

Planning Strategies Employed in the Financing Public Pre-School Education in Kenya

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Abstract: Most public pre-school centres in Kenya have stalled programmes marked by irregular and delay of teachers' salaries, inconsistent feeding programmes, poor infrastructure and unclear policy guidelines. It is clear that financial management strategies are crucial for efficiency to be realized in finances in ECDE centres. This study was guided by the following objectives: . To establish existing planning strategies in the financing public pre-school education and to examine alternative planning strategies for financing public pre-school education in Eldoret East Sub-County. This study adopted a descriptive survey design. The study targeted 1 sub-county education officers, 174 Head Teachers, 174 Pre-school teachers and 174 SMC chairpersons in the Eldoret East Sub- County. It used a purposive sampling for the 1 sub-County educational officers and simple random sampling for the 52 Head Teachers, 52 Pre-school teachers, 52 and 52 SMC chairpersons. The researcher used questionnaires and interview. Data was presented using tables and figures. The study findings indicated that there was a significant relationship between planning strategies employed and financing pre-school education. The study recommends that there is need for ECDE management committee to plan for resources early enough before spending to curb waste.

Keywords: Planning, Strategies, Financing, Public Pre-School.

INTRODUCTION

Financial planning is an organizational framework tool which is used to ensure that enough funding is available at the right time to meet the needs of the organization for short, medium or long-term capital and financial control sought to assess whether the plan put forward meets the objectives of the organization in question any person, corporation, or institution should know what they want and how to get it [1]. The planning process utilizes analytical models that provide a realistic picture of the individual, corporation, or institution. Principals are chief custodians of school finances and are instrumental in the implementation of approved budgets. Among other things, principals have to carry out the financial management of their schools. According to Section 21 of the Education Act of 2010 [2], the principal is the chief accounting officer of the school and is responsible to the management committee or school board for the control and use of school funds; their major role being "shall maintain or cause records of income and expenditure of the school to be maintained; shall prepare an annual budget for a school and submit it to the school board for its approval; and shall within three months of the end of each school year, submit a financial statement of the school to the school board for

its approval. A school's financial management is the execution by a person in a position of authority of those management actions (regulated tasks) connected with the financial aspects of schools and having the sole purpose of achieving effective education [3].

Professional financial planning is an important option for overall financial well-being. Financial planners have tools and expertise lacking in the general population and can help families facing complex circumstances decide which financial decisions are in their best interest. Collins [4] in his study distinguishes four different roles that financial planners can play: technical expert, transactional agent, counselor, and coach. Given the wide breadth of these roles, the outcome measures from the use of a financial planner can vary substantially. Given the variability of advice the appropriate outcome measures are best measured in dollars, time, or psychological states. Research work such as by Blanchett and Kaplan [5] show how financial planning techniques can increase certainty-equivalent income in retirement.

According to Okumbe [6] auditing deals with investigation of financial records of an educational institution in order to ascertain the objectivity and

accuracy of financial statements. In his study, Okumbe [6] observes that educational managers are expected to be conversant with auditing techniques and control measures within the organization to help detect flaws before it is too late. In addition, budgetary control as a requirement in financial planning is the process of developing a spending plan and periodically comparing actual expenditures against that plan to determine if it or the spending patterns need adjustment to stay on track. This process is necessary to control spending and meet various financial goals. It is from this view that organizations rely heavily on budgetary control to manage their spending activities, and this technique is also used by the public and the private sector as well as private individuals, such as heads of household who want to make sure they live within their means [7]. Budgetary control in general is one of best technique of controlling management and finance in which every department's budget is made with estimated data. After carrying out budgets the management conducts a comparative study of the estimated data with original data and fixes the responsibility of employee if variance will not be favourable. Moreover, organizations can use budgetary control in forecasting techniques in order to make a plan and budget for the future.

In order to achieve effectiveness in budget preparation the management team of the firm should ensure the budgets for the allocated projects are implemented with the stipulated time and costs to enhance efficiency. The basic objectives of budgetary control are planning, coordination and control. Collins, [3], budgeting system is a tool used by the firm as a framework for their spending and revenue allocation. To ensure the firm's resources are not wasted, the organization must be able to come out with an effective budgeting system. This is important as it ensure that the outputs produced and services delivered achieve the objective. Indeed, the planning of school finances usually begins with the drafting of a budget. Where budgeting is an ongoing and dynamic process that is typically marked by regular phases, such as, planning, needs assessment and priority setting. Budgeting is a forward-looking process which should be guided by the school's vision for the future and a realistic assessment of the risks [1]. Any management control system is only as good as the budgeting it depends on. The budget is a financial plan for implementing the various decisions that management has made. The budgets for all of the various decisions are expressed in terms of cash inflows, outflows, sales revenues and expenses. These budgets are managed together into single unifying statement of the organization's expectations for future consumptions or periods [8].

Similarly, in another study Lucey [9] defined a budget as a quantitative statement for a defined period of time, which may include planned revenues, expenses, assets, liabilities and cash flows. According to her, a budget provides a focus for the organization aids the co-

ordination of activities and facilitates control. It can therefore be concluded that Planning is achieved by means of a fixed master budget, whereas control is generally exercised through the companion of actual cost with a flexible budget. On the other hand, Cole and Kelly [10] define planning as the formalization of what is intended to happen at some tie in the future; concern actions taken prior to an event, typically formulating goals and objectives and then arranging for resources to be provided in order to achieve a desired outcome. Planning leads to budgeting which is a statement usually expressed in financial terms of the desired performance of an organization (in this case a school) in the pursuit of its objectives over a specified period. A budget is an action plan for the immediate future, representing the operational and tactical end of the corporate planning chain. Cole and Kelly [10] further states that managers responsible for carrying out budgets should participate in their formulation, and should be flexible to be changed if conditions arise, and budgets should be seen as means to an end, and not an end in them.

The budget's purpose can be summarized as assisting systematic planning; quantifying objectives and identifying priorities; coordinating activities and communicating plans within the organization; motivating and increasing the accountability of middle management; authorizing expenditure and activities; controlling, monitoring and analyzing expenditure; and evaluating performance. In an education organization, its financial management activity means bringing all possible input from staff, parents, students and the community together to render the service of quality education. In this respect, organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities [11]. The financial planning of school finances and its control are interdependent and closely linked with each other it can be deduced that the same relationship exists between the budget and control since a budget is a planning instrument.

An issue worth noting also is that, poor budgeting is one of the major reasons that derail effective management of schools due to overspending or under spending which can lead to misappropriation and mismanagement of school funds [12]. In the above studies, the authors noted that in addition to poor budgeting, delay in disbursement of free secondary education funds pose a challenge in management of finances due to late settlement of transactions. From the same observation, Magak [13] summarized the challenges that school administrators faced in managing school funds. This included incompetency in procurement, inadequate and irregular auditing, and lack of accounting for supportive documents and

records to inability to prepare end year financial statements among others. The author sees the urgent need to examine the financial management in learning institutions and adequately train school heads on financial management.

According to Mito and Simatwa [12], poor budgeting is one of the major reasons that derail effective management of schools due to overspending or under spending which can lead to misappropriation and mismanagement of school funds. In the same breadth, it is pointed out that incompetency in procurement, inadequate and irregular auditing, lack of accounting supportive documents and records and also inability to prepare end year financial statements are some of the financial problems facing public learning institutions in Kenya [13]. Besides, poor financial management is likely to lead to derailing of school's operations such as procuring teaching materials, remunerating teachers employed by the Board of Management (BoM), organizing and executing academic tours, among others.

Hitherto, various scholars have documented the theme of financial management of the education sector in Kenya precisely secondary schools. According to a study by Wango and Gatere [7], school management and school heads are responsible for demonstrating accountability and transparency and delegating financial responsibility. The scholars noted that loss of funds was common in secondary schools in Kenya. A study by Demba [14] revealed that annual budget process affected performance of the college through budget accuracy, cost minimization, resource allocation, financial information communication and having internal accounting experts. Magak's [13] study noted that school administrators in learning institutions experience thorny issues while managing institution funds Miriti and Wangui [15] also noted that financial management remained a challenge for secondary schools. These past studies have further justified existence of financial management challenges in public secondary schools and other learning institutions unlike this study which seeks to unearth issues revolving around efficacies in the administration of finances in public ECDE centers.

In relation to the above studies, other researches had varied observations regarding management of finances in public institutions. For instance, the work of Hemsing and Baker [5] analyzed the effects of tight budgetary control on managerial behavior in the Swedish public sector. The study targeted managers from different municipalities and universities throughout Sweden. The study noted that managers in the municipalities and universities experienced tight budgetary controls. As such, managers were less committed to their organization. The study however did not explicitly explain how budgetary control and management influenced

management of funds at universities and municipalities. Moreover, Junge, Bosire and Kamau [16] analyzed the effect of budgetary practices on performance of public secondary schools in Nakuru municipality. The 22 public secondary schools in the municipality were targeted. The study noted that budget practices such as budget control and allocation positively influenced performance of the schools. In the study, it was also noted that budget allocation and annual budget planning were important aspects that improved financial management in organizations in the public sector.

It is also clear that, the management of the organizations implement budgetary control to prevent losses resulting from theft, fraud and technological malfunction. These instructions also help management to ensure that expenses remain within budgetary limits. The importance of budgetary control is that it can be implemented by three departments in an organization to enhance effectiveness. Barasa [17] recognizes that efficient management of financial resources is an important task for head teachers. Without adequate financial resources, institutions cannot carry out their defined tasks effectively. Emphasis is that money must be available to run the different departments of the school. The available funds are used to purchase the required teaching and learning apparatus such as chalks, textbooks, paying of the support staff, building and improvement of infrastructures.

Statement of the Problem

Policy Framework for Education and Training in Kenya Sessional paper number 14 of 2012 recognizes that devolution of pre-school education came with a myriad of challenges ranging from unclear policy framework on issues of management, underfunding of pre-school programmes [18]. A study by Atieno [19] in Kisumu County indicate that County Governments are ill prepared to manage Pre-school programmes, that they lack elaborate framework that make Pre-school work well under their management. Several studies on the efficiency of management of school funds have also been conducted [20, 12, 21, 22, 19, 7, 18]. Although these studies have addressed the implementation and challenges affecting financial management in secondary and primary school sections, they have not addressed the effects of management strategies on efficacies in financial administration in public Pre-school centers, an issue which this study sought to look at. It was against this background that this study explored the nature to be undertaken so as to provide information geared towards promoting efficacy of county government on financing public pre-school education in Kenya, a case of Eldoret East Sub-County, Kenya

Objectives of the Study

- To establish existing planning strategies in the financing public pre-school education
- To examine alternative planning strategies for financing public pre-school education

Hypothesis of the Study

There is no significant relationship between planning strategies employed and financing public pre-school education.

RESEARCH METHODOLOGY AND METHODS

A research design is a plan and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis [23]. This study adopted a descriptive survey design. Descriptive survey design enables the researcher to describe the state of affairs as they are and report the findings [24], such design is an efficient method of collecting descriptive data regarding the characteristics of populations to justify current conditions and practices. Moreover, descriptive surveys allowed rapid collection of data from a large sample within the shortest time possible by use of questionnaires, interview schedules and document analysis. The method was quite appropriate for the study because it assisted the study to produce statistical information that was currently of interest to policy makers and educationist.

Ethical Considerations

According to Israel and Hay [25], researchers need to protect their research participants; develop trust with them; promote the integrity of research: guard against misconduct and impropriety that might reflect on the researcher and university and cope with new, challenging problems. The following ethical issues helped to enhance ethics during the study: First, the researcher sought permission from the relevant authorities before conducting the study. However, the

researcher ensured that an approval to do research was obtained from the ministry of education in Kenya. Furthermore, the researcher adhered to Moi University Research Policy [26] rules and procedures to ensure that the research was done professionally. Secondly, the respondents was assured of privacy and confidentiality of the information obtained from them. No information revealing the identity of any individual was included in the final report or in any other communication prepared in the course of the study. Additionally, honesty was observed. There were no fabrications, falsifications or misrepresentation of data. However, the researcher also guaranteed integrity by keeping promises and agreements and also acted with sincerity. Furthermore, the respondent’s participation was voluntary and free and there were no promises of benefits for participation

FINDINGS AND DISCUSSIONS

The objective sought to establish existing planning strategies in the financing public pre-school education and to examine alternative planning strategies for financing public pre-school education. The findings are presented below.

Existing Planning Strategies in the Financing Public Pre-School Education

The first objective of this study was to establish planning strategies employed and its effects on financial management efficacies in public ECDE centres. To achieve this objective, the respondents were requested to rate their level of agreement on a three point likert scale items in the questionnaire. The study responses were as in table 1.0.

Table-1: Planning strategies employed and Financing pre-school education

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
The pre-school prepares its budget based on the school’s vision	F	0	0	15	37	87	139	4.52	-1.165
	%	0	0	10.8	26.6	62.6	100	90.4	
Stakeholders’ decisions are taken care of during budgetary making process in the pre-school	F	0	0	15	37	87	139	4.51	-0.275
	%	0	0	10.8	26.6	62.6	100	90.2	
The pre-school budgets are flexible and realistic	F	0	0	15	41	83	139	4.48	-0.450
	%	0	0	10.8	29.5	59.7	100	89.6	
The SMCs have high levels of financial knowledge making them to make more fiscally responsible decisions	F	0	4	12	64	59	139	4.28	-0.273
	%	0	2.9	8.6	46	42.4	100	85.6	
The budgeting process in our school is based on priorities	F	0	4	12	64	59	139	4.28	-0.236
	%	0	2.9	8.6	46	42.4	100	85.6	
Pre-school budgets are adequately compiled at the start of every term	F	0	0	17	47	75	139	4.42	-0.905
	%	0	0	12.2	33.8	54	100	88.4	
There is no budget preparation based on their schools’ vision	F	0	0	5	47	87	139	4.58	-0.936
	%	0	0	3.6	33.8	62.6	100	91.6	

The study results on the effect of planning strategies employed on financing pre-school education indicated that 90.4% (mean=4.52) were of the opinion that the pre-school prepares its budget based on the school’s vision, 90.2% (mean=4.51) were of the opinion

that stakeholders’ decisions are taken care of during budgetary making process in the pre-school, 89.6% (mean=4.48) were of the opinion that the pre-school budgets are flexible and realistic, 85.6% (mean=4.28) were of the opinion that the SMCs have high levels of

financial knowledge making them to make more fiscally responsible decisions, 85.6% (mean=4.28) were of the opinion that the budgeting process in our school is based on priorities, 88.4% (mean=4.42) were of the opinion that pre-school budgets are adequately compiled at the start of every term and that 91.6% (mean=4.58) were of the opinion that there was no budget preparation based on their schools' vision.

The study findings indicated that majority of the respondents reported that in their pre-schools there was no budget preparation based on their schools' vision. This implies that most ECDE centres carry out their financial transactions without budgetary allocations. This is an indicator that they are likely to underestimate or overestimate finances meant for various programs. When this happens, some programs may be neglected while others get surplus amounts which could have been used to facilitate works for the various programs. This also implies that planning plays a key role in the effective management of ECDE resources without which misappropriations or neglect of various programs may arise. This is consistent with the findings of Lynch *et al.* [22] which found out that future oriented, planning behaviours are associated with an array of positive financial outcomes. Moreover, these

were found to contradict Robinson and Last [27], who noted that budgeting was a tool used to ensure the resources are not wasted and the organization is able to achieve the set goals. This shows that for effective programme implementation in ECDE centres, budget preparation based on schools' vision need to be undertaken so as to improve on efficacies in the administration of finances hence curb waste and misappropriations of public resources.

Significant Relationship between planning strategies employed and financing public pre-school education

The hypothesis of the study sought to find out whether there was significant relationship between planning strategies employed and financing public pre-school education. To answer this, a hypothesis was set:

HO: There is no significant relationship between planning strategies employed and financing public pre-school education.

Inferential Statistics

The study performed ANOVA and regression analysis to estimate the relationships between the study variables. The study results were as tabulated in table 2.

Table-2: ANOVA Model

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.936 ^a	0.877	0.868	0.0868	99.676	0.000 ^b

The ANOVA model indicated the simple correlation was 0.936 which indicates a degree of correlation. The total variation in financing pre-school education was 87.7% explained by efficacy of county government (R Square=0.877). The study results further revealed that the ANOVA model predicted financing pre-school education significantly well (p=0.000^b). This indicated the statistical significance of the regression model that was run and that overall the regression model statistically significantly predicted the financing pre-school education (i.e., it was a good fit for the data). It can therefore be concluded that there is a statistically significant relationship between planning strategies employed and financial management efficacies. When there is efficiency in service delivery, it impacts positively on programmes which in turn make learners benefit from them. This concurs with Lane, Bishop, and Jones [11] who pointed out that strategic planning in education establishes the path to accomplish the desired future goals including the schools' vision and mission.

CONCLUSION

For effective efficacy of county government on financing public pre-school education in Kenya the study found out that there was a significant but negative correlation between planning strategies employed and efficacies of finances in public ECDE centres. The

results showed that there was budget preparation based on schools' vision, that stakeholders' decisions were taken care of during budgetary making process in public pre-schools, that public pre-schools' budgets are neither realistic nor flexible, SMC in-charge of ECDE centres have adequate knowledge on financial management, that budgeting in ECDE centres was based on the priorities of their schools, pre-school budgets were adequately compiled at the start of every term and finally SMCs had inadequate skills in financial management. It can therefore be concluded that planning strategies when adhered to in most public ECDE centres leads to efficacies in the administration of finances in public ECDE centres.

Policy Implication

The policy makers would find this study useful in formulating and developing competencies that would enable the County Government to improve efficacies in the administration of finances. The study recommended that there is need for the government to; increase capitation, be consistent in funding and also make timely disbursements and provide training for management committees on financial management to improve on efficacies. On the other hand management should draw budgets before utilizing funds, incorporate stakeholders decisions while drawing budgets make

realistic and flexible budgets, draw budgets based on priorities and finally parents should be enlightened on the need to make prompt payment of fees so that ECDE management committee can make budgets on time before spending. However, this study will form a basis of good educational background for further researches and extension strategic plan development across the education sector as envisaged in the policy framework.

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