagement had affected the quality of dormitories in schools. Dormitories had broken windows, unlockable doors and they were congested. The situation in the dormitories was wanting as the nature of floors hindered cleaning and some had leaking roofs.

The study found out that financial mismanagement had affected the quality of laboratories in schools. Majority of district schools had one laboratory for all science subjects. Laboratories were poorly equipped with no water and gas systems. This affected performance in science subjects as students were not exposed to practicals. The state of laboratories indicated that no or little funds were spent on their maintenance and yet schools received fund allocated for repair and maintenance.

The study found out that HODs and bursars perceived that financial mismanagement had affected the school plant as a whole. Schools had no staffrooms for teachers, no strong fences and drainage systems were poor. The quality of buildings was deteriorating and the grounds were not well made as there were patches of tall grass all over school compounds. The nature of school environment influenced students' retention and achievement.

iii. Perceptions on the Effects of financial mismanagement on school workers

The study found out that due to financial mismanagement schools employed unqualified teachers, laboratory technicians, bursars and storekeepers. A few BOG teachers employed were not paid regularly and hence opted to move to other schools which were assumed to pay well. This affected syllabus coverage as some subjects went unattended. Money meant for seminars were misused and teachers were not able to attend to workshops. This lowered the teachers' morale. Due to doubling of roles principals employed form four leavers to teach their lessons. Such teachers did not teach well as they lacked skills in teaching methodologies. Mismanagement resulted to interdiction of headteacher which caused wrangles on who should head the schools. During this time, teachers relaxed from their teaching activities as there was none to supervise the teachers' conduct.

iv. Perceptions on the Effects of financial mismanagement on KCSE

performance

The study revealed that money meant for internal examinations were not channeled to examination committee in schools under study. At time, principals failed to register students and this affected schools' performance. Due to financial mismanagement suppliers supplied schools with low quality equipment for practicals which in-turn affected performance in sciences.

The study found out that the district's performance had remained averagely at a mean score of 3.970 an equivalent of D plain and schools which used to perform very well in the 90's had completely furnished from the map of Kenya in terms of performance. All this was attributed to financial mismanagement.

v. Perceptions on the Effects of financial mismanagement on students'

Enrolment

The study found out that, HODs, teachers and bursars were of opinion that financial mismanagement had affected school enrolment negatively. Schools where funds were utilized properly, instructional and physical facilities had improved and they attracted high enrolment. Schools with poor facilities resulted to students' transfers. Mismanagement of funds resulted to inadequate facilities which in return directly affected examination performances.

5.3. Conclusions

Based on the findings on each objective, the following conclusions were drawn:

5.3.1. To establish forms of financial mismanagement in secondary schools

The established forms of financial mismanagement in secondary schools were:

- i. Exaggerated traveling expenses, allowances given to BOG members during their visit to schools, exaggerated prices of repairs, exaggerated prices of school items bought and contracts awarded to related parties as the most common forms of financial mismanagement in schools.
- ii. Purchases of personal gain, improper use of school facilities e.g. vehicles, bribing of ministry auditors and exaggerated expenditure on teachers motivation were common form of financial mismanagement
- iii. Use of school telephones for extensive personal calls, lending school funds to teachers to gain popularity, sale of school property for personal use, hiring of school buses at unknown rates, underpaying support staff, payment given to non-existing staff and receiving of unusual pattern of personal loans from schools as the less common forms of financial mismanagement and misappropriation.

The study established that the stakeholders involved mostly in financial mismanagement and misappropriation were principals, board of governors and bursars. In respect to this the study concluded that these stakeholders had direct access to school funds and this made it possible for them to mismanage and misappropriate school funds. It also concluded that board of governors did not understand their roles as school managers as they visited schools regularly and demanded for allowances.

5.3.2 To establish Factors which contributed to financial mismanagement in secondary schools

The study found out that low percentages of respondents agreed that low salaries and incentives given to teachers was a factor that contributed to financial mismanagement and misappropriation. The study therefore concluded that low salaries and incentives was not a factor that contributed to financial mismanagement and misappropriation as the Kenyan teachers were highly paid compared to teachers in Uganda and Tanzania and the study also concluded that the act of mismanagement and misappropriation was an abuse of principals' offices.

The study found out that, majority of the members of the boards were illiterate and not conversant with accounting procedures. They were not able to verify expenditures and even interpret financial documents presented to them. It was clear that principals read to them the financial reports and they relied on principals to give information on expenditures. The study concluded that incompetence and ignorance of correct financial procedures by board members increases opportunities for financial mismanagement.

The study found out that majority of principals had over-stayed in their current stations between eight and sixteen years. The study concluded that this could be a factor contributing to financial mismanagement as principals learnt ways of manipulating bursars, board of governors and also financial documents for their own benefits.

Concerning internal control mechanisms, it was found out that schools had no segregation of duties as bursars and typists doubled their roles. It was also found out that bursars had taken many years without going on leave and school had no bonding of workers. All schools had no internal auditors and financial advisory committees. The study concluded that weak internal mechanism was a factor contributing to financial mismanagement as it created room for manipulation of financial records, created confusion in case of any anomalies and the whole system lacked checks and balances.

As far as involving teachers in financial management was concerned, it was evident that principals did not involve all the people in the school system. Teachers were not involved in financial planning, budgeting and implementation of projects. It was clear that heads of departments were involved during requisition, and monitoring and implementation of projects was only done by the principals and board of governor and this could raise opportunities for collusion and corruption.

Considering the activities carried out by principals and bursars, it was apparent that principals in schools took the responsibility of receiving school money, depositing the money into school accounts, awarding contracts and purchase school materials and at times shared these responsibilities with the bursars. It was therefore possible for principals and suppliers to collude and fleece the schools of money by inflating the prices of materials.

Concerning auditing of school books of accounts, the study found that schools were audited irregularly at an interval of once in three years. It was also clear that books of accounts taken for auditing took many years to be returned to schools and auditing report

was not open for scrutiny to all stakeholders. It was evident that there was no proper internal auditing set up in schools. Such circumstances leave room for manipulation by unscrupulous persons who have access to school funds.

Concerning the nature of bursars/accounts clerks, it was evident that school had untrained bursars and those who worked as accounts clerks had no financial accounting background. They were poorly paid but handled a lot of school funds. In schools where bursars were untrained, qualified bursars from outside were hired to balance books of accounts. It was therefore possible for principals and the hired bursars to collude and balance the figures at the advantage of principals even when funds were mismanaged. The study also concluded that the poorly paid bursars who handled school money could be tempted to mismanage school funds.

Concerning the nature of parents, the study found that parents were not involved in financial decision making. Major decisions involving finances were made by principals and the board of governors. Parents did not possess accounting skills to interpret financial documents presented to them during annual meetings. It was possible for principals, board of governors and bursars to keep parents in darkness and mismanage school funds as they worked on expenditures.

5.3.3. To find out perceptions of stakeholders on the effects of financial mismanagement on quality education the study concluded the following:

Concerning teaching/learning facilities, it was evident that school had inadequate science equipment, stationeries, textbooks and supplementary materials. The pupil book ratio

stood at 5:1. It was therefore concluded that financial mismanagement has negatively affected the quality of teaching and learning facilities in public secondary schools.

Concerning the nature of physical facilities, it was found out that schools had poor infrastructure as there were fewer toilets, classroom floor and walls had cracks, laboratories were poorly equipped with no water system and gas system, libraries had old books and in other schools library rooms were used for storage of firewood and cereals. The study concluded that financial mismanagement negatively affected the quality of physical facilities as less or no money was spent on their improvement.

The study found out that schools employed unqualified teachers, bursars, laboratory technicians, librarians and secretaries who poorly paid. The study concluded that financial mismanagement had a negative effect on the quality of school workers as it determined the nature of people to be employed and how much they were be paid.

Concerning the schools KCSE performances, it was evident that schools had poor results with the district mean score of 3.970 in the year 2010. The study therefore concluded that financial mismanagement had contributed to poor KCSE performances as schools had inadequate or lacked teaching/learning facilities, physical facilities and unqualified teachers among the factors that contributed to good performances.

The study found out that schools which supplied instructional and physical facilities attracted high enrolment. The study concluded that financial mismanagement had an effect on enrolments as it affected the quality of resources in schools. Schools that

experienced high financial mismanagement had inadequate facilities and this attracted students' transfers from one school to another. This had an effect on the quality education as it affected syllabus coverage which directly impacted on performance.

5.4. Recommendations

The following recommendations were made based on the findings of the study:

To establish forms of financial mismanagement in secondary schools, the study recommended the following:

- i. Schools had exaggerated prices of items and services. The Ministry of Education should control prices of goods and services rendered to schools just like primary school textbooks scheme.
- ii. Exaggerated prices of goods and services were due to collusions between headteachers and suppliers. The government should employ procurement officers to be in-charge of school purchases of goods and services. This will enhance accountability and increases checks and balances in financial management.
- iii. The Ministry of Education should make frequent visits to secondary schools and check on expenditures. In case of any inflation of prices, the MOE should take strict actions against the victims to serve as an example to others.

To establish Factors that contributed to financial mismanagement in secondary schools

- i. The study found out that, the school administration, PTA, BOG, and teachers had inadequate financial management and accounting skills. The study therefore recommends that, the government should organize financial training workshops to equip all stakeholders in schools with financial and accounting skills.
- ii. The study found out that headteachers did not involve heads of departments, teachers, and parents in budget preparation, financial decision and project identification. The study therefore recommends that, school headteachers should involve other people in the school system in budget building, decision making and project identification to provide cost-effective programmes that meet learners' needs.
- iii. Schools had no internal audit systems. The government should place an internal auditing system for a set of schools which is independent of the principals to give checks and balances. This system may be created out of the employees already existing in the school. This will enhance periodical reviewing of finances by inside people who are not normally involved with finance and should focus on the control system and the efficiency of the operations through spot checks.
- iv. The government audit was irregular due to a few auditors at the district level and quality assurance and standards officers at the Zonal levels not allowed to audit secondary school finances. This reduce the rate of auditing school finances whereby increasing opportunities for mismanagement. The study recommends that, the government should empower quality assurance and standards officer at

- the grassroot to check on financial records in their areas of jurisdiction. This will reduce the workload of the few auditors at the district level and thus make financial auditing effective.
- v. PTA nominated representatives to the board of governors who had no financial management skills. The study recommends that, the sponsor should nominate competent representatives who possess financial accounting skills to oversee financial management in schools.
 - vi. Although the government is clear on the level of education required for BOG, the principals should ensure that members to be selected to the school board have the specified requirements. This will ensure that the right people are selected who will make right informed decisions.
 - vii. Schools had weak internal control measures. The study recommends that secondary school headteachers should take up their roles as managers and ensure that tasks are delegated to different people who have knowledge and skills to perform these tasks efficiently. This ensures transparency and accountability to avoid or minimize fraud, theft and collusion.
 - viii. The principals should set up budgeting and financial advisory committees to enable him/her spend and control school finances. Such committees should be empowered to assist principals and the Board members in effective and efficient financial management.

Recommendations on Policy matters

- i. A government policy should be formulated defining clearly the number of years a headteacher should head a certain station. This will act as checks and balances for principals would like to have clean financial records as they leave one station to another.
- ii. In order for a school to manage its finances effectively and efficiently a school finance policy should be developed, adopted by all the relevant stakeholders and implemented accordingly. The finance policy should clearly outline the duties or responsibilities of the treasurer, finance officer, auditor, finance committee, the principal, and other persons (for example, educators) delegated for specific tasks.
- iii. The government should appoint a financial committee at the school level comprising of members from other stakeholders to assist principals in managing school finances. This will reduce the headteachers' powers of controlling finances by themselves and increases levels of accountability and transparency.
- iv. The government should employ and post trained bursars/accounts clerks to school just like other public offices. The government will be in a position to pay bursars regularly to avoid tempting them to mismanage school funds. This will enable bursars to work independently from principals' and BOG influences and thus minimize financial mismanagement and misappropriation. This will also help schools to avoid spending extra funds on hiring outside accountants for accounting purposes.
- v. The Education Act is not clear about the role of parents and the community in school financial management. The Act should be reviewed to include the role of

parents and the community on financial management. This will increase levels of checks and balances.

To find out perceptions of stakeholders on the effects of financial mismanagement on quality education the study concluded the following

The study found out that stakeholders perceived that financial mismanagement had adversely affected the quality of education in schools. Schools had inadequate teaching/learning facilities, low quality physical facilities, unqualified school workers, enrolments had gone down and examination results were poor in the whole district. Since the effects are irreversible, the study recommends that a policy be formulated to ensure that where the effects of mismanagement are evident, the government should recover the equivalent amount from the school administrators and use the same in quality improvement projects in schools. This will enhance transparency and accountability in school finances.

5.5. Suggested areas for further research

This research was not able to cover all areas of school finances and during the discussion of the findings some areas were found not to have been dealt with in details. There is need for research to be done in such areas in Gucha District. The areas for research suggested are:

- i. The impact of government financial auditing programmes on financial management in secondary schools. This will help to investigate on how such programmes will enhanced effective management of funds in totality and reduce mismanagement

- ii. The role of financial training programmes for school managers on financial management in secondary schools. This will reveal if headteachers have adequate financial management skills to enhance
- iii. The degree of involvement of the parents and the support staff in the budgetary process and its effect on financial management. This will help to create checks and balances for prudent financial management at secondary schools

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