

**PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT AND REGULATIONS  
COMPLIANCE AND THEIR EFFECT ON PRUDENT FINANCIAL MANAGEMENT IN  
PUBLIC SECONDARY SCHOOLS IN NANDI COUNTY, KENYA**

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**NOVEMBER, 2018**

**DECLARATION**

**Declaration by the Candidate**

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## **DEDICATION**

I dedicate this research thesis to my late mother Elizabeth and my last born daughter Dasha

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## ABSTRACT

The enactment of Public Procurement and Disposal Acts and Regulations in both developed and developing countries are among the 20<sup>th</sup> century institutional reforms that have been castigated by the demand for transparency and accountability in the management of public institutions so as to ensure prudent financial management. Such legislative requirements ought to be implemented in public secondary schools due to the fact that they are public entities. The purpose of the study was to determine the effect of public procurement compliance on prudent financial management in public secondary schools in Nandi County, Kenya. The study sought to determine the effect of committee training on prudent financial management, effect of committee awareness on prudent financial management and the effect of committee ethics on prudent financial management. The study was guided by Institutional Theory and Socio-Economic Theory. The institutional theory is the traditional approach that examines elements of Public Procurement while the Institutional theory stipulates that institutions are composed of cultural, cognitive and regulative elements. The study target population was 680 tendering committee members from 136 public secondary schools in Nandi County. A multistage sampling technique was used to select the respondents for the study. Sample sizes of 170 committee members were selected for the study. An interview schedule and a self-administered questionnaire were administered to collect information from the respondent. The response rate of the study was 81.76%. Descriptive and inferential statistical analyses was carried out on the quantitative data using the Pearson's correlation coefficient which was used to determine the relationship between the independent variables and the dependent variables, while regression analysis was used to predict the relationship. The study found all the three components had a significant effect on prudent financial management. The study found that; committee ethics had significant effect basing on ( $\beta= 0.254$  and  $p < 0.05$ ) while committee awareness ( $\beta= 0.381$  and  $p < 0.05$ ) and committee training ( $\beta= 0.310$  and  $p < 0.05$ ) respectively had a positive and significant effect on prudent financial management. The study recommends that committee members should be made aware of the important of tendering procedures. Training of committee members should be a prerequisite and finally committee ethics is important in guiding the daily operations of the tendering committee. The study finding will be useful to the county in formulating policies that will help in streamlining public procurement in public secondary schools.

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**LIST OF ACRONYMS AND ABBREVIATIONS**

GDP	Gross Domestic Product
GoK	Government of Kenya
PFM	Public Financial Management
PPDA	Public Procurement and Asset Disposal ACT
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement and Oversight Authority
VFM	value for money
OECD	Organization For Economic Co-Operation And Development
KMO	Kaiser-Meyer-Olkin

## CHAPTER ONE

### INTRODUCTION TO THE STUDY

#### 1.1 Introduction

The chapter presents details of the background to the study, statement of the problem, objectives of the study, research questions, significance, limitations, and scope of the study, theoretical framework and the conceptual framework.

#### 1.2 Background of the Study

Worldwide public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations. Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995a). According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that public procurement represents 18.42% of the world GDP. Although several developing countries have taken steps to reform their public procurement systems, the process is still shrouded by secrecy, inefficiency, and corruption and undercutting.

In all these cases, huge amounts of resources are wasted, (Odhiambo and Kamau, 2003). In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For instance, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010).

In line with the sentiments of Aketch(2005) the account of public procurement is very high when compared with a global average of 12-20 % (Frøystad, 2010). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency, (Huiet *al.*, 2011).Proper

financial management can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available when it is needed both now and the future (Pride *et al.*,2002).

Financial Management consists of all the activities concerned with obtaining money and using it effectively. Effective financial management involves careful planning and efficient use of resources. A good financial management reduces government expenditure by ensuring that the services needed by the citizens are actually delivered, maintained and work properly. A good financial management ensures accountability to citizens for the use of the public resources. Public financial management is an attempt made by government to ensure that consistently the budget is either a balanced or a surplus budget. All these are done through the assessment of expenditure policies, revenue drive or revenue diversification and tax reforms among others (World Bank, 2001).

The key objectives of financial management are to create wealth for the government, generate cash and provide an adequate return on investment. Public financial management emphasizes the following three key words; economy, efficiency and effectiveness. Public procurement is at the heart of cost control in the public sector. The basic principles of procurement are more important for cost control rather than rigid rules to help protect the public and its citizens against abuse (Kurtz and Boone, 1993). Governments of both developed and developing countries spend a lot of money on goods and services needed to deliver public services.

To achieve value for money (VFM) for the taxpayer, there is need for effective management of procurement process properly to ensure all that are executed are efficient. Public procurement is the process whereby public sector organizations acquire goods, services and works from third parties. It also includes money spent by public sector to provide key services directly to citizens in areas, such as, welfare, education, social care and health. Such services are delivered through procurement mechanisms with a formal competitive process.

Effective public procurement is essential for good public services and good governance. The public sector in the UK spends well over £150 billion a year on the goods and services necessary to deliver public services (European Commission, 2007).

Governments are therefore expected to apply the highest professional standards when spending money on behalf of taxpayers to ensure they get a good deal and to provide appropriate and necessary goods and services to the quality required meeting user needs. The procurement process spans a life cycle from identification of the need, through the selection of suppliers, to post-contract award management, including disposal. There is a duty on procurers in central governments to apply the key principles of public procurement. These require the delivery of value for money (VFM), appropriate quality and service to meet public needs and appropriate governance (i.e., adherence to government rules concerning the use of public money in procurement) as described in *Managing Public Money* (PPOA, 2012).

### **1.3 Statement of the Problem**

The aim of the Public Procurement Act of 2012 and Regulations of 2006 was to promote fairness, transparency and nondiscrimination in procurement in public institutions with the main aim of ensuring efficient use of public funds.

However, studies have revealed that even after the enactment of the Act and regulations, there are losses of public funds that can be attributed to public procurement. A survey carried by the Kenya publishers association on booksellers indicates how book distributors collude with school principals to embezzle money set aside for free education in public secondary schools in Kenya (Wanyama, 2010). Further, studies indicate dissatisfaction among stakeholders brought about by loopholes left by the Regulations which may be used by dishonest people to make the process inefficient (Kenya, 2011).

Compliance levels continue to be low in public entities in Kenya despite efforts by the Public Procurement Oversight Authority (PPOA) to put in place measures to improve compliance

(PPOA, 2007). Despite having Public Procurement Act and Regulation 2006 and PPOA in place the compliance levels are still low which may influence financial management of public secondary schools in Nandi County. The research examined the effect of the Procurement Act and Regulations compliance on prudent financial management.

## **1.4 Objectives of the Study**

### **1.4.1 Main Objective**

To assess the influence of Public Procurement and Asset Disposal Act and Regulations compliance on prudent financial management in public secondary schools in Nandi County

### **1.4.2 Specific Objectives**

The study was guided by the following specific objectives;

- I. To establish the effect of procurement committees ethics on prudent financial management in public secondary schools in Nandi County.
- II. To determine the level of procurement committees awareness on prudent financial management in public secondary schools in Nandi County.
- III. To determine the effect of procurement committee training on prudent financial management in public secondary schools in Nandi County.

## **1.5 Research Hypothesis**

**HO<sub>1</sub>** There is no statistically significant relationship between procurement committees' ethics and prudent financial management in public secondary schools in Nandi County.

**HO<sub>2</sub>** There is no statistically significant relationship between procurement committee's awareness and prudent financial management in public secondary schools in Nandi County.



**HO<sub>3</sub>** There is no statistically significant relationship between procurement committee training and prudent financial management in public secondary schools in Nandi County.

## **1.6 Justification of the Study**

While a lot of attention has been directed towards implementation procedures in acquisition of goods and services in public secondary schools, little has been done to establish the best practices in compliance to procurement regulations in public secondary schools in Kenya. The study was to determine the effect of Public Procurement and Asset Disposal Act and Regulations on prudent financial management in public secondary schools in Nandi County.

The findings of the study will be useful to public schools since it can be used in strengthening the acquisition, implementation and integration of procurement practices in administration so as to ensure prudent financial management. The study findings will also be useful by the county Education officials in making procurement policies which will help in streamlining the acquisition of goods and services in the county, so as to streamline the acquisition of goods and services in educational institutions as set by the Public Procurement and Asset Disposal act of 2015. The study will also form a basis on which other academic researchers can do further studies.

## **1.7 Limitations of the Study**

A study of this magnitude cannot be possible without limitations. The questionnaire and interview schedule were used to collect data; it relied heavily on the honesty of the respondents. Some hesitated to respond to the questions for fear of victimization. To counter this, the researcher assured the respondents that the data was only used for academic purposes only and their identity was treated with strict confidence.

## **1.8 Delimitations and Scope of the Study**

The study was basically concerned with investigating the effect of public procurement and Asset Disposal Act and Regulation compliance on prudent financial management in public secondary schools in Nandi County, Kenya. Although there are several factors influencing public procurement

and Asset Disposal Act and Regulation compliance, the study was basically concerned with the specific factors; committee training, committee awareness and committee ethics. The study involved the tendering committee members comprising of committee chairpersons (Deputy Principal), the accounts clerk and heads of departments in the selected public secondary schools. Also included in the study was the county educational officer (CEO) in charge of audit from Nandi County, Kenya.

## 1.9 Theoretical Framework

The study was guided by Institutional Theory and Socio-Economic Theory. The institutional theory is the traditional approach that has been used to examine elements of Public Procurement (Obanda, 2010). Institutional Theory stipulates that institutions are composed of cultural-cognitive and regulative elements that together with associated activities and resources that gives a meaning to life (Scott, 2004). There are three pillars of institutions; regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism and thus the need to follow the procurement Act and Regulations, when procuring goods and services. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). In Kenya, Public Procurement is guided by the Public Procurement Act (PPA) of (2012), regulations and guidelines which are from time to time issued by the Public Procurement Oversight Authority (PPOA).

Sutinen and Kuperan (1999) propounded the Socio-Economic Theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. Thus the need for committee members to observe ethics when procuring goods and services. According to Lisa (2010) psychological perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also added the Legitimacy Theory which postulates that the organization is responsible for disclosing its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society.

### 1.10 Conceptual Framework

The concept of the study is derived from the fact that compliance to public procurement and Asset Disposal Act and regulation affects financial performance of public institutions. Compliance to public procurement and Asset Disposal Act and regulation is the independent variable which is enhanced through committee ethics, committee level of awareness and committee trainings. Prudent financial management is the dependent variable while institutional factors is the intervening variable. In an ideal environment, the two variables will give a clear marked effect.

Independent Variables

**Public Procurement and Asset Disposal Act compliance**

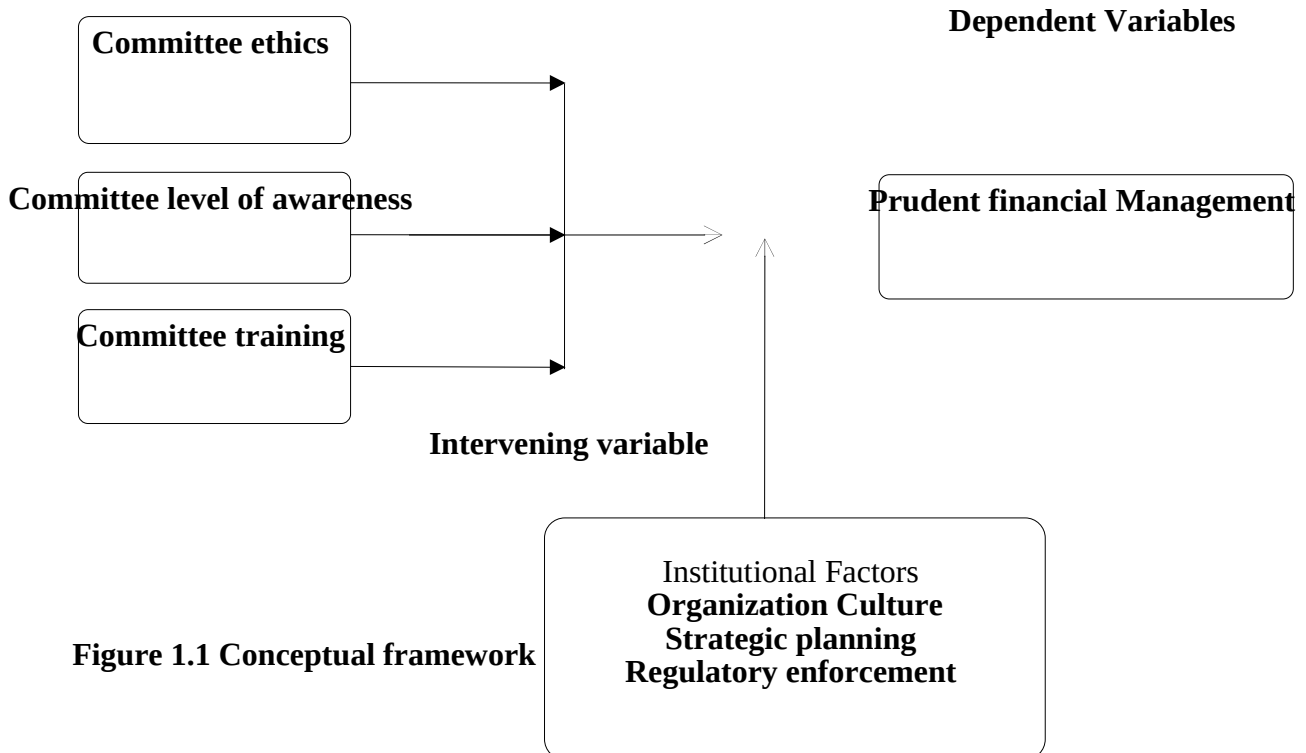


Figure 1.1 Conceptual framework

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

The chapter aims at reviewing the theories and the prior literature that are relevant to this study. This chapter is divided into several sections. Firstly, a brief outline of prudent financial management. Secondly the chapter provides a discussion on antecedents of procurement compliance. The chapter concludes by highlighting the gaps in the literature.

#### 2.2 The Definition of Concepts

The section aims at reviewing and defining the concept of finance, financial management and prudent financial management. Firstly, a brief outline of finance and financial management. Secondly the section provides a discussion on antecedents of prudent financial management. The section concludes by highlighting the gaps in the literature.

##### 2.2.1 The Concept of Finance

Finance is always concerned with determining an organization's long-term investments, how funds are obtained to pay for the investment, conducting the firm's everyday financial activities and managing the firm's risks. Finance is the ways in which individual business, organizations and government institutions raise and use monetary resources over time, taking into account the risks entailed in their projects. Finance is the function in an organization that acquires funds for the firm and manages funds within the firm such as preparing budget, doing cash flow analysis, and planning for the expenditure of funds on assets such as plant, equipment, and machinery).

### **2.2.2 Public Finance**

According to Prest (1985) public finance is the field of economy that deals with planning, budgeting, revenue collection and expenditure control of a public sector entity, usually government institutions. It is concerned with identification of the required expenditure of a public sector entity, sources of that entity's revenue, and budgeting process. Public finance is related to attempts made by a government to ensure that consistently the budget is either a balance or a surplus budget. These are achieved through ensuring adequate receipts from taxes and non-taxes sources, and reducing expenditure levels. Fiscal policy is the deliberate exercise of the government to tax and spend for the purpose of bringing total output of all sectors of the economy and employment to desired levels.

Fiscal policies are done through the assessment of expenditure policies, revenue and tax reforms among others (Adjei, 2009). In public finance, efficient cash management and revenue collection contribute to efficient goods and service delivery. Further, efficient goods and services delivery is achieved through effective monitoring and allocation of resources. For example, there are areas that Botswana has had much success in contributing to efficient goods and service delivery including sound payroll management, cash management and timely financial reporting. One factor that appears to have adversely affected the efficiency of goods and services delivery has been some areas of concern of competition in procurement management.

### **2.2.3 Financial Management**

Financial management is concerned with accounting for and controlling the sources and uses of the funds that an organization employs in its operation. It aims at providing the needed money in the most economical way from borrowing owner's investments or sale. Financial management regulates the use of money to produce the greatest output. Management is a process that decides on the specific goals of an organization and directs the efforts of other people to accomplish actions needed to meet the goal (Burke and Bittel, 1991). According to

Nickel (1999), financial management is the managing of public and private resources so as to meet their goals and objectives.

Financial management could be in the hands of chief financial officer, a person who serves as company treasurer or vice president of finance. His function is to obtain money and then control the use of that money effectively. Financial managers are responsible for collecting overdue payment and making sure that the organization does not lose too much money to bad debts (people or organizations that do not pay). Financial planning and control are aspects of financial management. Financial planning involves analyzing short-term and long term money flows to and from the organization. The overall objective of financial planning is to optimize the organization's profitability and make the best use of its money.

While financial control is the process in which a firm periodically compares its actual revenues, costs and expenses with its projected ones. Most companies or organizations hold at least monthly financial review as a way to ensure financial control. Financial management consists of all the activities concerned with obtaining money and using it effectively. Effective financial management involves careful planning and efficient use of resources. Proper financial management can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available when it is needed (Pride, 2002).

Good financial management has proven to reduce government and private expenditure by ensuring that the services needed by the citizens especially the poor are actually delivered, maintained and worked properly. It ensures accountability to citizens for the use of public resources. Public financial management is an attempt made by government to ensure that consistently the budget is either a balanced or a surplus budget. These are largely achieved through ensuring adequate receipts from taxes and non-taxes sources and reducing public expenditure levels. These are done through the assessment of expenditure policies, revenue drive or revenue diversification and tax reforms among others (World Bank, 2001). The key

objectives of financial management are to create wealth for the organization, generate cash and provide an adequate return on investment.

According to Griffin and Ebert (1999), financial managers must ensure that their organizations have enough funds on hand to purchase the materials and human resources that they need to produce goods and services. Financial management must be concerned with three basic types of questions. The first question concerns the firm's long-term investments. The process of planning and managing an organization's long-term investment is called capital budgeting. In capital budgeting, the financial managers try to identify investment opportunities that are worth more to the firm than they cost to acquire. Financial management is concerned with how much cash is expected to receive from investment and when is it expected to be received. In evaluating capital investment, timing, size and risk of cash flow are important things to consider. The second question is concerned with how the organization obtains its finances it needs to support its long-term investments. An organization's capital structure (financial structure) refers to the specific mixture of long-term debt and equity the firm uses to finance its operations.

The financial managers have issues to address which include how much should the firm borrow and what are the least expensive sources of funds for the organization? The third question concerns working capital management. The working capital refers to an organization's short-term assets, such as inventory, and its short-term liabilities, such as money owed to suppliers. Managing the organization's working capital is a day-to-day activity that ensures the firm has sufficient resources to continue its operations and avoid costly interruptions (Griffin & Ebert, 1999).

### **2.3 Public Financial Management**

According to Shand (2005) good public financial management always promotes a system of accounting that shows the effective utilization of the financial resources of the country; provides a window to the public to ascertain the financial status of the government; and



serves as a major instrument in the formulation and implementation of government policies. Good public financial management includes; Cash management, Aid and debt management, Revenue management, Audit and Procurement. Cash management: This aims at achieving an efficient provision of the cash resources of a Government while avoiding the immobilization of resources and minimizing the costs of borrowing.

This aims at strengthening the management of the acquisition, servicing and retirement of public debt as well as avoiding increasing debt stock. Revenue management: This ensures the promotion of system of administration which aims at achieving greater taxpayer compliance and convenience and to increase the efficiency of revenue collection, reporting and forecasting. Auditing promotes timely and effective assessment of transactions to ensure that resources are being used for the specified purposes. Both external audit and internal audit are concerned that value for money is achieved; appropriate controls are in place so that expenditure is reliably recorded to check impropriety and minimize fraud.

While procurement streamlines the purchasing of goods, works and services, and establish an effective monitoring and tracking system that reduces government expenditure to achieve balance budget or surplus budget. According to Shand (2005), the Public Financial Management (PFM) framework sets out key components of a good PFM system. The internal control system should ensure that the budget appropriations are not exceeded, that funds are spent as intended as well as ensuring that reliable information is produced.

There is full transparency of budget processes and information. The budget should be developed and implemented through an orderly and understood process. The legislature and the public should have full information on budget results in relation to targets, the government's financial position and the assumptions and risks involved in the budget. The budget is realistic and can be implemented. In many countries much effort may be put into preparing budgets which cannot be implemented because they are not realistic. Predictability of donor funding may be an important issue here. It should be clear to line ministries,

departments and agencies how much funding they may expect to receive during the year and what results are expected from that expenditure.

According to Shand (2005), there is now a general consensus among donors and partner countries on what constitutes good public financial management which is developed through extensive diagnostic work, in many cases undertaken collaboratively by many donors and collaboratively with the partner countries. This consensus is best expressed in the public financial management performance indicators framework. There is also a consensus that the need now is to move beyond diagnostics to work with development partners in improving their public financial management systems through capacity development programs and the extent to which public financial management systems are improving over time, using the performance measurement framework.

#### **2.4 The Concept of Procurement**

Procurement has been defined by the Software Engineering Institute (2008) at Carnegie Mellon, as a set of activities performed as part of an acquisition effort. It involves process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house provides. Public Procurement is the acquisition by purchase, rental, lease, hire purchase, license, tenancy franchise or any other contractual means of goods or services by the government Telgen (1998).

Procurement starts from the identification of needs to the end of service contract or end of useful life of an asset. Darrel (2002) defined the term procurement as the purchase of goods and services which are no directly used in the main business of a company. For example a car manufacturer will procure training courses for employees to attend in order to improve their skills. Public Procurement is the purchasing, hiring or obtaining by any other contractual means of goods, construction works and services by the public sector. It is alternatively defined as the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state

foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state. Public Procurement thus means procurement by a procuring entity using public funds (Kipchilat, 2006).

The importance of Public Procurement in terms of size relative to world Gross Domestic Product (GDP) highlighted by an Organization For Economic Co-Operation And Development (OECD) report (Odhiambo & Kamau 2003). In this report, the value of the contestable government procurement market was estimated at over \$2 000 billion in 1998. This is equivalent to 7 per cent of world GDP and 30 per cent of world merchandise trade. According to Trionfetti (2000) the estimate of Public Procurement of industrialized country varies between 5 and 8 per cent of GDP of individual country. For Middle East and Africa, the magnitude of central government purchases ranges between 9 and 13 per cent. According to Kipchilat (2006) referring to the Comesa report (2004) noted that procurement absorbs 60 percent of government expenditure and which means that accountability at all levels is very important.

According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that Public Procurement represents 18.42% of the world GDP. Consequently, various countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. The major obstacle however, has been inadequate regulatory compliance. De Boer and Telgen (1998) confirm that non-compliance problem affects, not only the third world countries, but also, countries in the European Union.

This position is further supported by Gelderman *et al.*, (2006) who contend that compliance in Public Procurement is still a major issue. Huiet *et al.*, (2011) while analyzing procurement issues in Malaysia established that procurement officers were blamed for malpractice and non-compliance to the procurement policies and procedures. Citing Yukl (1989), Gelderman *et al.*, (2006) stipulate that compliance occurs when the target performs are

requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort. However, as an organizational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation (Snell, 2004) cited in Lisa, (2010). For instance in Uganda, a wave of procurement reforms that begun in 1997, culminated into the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act 2003, and Regulations 2003.

Unfortunately, many central government ministries and agencies have since then not followed prescribed practices (Agaba& Shipman, 2007). The procurement audits carried out by the KPMG have revealed that out of 322 contracts audited at the end of 2005, only 7 (2%) were assessed as compliant. Other successive audit checks reveal that compliance in Public Procurement in Kenya is still inadequate (PPDA compliance reports, 2009; PPDA Baseline survey report, 2010; PPDA Capacity Building Strategy Report, 2011-2014; World Bank Country Procurement Assessment Report, 2001) cited in Tukamuhabwa (2012).

#### **2.4.1 Procurement in Kenya**

The method used to procure public goods can have a significant impact on participation of newer or smaller businesses (Eagan, 2005). The type and value of the contract are important factors that determine the method of solicitation. Thus, public procurements are generally carried out using different methods. In Kenya, open tendering is the most used tendering system. It normally happens at two levels: Open national tendering, which is open to participation on equal terms by all providers through advertisement. It mainly targets domestic firms although foreigners are allowed to participate. Open international tendering is also open to participation on equal terms by all providers but it specifically seeks to attract foreign firms. It is mainly used where national providers may not provide competitive bids (Odhiambo and Kamau, 2003). Open tendering is usually advertised in prescribed national or international newspapers, although media advertising is an expensive undertaking for public entities.

Procurement is one of the critical areas of Kenya's public financial management system which is undergoing reforms supported by the Public Financial Management Reform Strategy (PFM Strategy) that was launched on 23rd June 2006. The reforms are meant to achieve enhanced utilization of public resources efficiently; ensuring fiscal stability to promote favorable environment for private sector led growth; and strengthen accountability in the management of public finances. A body that was established under the PPDA 2005 was formed to ensure reforms took place, the Public Procurement Oversight Authority (PPOA). The Authority was established on 1st January, 2007 when the Public Procurement and Disposal Act, 2005 came into operation.

Procurement reforms in Kenya have gone through uninterrupted and supported efforts over the years. In 1978, a supplies manual was developed which entailed policies and circulars in a more consistent manner. An all-inclusive public procurement reform programme in Kenya was formally launched on 25th November, 1998. Following this effort, Public Procurement Regulations were passed in year 2001 under the Exchequer and Audit Act consolidating all the previous circulars that had governed public procurement. Although the public procurement system still experienced institutional weaknesses that undermined its capacity, there was a need to have laws to direct the procurement system in the public sector and establish the necessary bodies that ensured all procurement entities followed the laid out policies and procedures. (GoK, 2001)

The landmark in public procurement reforms came in 2005 when the Public Procurement and Disposal Act, 2005 was enacted by Parliament. It established a semi-autonomous oversight body, the Public Procurement Oversight Authority (PPOA), Public Procurement Oversight Advisory Board and the Public Procurement Administrative Review Board. With the gazettelement of the Public Procurement and Asset Disposal and Regulations, the law became operational in January 2016.

In the past three decades, the Public Procurement system in Kenya has undergone significant developments. From being a system with no regulations in the 1960s to a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, the introduction of the Procurement Regulations of 2006 brought new standards for Public Procurement in Kenya. Many studies have been carried out on procurement before the Public Procurement and Disposal Regulations of 2006 to evaluate the efficiency of the procurement process in existence at the time, (Kipchilat, 2006). The major findings of the studies were that Public Procurement was not operating efficiently and that the state was losing a lot of money through shoddy deals.

## **2.5 Public Procurement and Asset Disposal Act of 2015**

The Public Procurement regulation of 2015 became effective on 7<sup>th</sup> January 2016 after the gazettelement of the Public Procurement and Assets Disposal Act 2015. The purpose of this Act was to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities to achieve efficient management of public funds. The act contains eleven (11) parts. Part II of the Act deals with the establishment of bodies involved in the regulation of public procurement, namely, The Public Procurement Oversight Authority (PPOA), Public Procurement Oversight Advisory Board, and the Public Procurement Administrative Review Board. The PPOA is charged with ensuring procurement procedures are complied with, The Public Procurement Oversight Board's functions include approving the PPOA's estimates of revenue and expenses, and recommending appointment or termination of the Director General.

Part III of the Act deals with the internal organization of public entities as far as procurement is concerned, for instance, requiring all public organizations to establish tender committees of not less than 5 members whose secretary must be a fully qualified professional. Part IV of the Act makes general provisions for procurement by public entities. It highlights the requirement that each procurement entity shall use the open tendering under Part V or alternative procurement procedure under Part VI. The use of alternative procurement

procedure is qualified; a public entity may only use restricted tendering with written approval of its tender committee and with documented reasons for doing so. All those that qualify for a tender award must have the requisite professional qualifications, resources and equipment and the capacity to enter legal agreements. The Part also deals with three aspects of policy; conflict of interest, non-discrimination and giving maximum business opportunities to small and micro enterprises. This part also outlaws all forms of corruption in procurement; that is to say, payment for goods and services which are not supplied; if supplied they are sub-standard, defective or overpriced; purchase of goods in excess of requirements; over-invoicing by contractors; giving bribes and disclosure of confidential information.

Part V makes provisions for preparation of tender documents, advertisement and invitation to tender, tender securities, as well as opening of tenders. In addition, it provides for responsiveness of tenders, evaluation, and notification of award, contracting and extension of tender validity. Part VI deals with alternative procurement procedures. This part provides the alternative methods of procurement as restrictive tendering, requests for proposals and quotations, procedure for proposals and quotations, procedure for low value procurement and concessioning. Part VII provides administrative review of procurement procedures. It recognizes that any aggrieved party in a procurement process has a right to seek administrative review of a tender award. Part IX provides for debarment from participating in public procurement.

The Director General may, with approval of the Advisory Board, bar a person from participating in procurement proceedings for up to 5 years. The grounds for such punishment are the commission of an offence relating to breach of contract, giving false information about qualifications and refusal to enter into a written contract. Part X deals with the disposal of stores and equipment by public entities. Part XI makes miscellaneous provisions for example that defense and national security organs are required to comply with the Act. In public secondary schools, procurement matters have been vested in the Schools Tender Committee whose membership structure is the Deputy Principal who is the Chairman of the

Committee, the person in charge of finance (bursar), who will be the Deputy Chairman, at least six Heads of Departments including the Matron, and the officer heading the procurement unit who will be its secretary.

## **2.6 Effects of the Public Procurement Regulations on Financial Management**

The Principal reason for the enactment of the Act was to have a legal regime that weeds out inefficiencies in the procurement process, remove patterns of abuse, and the failure of the public purchaser to obtain adequate value in return for the expenditure of public funds. However, these objectives have never been fully achieved in practice (Wanyama, 2010). The Regulations do not envisage contemporary market realities, hence the need to continuously revise them to keep pace with these developments. In a study by the PPOA (2007), the introduction of the legal and regulatory procurement framework; the establishment of the PPOA as an oversight body; the development of a framework for contract administration and the new appeals mechanism were among those aspects of the procurement system rated as having been positively affected by the Regulations. In contrast, the existing institutional development capacity in procuring entities and functioning of the procurement market, were assessed as being among the weakest aspects of the system. The Regulation's framework provides for a fully decentralized procurement process, leaving the full responsibility of undertaking procurements, to the tender committees and the procurement unit at the level of the procuring entity.

The Regulations were also meant to ensure that efficient training had been offered to professionals to serve in procurement. It was also revealed by the study by the PPOA that the available expertise at the procurement units did not meet the need for specialized procurement knowledge despite there being steps towards developing a professional procurement workforce. The overall lack of procurement knowledge remains a major weakness to the efficiency of procurement operations. Short-term procurement training was also found to be in short supply, although it was noted that the PPOA is currently offering a



series of sensitization sessions targeting both the public and private sector. On lead time, it was found out that the laws and procedures do not support timely procurement, contract execution and payment. For example, there were no legal provisions, procedures and or guidelines on the time limits for appropriation of funds, the processing of invoices and payments.

### **2.6.1 Committee Ethics and Compliance in Procurement Regulations**

According to Dobler and Burt (1996) defined profession as: “a calling requiring specialized knowledge and often long and intense preparation including instruction in skills and methods, maintaining by force of organization or concerted opinion high standards of achievement and conduct, and committing its members to continued study and to a kind of work to which has for its prime purpose the rendering of a public service This definition is echoed by Millerson (1964) who lists the following essential features of a profession. A profession according to Millerson has the following essential features; A skill based on theoretical knowledge; A skill requiring training and education; the demonstration of competence by professional by passing a test; maintenance of integrity by adherence to a code of conduct; service provided for the public good and that the profession is organized.

Procurement professionals need to acknowledge and devise strategies for managing all these complex challenges. The professionals must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms, and their sources. The requirements to educate professionals and equip them with new and higher-level skills have consequently become urgent (Sauber *et al.*, 2008). A skill is the ability either to perform some specific behavioral task or the ability to perform some specific cognitive processes that are related to some particular task (Peterson and Van Fleet, 2004). However, Lan, Riley and Cayer, (2005) report that finding, hiring and retaining dedicated, energetic, and ethical employees with special skills is always hard. While we understand that professionalism is a key mechanisms for, and primary targets of institutional change, the

precise role of professions and professional service firms in processes of institutional change remain under-theorized (Hwang & Powell, 2009; Scott, 2008).

### **2.6.2 Training and Compliance on Procurement Regulations**

According to a study by PPOA (2007) the procurement regulations were meant to ensure that efficient training had been offered to professionals to serve in procurement. It was also revealed by the study by the PPOA that the available expertise at the procurement units did not meet the need for specialized procurement knowledge despite there being steps towards developing a professional procurement workforce. The overall lack of procurement knowledge remains a major weakness to the efficiency of procurement operations. Short-term procurement training was also found to be in short supply, although it was noted that the PPOA is currently offering a series of sensitization sessions targeting both the public and private sector. On lead time, it was found out that the laws and procedures do not support timely procurement, contract execution and payment.

There were no legal provisions, procedures and or guidelines on the time limits for appropriation of funds, the processing of invoices and payments (KACC, 2007). In a study by KPMG International carried out after the introduction of the Regulations, it was still found out that Public Procurement still suffers from fraud and misconduct (KPMG, 2008). In yet another study by KACC, it was noted that public officials distort the Regulations to restrict the participation of interested firms in procurement, or still direct the outcome of others. In a survey of public institutions by the KACC in 2007 after the PPDR had been implemented, it was revealed that procurement had become more transparent, formal and clearer.

### **2.6.3 Procurement Committee Awareness and Procurement Regulations**

The procurement exercise follows steps according to the PPOA of 2012. These steps must be observed in order to ensure that all the stakeholders involved in the procurement exercise obtain fair treatment. The steps include; planning for the required procurement over a given

period, identifying the source of the items, highlighting specifications/initiation of procurement, determination of procurement procedure, Sourcing (soliciting) offers, evaluation of offers, post qualification, commencement of contract, contract performance (delivery) and management, record keeping and accountability, payment and post contract performance (PPOA, Act, 2015).

Many corporate board members in Africa, especially of state-owned companies, have limited understanding of their roles, and are usually open to manipulation by management, chairmen, or principal shareholders. Some are outright incompetent. Non-executive directors in Africa need to play any meaningful role in the ensuring compliance. However many simply act as rubber stamps for decisions taken outside the board (Charles & Oludele, 2003). In this perspective, compliance arises from a dynamic equilibrium between the various powers of the state and understanding what their roles are (Fisher 2004). According to De Boer and Telgen (1998) as quoted by Gelderman *et al.*, (2006), one of the main causes of non – compliance with procurement regulations is the level of awareness with the procurement regulations.

De Boer and Telgen (1998) assert that during the early days of the inception of Public Procurement regulations in The Netherlands, many municipalities could not comply to the regulations because they were not familiar with them. Gelderman *et al.*, (2006) confirmed this position in a survey on compliance with EU procurement directives. On the other hand, it is possible that those who are familiar with the regulations know it so well that they know how to beat the loopholes to their advantage. It is worth noting that the ambiguity in the Public Procurement procedures may provide a chance for dubious acts including tendering and discriminate supplier selection which may result into poor compliance levels. According to Guy (2000), there are dimensions though which we can judge the level of institutionalization of any structure and its ability to adapt to changes which include: autonomy, complexity, coherence, congruence and exclusivity. Implementation of organizational activities depends on the relationships between and within organizations.

### **2.7.1 Organization Culture and Public Procurement Act and Regulations**

Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum (Lisa, 2010). Basing on the competing values model(hierarchical culture), which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures(Zammuto&Krakower, 1991) which was cited in Parker and Bradley (2000). Although there is no single definition of culture, one can define it as ‘the structure of behaviors, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behavior’ (Rice, 2007).

According to Lisa, (2010), culture plays a central role in the compliance process and associated outcomes. Culture is a hindrance to reforms it is also contended that a specific type of culture, characterized by specific values such as openness, trust and honesty can affect compliance (Arjoon, 2006). According to Lisa, (2010), employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance. Parker and Bradley (2000) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This leads us to the following proposition.

### **2.7.2 Strategic Planning**

The strategic plan is a key performance management tool; a corporate vision provides the general direction for the entire organization (Coopey& Burgoyne, 2011). Since the global financial crisis, the change imperative has come to the fore for many organizations and has been the focus of many boardroom, senior management, and strategists’ meetings and discussions key to setting the strategic plan. No industry sector, public sector organization, or

government department has escaped the change. Strategic changes entail transformation in the form, quality, or state overtime in an organization's alignment with its vision and hence suit its external environment (Bartley, 2011).

According to Agaba& Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process. Economic commission of Africa (2003) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivered.

### **2.7.3 Regulation Enforcement**

Enforcement could be broadly viewed as any actions taken by regulators to ensure compliance (Zubcic and Sims, 2011). There are mixed opinions regarding the effect of enforcement on compliance. Some scholars such as Sparrow (2000, 1994) doubt the direct effect of enforcement on compliance. They argue that enforcement may make violators more sophisticated in how to prevent, and conceal detection. However, scholars agree that enforcement improves compliance (Gunningham & Kagan, 2005; Imperato 2005; Sutinen and Kuperan, 1999; Zubcic and Sims, 2011). According to Zubcic and Sims (2011),

enforcement action and increased penalties lead to greater levels of compliance with laws. Corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela has been linked to a weak enforcement of the rule of law (Nwabuzor, 2005) as cited in Raymond (2008). A study on corporate governance in Africa revealed that countries such as Nigeria and Ghana suffer from weak law enforcement mechanisms (Okeahalam, 2004).

In counties with complaint and review mechanisms, bidders are allowed to verify whether the procurement processes conform to the prescribed procedures. The possibility of review is also a strong incentive for procurement officials to abide by the rules (Hui *et al.*, 2011). Firms might choose to implement ineffective compliance systems if legal violations may be profitable in cases where the legal system under-enforces, either because penalties are set too low or because detection is imperfect or ineffective. Gunningham and Kagan (2005) argue that the threat of legal sanctions is essential to regulatory compliance and that enforcement action has a cumulative effect on the consciousness of regulated companies and it reminds companies and individuals that violators will be punished and to check their own compliance programs.

This is also supported by Gunningham and Kagan (2005) who opined that the outcome of sustained enforcement action instilled a culture of compliance and had a direct impact on corporate compliant behavior. Sutinen and Kuperan, (1999) further argue that coercive enforcement measures remain an essential ingredient in any compliance regime. The trend of globalization has a significant influence on how a domestic business shapes their strategy to compete with foreign forces. Government policies and regulations have greatly influenced the flow of business activities and operations (Hitt, *et al.* 2011).

#### **2.7.4 Implementation of Public Procurement**

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement.

Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004). Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno (2004) postulated that the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated.

According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

## **2.8 Research Gap**

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options

related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated hence poor financial management. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation.

The process should also uphold integrity by ensuring that the committee members should be trained and made aware of the public procurement and Asset Disposal Act and Regulation so as to ensure that there are no malpractices, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society.



## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

#### 3.1 Introduction

This chapter describes research design, study location, target population, sample size and sampling techniques, research instruments, validity of instruments and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations.

#### 3.2 Research Design

Research design is a master plan of how the study will answer the research question (Saunders *et al*, 2009). In other words, it provides the procedural structures that the researcher follows, including data collection and data analysis (Leedy&Ormrod, 2005). An explanatory research design was used in the study. Explanatory research design shows the cause effect relationship between the independent variables and dependent variables. The emphasis of explanatory studies is to study a situation or problem in order to establish whether causal relationships exist between the variables in the study has recommended by Saunders *et al* (2011). The design is considered suitable because it minimizes biasness through probability sampling and at the same time maximizing the reliability of data collection method, the design allows the use of questionnaires and inferential statistics in establishing the significance of the relationships between independent and dependent variables as posited by Hair *et al.*, (2005) as cited by Kemboi (2012).

#### 3.2 Study Location

The study was conducted in selected public Secondary Schools in Nandi County which is one of the 47 counties in Kenya. Nandi County is in North Rift of Kenya, occupying an area of 2,884.4 Km<sup>2</sup>. Nandi County is bordered by Kakamega County to the west, UasinGishu County to the North East, Kericho County to the South East corner, Kisumu County to the

South and Vihiga County to the South West. Geographically, the unique jug-shaped structure of Nandi County is bound by the Equator to the south and extends northwards to latitude 0034'N. The Western boundary extends to Longitude 34045'E, while the Eastern boundary reaches Longitude 35025'E.

### 3.3 Study Population

Target population is a set of people or objects the researcher wants to generalize the results of the research (Jwan, 2010). The target population of the study was 680 tendering committee members comprising of 136 committee chairpersons (Deputy Principal), 136 accounts clerk and 272 heads of departments in 136 public secondary school in Nandi County. Also to be included in the target population was an auditor from the education office in Nandi County, (Ministry of Education, 2014).

Category	Population(Schools )	Population
National Schools	02	010
Extra County Secondary Schools	10	050
County Secondary Schools	58	290
Sub county secondary schools	66	330
Total	136	680

**Table 3.1 Target Population**

Source: Education County Government

### 3.4 Sample Size and Sampling Procedure

In determining the sample size and selecting the respondent the study utilized the following sampling technique:

#### 3.4.1 Sample Size

The larger the samples size the lower the likely error in generalizing the population (Saunders, Lewis & Thornhill, 2003). The sample size of the study was obtained using the same formula used by Nassiuma (2000);

$$\frac{N c^2}{c^2 + (N - 1) e^2} = n$$

Where, n=Sample size, N=Population, c=covariance, e= standard error

Nassiuma, (2000) asserts that in most surveys, a coefficient of variation in the range of  $21\% \leq C \leq 30\%$  and a standard error in the range  $2\% \leq e \leq 5\%$  is usually acceptable. Therefore a coefficient variation of 30% and a standard error of 2% was used. The higher limit for coefficient of variation and standard error was selected so as to ensure low variability in the sample and minimize the degree or error

$$\frac{680(0.3)^2}{0.3^2 + (680 - 1)0.02^2} = 170 \text{ Tendering committee members}$$

Using this formula a sample of 170 Tendering committee members were selected

### 3.4.2 Sampling Procedure

Sampling procedure means selecting a given number of respondents from a representative of a defined population (Orodho, 2004). The main function of sampling is to allow the researcher to conduct the study on individuals from the population so that the result of the study conclusion is applied to the entire population. The study adopted a multi-stage sampling design which allowed the segregation of population into several mutually exclusive sub-populations or strata which aid in increasing the sample statistical efficiency by providing adequate data for analyzing sub populations and aided the researcher to use different research methods and procedures in different strata. The committee chairperson (deputy principal) were selected purposively.

The heads of departments were selected randomly from the selected secondary schools in Nandi County. A total of 5 participants from each selected secondary schools were picked for the study, making a total of 170 respondents. The study further selected the two national

secondary schools in Nandi County purposively. While the rest of 32 secondary schools were selected systematically.

**Table 3.2 Sample Size**

Category	Population (Schools)	Population	Sample size
National Schools	02	010	02 purposively
Extra County Secondary Schools	10	050	03 systematically
County Secondary Schools	58	290	13 systematically
Sub county secondary schools	66	330	16 systematically
<b>Total</b>	<b>136</b>	<b>680</b>	<b>34</b>

Source: Education County Government

### 3.5 Research Instruments

The study utilized a self-administered questionnaire and an interview schedule to collect data from the respondents. The questionnaire was both structured and unstructured. A five point likert scale questionnaire was used for the study.

#### 3.5.1 Research Questionnaire

Research questionnaires are tools that are used by the researcher to collect data from the sampled respondents in a study (Kombo & Tromp, 2006). The main instrument for data collection was questionnaires. The questionnaire was a convenient tool especially where there are large numbers of subjects to be handled. It facilitated easy and quick derivation of information within a short time (Patton, 2002). The study instruments was adapted from previous research. The utilization of previous studies' instruments assisted the reliability and validity of the study instruments (Morgan & Hunt 1994).

A three-part questionnaire was used to collect data from the respondent. The first part of the questionnaire was nominal scale that was used to collect the demographic characteristics of the committee member's and the selected secondary schools. The second part was a five-point Likert scales, ranging from (1) "Strongly disagree", (2) "Disagree", (3) "Neutral", (4) "Agree" and (5) "Strongly agree" which was used to measure the independent variables constructs (committee ethics, committee training and committee awareness) adapted from

Jackson (2007). The third and last section was a five point likert scale that was used to measure prudent financial management.

### **3.5.2 Interview Schedule**

The study also adopted a face-to-face contact with the informants, asking them questions pertaining to financial management and Public Procurement Act and Regulations compliance. A semi-structured interview schedule will be used to obtain information from the County Education Officer. According to Guba & Lincoln (1981), where the objectives of the study are primarily exploratory, and particularly when perceptions and feelings are important, semi-structured interviews, are a useful approach because of the ability to explore multiple leads and to probe for more information or request clarification, matching with the constructivist nature of this research. The study adopted an interview schedule so as to obtain direct interviews which is likely to be more accurate because the interviewer can clear up doubts of the informants about certain questions and thus obtain correct information by cross-examining the informant Gupta (2002).

### **3.6 Validity of Research Instruments and Reliability**

Reliability test was conducted for the research instrument according to Patton (2002), reliability of a test refers to the ability of that test to consistently yield the same results when repeated measurements are taken of the same individual under the same conditions. Table 4.8 shows that committee ethics, committee level of awareness, committee trainings and prudent financial management have Cronbach Alpha values of more than 0.7, which is higher than that recommended by Hair *et al.*, (2010). Therefore, the entire construct were considered to have adequate reliability. In order to further ascertain validity of the research instruments, the researcher pilot tested the instruments by distributing questionnaires to other procurement committee members in selected public secondary schools in Uasin Gishu County.

Fraenkel and Wallen (2000) validity is quality attributed to proposition or measures to the degree to which they conform to establish knowledge or truth. Validity therefore refers to the extent to which an instrument can measure what it ought to measure. Piloting was done on respondents that were not involved in the actual study. The content validity of the instrument was determined in two ways. First the researcher discussed the items in the instrument with the supervisor, lecturers from the department and colleagues.

The advice given by these people helped the researcher determine the validity of the research instruments. The advice included suggestions, clarifications and other inputs in order. These suggestions were used in making necessary changes. The results of the piloted questionnaires enabled in determining the consistency of responses to be made by respondents and adjust the items accordingly by revising the document. Further factor analysis was used to validate the variables. The variables in this study were also validated using principal component analysis (PCA) with varimax rotation from exploratory factor analysis. Before performing the analysis, the suitability of the data was assessed through two tests; Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Bartlett's Test of Sphericity.

The KMO was more than 0.50 and Bartlett's Test of Sphericity was significant at  $p= 0.001$  (Kaiser, 1974). From the factor analysis, all the items with factor loadings lower than 1.0 should be eliminated (Hair *et al.*, 2010). The varimax rotated principle component factor analysis applied resulted in single factor loading in each of the three variables; committee ethics, committee level of awareness, committee trainings and institutional factors that explained 90.649 percent, 83.27 percent, 85.045 percent and 66.84 percent of the variance, respectively (See Table 4.7).

### **3.7 Data Analysis and Presentation**

The employed quantitative approach were initial data analysis was done using simple descriptive statistical measures such as, mean and standard deviation to give a glimpse of the general trend. While correlation analysis was used to determine the nature of the relationship

between variables at a generally accepted conventional significant level of  $p=0.05$ , (Sekaran, 2003). In addition multiple regression analysis was also employed to test the study hypotheses. Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables (Hair *et al.*, 2010). The study utilized variance inflation factor (VIF) to handle the issue of Multi-Collinearity.

### 3.7.1 Model Specification

The regression model that was used to test the hypothesis is as shown below:

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

Where,  $y$  = Prudent Financial Management

$\alpha$  = Constant

$\beta_1 \dots \beta_4$  = the slope representing degree of change in independent variable.

$X_1$  = committee ethics

$X_2$  = level of awareness

$X_3$  = Committee Training and Development

$\varepsilon$  = error term

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 20. With significant differences recorded at  $p < 0.05$

### 3.8 Ethical Considerations

Kombo and Tromp (2006), note that researchers whose subjects are people or animals must consider the conduct of their research, and give attention to the ethical issues associated with carrying out their research. In line with the sentiments of Kombo and Tromp (2006) the respondents were given a clear indication of the purpose and outcomes of research. The participants were also given confirmation that the data collected would be used in complete

confidentiality and shall party and shall purely be used for education purpose. Privacy and confidentiality was observed all through. The researcher adhered and respected the time schedule agreed upon with the government officers and schools administration.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

#### 4.1 Introduction

This chapter deals with data analysis and presentation. The data obtained was coded and presented in form of tables, all questions other than those from part A of the questionnaire dealing with demographic information were closed-ended making questions easy to summarize. The open ended questions served to complement the closed ended questions. One hundred and seventy questionnaires were administered by the researcher who was assisted by two research assistants during the period of data collection, since it was a fill-and-return. All the questionnaires were filled by the respondents and handed back to the researcher and research assistants.

#### 4.2 Response Rate

Out of 170 questionnaires distributed to the respondents, only 139 questionnaires were filled and completed accurately and were used for analysis which gives a response rate of approximately 81.76% (percent).

#### 4.3 Demographic Information

Table 4.1.1 summarizes the study finding on profile of the respondents in respect to gender, age bracket, highest academic qualification, school category, number of students, and existence of procurement plan and effectiveness of committee meetings during the period of data collection. The study findings are captured in the subsequent subheadings and tables 4.1.1 and 4.1.2 below.

**Table 4.1.1 Demographic Information for Respondent**

What is your Gender?	Frequency	Percent	Cumulative Percent
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Male	81	58.3	58.3
Female	58	41.7	100.0
Total	139	100.0	

<b>Age bracket</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Below 30	36	25.9	25.9
31-40 years	61	43.9	69.8
41-50 years	31	22.3	92.1
51-60 years	5	3.6	95.7
Above 60 Years	6	4.3	100.0
Total	139	100.0	

<b>How long has the school been since it's established?</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
less than 5 years	1	2.9	2.9
5-10 years	1	2.9	5.8
11-15 years	8	30.2	36.0
16-20 years	7	10.8	46.8
Above 20 years	11	53.2	100.0
Total	28	100.0	

<b>Total number of students in the school?</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Below 100 Student	1	14.4	14.4
101-200 student	2	20.1	34.5
201-300 student	3	25.9	60.4
301-400 Student	4	23.7	84.2

401-500 Student	6	1.4	85.6
501-600 Student	2	0.7	86.3
601-700 Student	7	8.6	95.0
Above 800	3	5.0	100.0
Total	28	100.0	

Source: (survey data, 2015)

Table 4.1.1 to Table 4.1.3 reveal summary of totals of respondents that filled the items in the demographic information section of the questionnaire, all that were fully completed formed part of analysis. Table 4.1.1 shows that 81(58.3%) of respondents were male teachers, while 58(41.7) were female. This shows that the research sample design captured more male than female. While 89 percent of the respondents were below 40 years meaning they had little experience when it comes to tendering process. The findings indication was that majority of the tendering committee members were young and new in the schools.

Table 4.1.2 summarizes the study finding on profile of the respondents in respect to the existence of procurement plan and effectiveness of committee meetings during the period of data collection.

**Table 4.1.2 Demographic**

<b>Does the school advertise for all goods and services publicly?</b>	<b>Frequenc y</b>	<b>Percent</b>	<b>Cumulative Percent</b>
None at all	2	1.4	1.4
Some of them	10	7.2	8.6
All of them	127	91.4	100.0
Total	139	100.0	

<b>How long does it take the school to advertise for goods and services?</b>	<b>Frequenc y</b>	<b>Percent</b>	<b>Cumulative Percent</b>
One Week	20	14.4	14.4
Two Weeks	58	41.7	56.1
Three Weeks	24	17.3	73.4
One Month	37	26.6	100.0
Total	139	100.0	

<b>Do you prepare a procurement plan?</b>	<b>Frequenc y</b>	<b>Percent</b>	<b>Cumulative Percent</b>
No	37	26.6	26.6
Yes	102	73.4	100.0
Total	139	100.0	

<b>How long does it take the procurement committee to prepare a procurement plan?</b>	<b>Frequenc y</b>	<b>Percent</b>	<b>Cumulative Percent</b>
One Week	38	27.3	27.3
Two Weeks	79	56.8	84.2
Three Weeks	6	4.3	88.5
One Month	16	11.5	100.0
Total	139	100.0	

Source: (survey data, 2015)

Table 4.1.2 furthered results revealed that most committee members agree that they advertised for all the goods and services. The respondents were subjected to the question whether the school advertise for all goods and services publicly and those that say none at all were 2 (1.4%) Some of them 10 (7.2%) and All of them were 127 (91.4%). How long does it take the school to advertise for goods and services? One Week 20 (14.4%) Two Weeks

58 (41.7%) Three Weeks 24 (17.3%) One Month 37 (26.6%), an indication that the tendering committee members were not sure whether how long an advert was done due to the varied opinions.

In regards to preparation of procurement plan majority of the members agreed that they prepared plans with 102 members agreeing which represented 73.4%, while 37 members were not in agreement representing 26.6%. Finally the respondent were ask how long does it take the procurement committee to prepare a procurement plan majority of the procurement committee take two weeks in procurement plans 79(56.8%), while 38(27.3%) took one week, while 16(11.5%) one month and lastly 6(4.3%) said that they take three months an indication that there is no a standard period set for public secondary school to follow.

**Table 4.1.3 Demographic**

<b>How long does it take the school to evaluate tender documents submitted by tenderers?</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Between One And Three Weeks	100	71.9	71.9
Between One And Three Months	19	13.7	85.6
Three Months And Above	20	14.4	100.0
<b>Total</b>	<b>139</b>	<b>100.0</b>	

<b>How often does the school procurement committee meet?</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Monthly	34	24.5	24.5
Quarterly	26	18.7	33.1
Every Six Months	27	19.4	62.5
Yearly	52	37.4	100.0
<b>Total</b>	<b>139</b>	<b>100.0</b>	

<b>Do the meetings have any effect on procurement process?</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
No	30	21.6	21.6

Yes	109	78.4	100.0
Total	139	100.0	

Source: (survey data, 2015)

Table 4.1.3 overleaf shows the responses of procurement committee on the time they take to evaluate tender documents submitted by tenderers, the findings revealed that most of the tenders documents were evaluated between one to three weeks with 100(71.9%) while others took one to three month of evolution and finally 19(13.7%), lastly 20(14.45) of the respondent attributed that it took the tendering committee more than three months. Further table 4.1.3 shows results on how often does the school procurement committee meet, the findings revealed that majority of the committee members meet yearly 52(37.4%) while 34(24.5%) meet monthly, while 27(19.4) of the committee members respondent that they meet after every six months, and lastly only 26(18.7%) of the respondents meet on a quarterly. Finally the respondent were ask if the committee meetings had any effect on procurement process, the results revealed that majority of the agreed that it had an effect with 109(78.4%) while 30(21.6%) disagreed it is therefore necessary for procurement committee members to meet frequently so as to improve prudent financial management through effect procurement processes.

## 4.2 Descriptive Information on Variables

### 4.2.1 Prudent Financial Management

Table 4.2 summarizes the study finding on descriptive information on prudent financial management.

**Table 4.2 Mean Standard Deviation, Skewness and Kurtosis for Prudent Financial Management**

	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
There is transparency in all the payment made on behalf of the school	3.91	1.135	-0.202	.206	.911	.408
We are accountable as a school to our stake holders (ministry, parents, students etc.)	3.81	1.042	-.655	.206	-.247	.408
The school submits books for audit regularly and on time to the county education officer	3.88	1.097	-0.104	.206	.648	.408
Auditing that are done for the school adheres to auditing standards	3.86	1.081	-.723	.206	-.065	.408
We always have a strict follow up on audit report in order to improve use of school funds	3.96	.992	-.907	.206	.451	.408
The procurement tendering committee is held accountable for their own action and consequences	4.04	.977	-.891	.206	.273	.408
There has been an increase in saving and cost cutting due to the adherence of the procurement Act and Regulation	3.81	1.028	-.657	.206	-.336	.408

**Source: (survey data, 2015)**

The study sought to find information on prudent financial management: The following statement was put across and the study findings revealed that most of the respondents were in

agreement with the statements as indicated: “There is transparency in all the payment made on behalf of the school M(3.91) and SD (1.135), We are accountable as a school to our stakeholders M(3.81), and SD (1.042), The school submits books for audit regularly and on time to the county education officer M(3.88) and SD(1.097).

Auditing that are done for the school adheres to auditing standards M(3.86) , and SD (1.081), We always have a strict follow up on audit report in order to improve use of school funds M(3.96) and SD (0.992). The procurement tendering committee is held accountable for their own action and consequences M (4.04) and SD (0.977), there has been an increase in saving and cost cutting due to the adherence of the procurement Act and Regulation M(3.81) and SD (1.028). Based on the results, the values of Skewness and kurtosis revealed that the data was normally distributed where the Skewness values was in the range of -0.356 to 0.574. The value for kurtosis, on the other hand, was in the range of -0.652 to -0.960 well below the threshold of +/- 10. The study established that the data was normally distributed.

#### 4.2.2 Information on Committee Ethics

Table 4.3 summarizes the study finding on descriptive information on Committee Ethics. The respondent were asked to rate their opinion on a five point likert scale ranging from 1-strongly disagree to 5-strongly agree.

**Table 4.3 Mean Standard Deviation, Skewness and Kurtosis for Committee Ethics**

Items	Mean	Std. Deviation	Variance	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error
We normally award tenders to suppliers well known to some of the committee members	3.71	1.331	1.772	-.306	.408
The tendering committee always advertise the tenders and give equal chances to all the bidders	4.06	1.095	1.200	1.232	.408
Typically adopts a cautious, “wait-and see” posture in order to minimize the probability of making costly decisions.	3.68	1.007	1.015	-.501	.408
Suppliers who attempt to win a contract in an unfair manner by granting personal benefits to committee members are excluded from award of contracts in future	3.95	1.144	1.309	.944	.408



Committee members provide adequate notice of invitation to bids	3.84	1.058	1.120	-.283	.408
Committee members keep bids confidential	3.87	1.109	1.229	.291	.408
Committee members open bid in present of bidders	3.78	1.172	1.373	-.069	.408

Source: (survey data, 2015)

The study sought to determine the effect of committee ethics on prudent financial management and included the following items in the questionnaire. The following statement was put across, the respondents generally agreed to the statements as indicated: We normally award tenders to suppliers well known to some of the committee members had a mean of M (3.71), and SD (1.331) which implied that most of the respondent agreed with the statement.

The tendering committee always advertises the tenders and gives equal chances to all the bidders M (4.06) and SD (1.095). Typically adopts a cautious, “wait-and see” posture in order to minimize the probability of making costly decisions M (3.68) and SD (1.007). Suppliers who attempt to win a contract in an unfair manner by granting personal benefits to committee members are excluded from award of contracts in future M (3.95) and SD (1.144). Committee members provide adequate notice of invitation to bids M (3.84) and SD (1.058). Committee members keep bids confidential M (3.87) and SD (1.109). Committee members open bid in present of bidders M (3.78) and SD (1.172). Based on the results, the values of Skewness and kurtosis revealed that the data was normally distributed where the Skewness values was in the range of -0.356 to 0.574. The value for kurtosis, on the other hand, was in the range of -0.306 to +1.232 well below the threshold of +/- 10. The study established that the data was normally distributed.

### 4.2.3 Information on Committee Awareness

Table 4.4 summarizes the study finding on descriptive information on Committee Ethics. The respondent were asked to rate their opinion on a five point likert scale ranging from 1-strongly disagree to 5-strongly agree.

**Table 4.4 Mean Standard Deviation, Skewness and Kurtosis for Committee Awareness**

	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic
Clarity of the procurement laws and regulations is a prerequisite for Public Procurement	4.00	1.022	-1.035	.687
The procurement process is always transparent and open to the public for scrutiny.	3.89	1.095	-.960	.335
All Committee members are aware of public procurement Act	3.99	1.035	-.924	.382
Procurement Act has strengthened and controlled school expenditure.	3.79	1.106	-.814	.112
Committee members are aware of financial management practices	3.68	1.155	-.586	-.657
All the purchases are in our school are in compliance with public procurement Act and regulation	3.73	1.165	-.805	-.183
I am conversant with public procurement Act and Regulation governing public institutions	3.79	1.195	-.908	.009

**Source: (survey data, 2015)**

The study sought to determine the effect of committee awareness on prudent financial management and included the following items in the questionnaire. The following statement was put across, the respondents generally agreed to the statements with M (3.5) and above and standard deviations (SD) above 1.0 as indicated: Clarity of the procurement laws and regulations is a prerequisite for Public Procurement M (4.00) and SD (1.022). The procurement process is always transparent and open to the public for scrutiny M (3.89) and SD (1.095) All Committee members are aware of public procurement Act M (3.99) and SD (1.035).

Further Procurement Act has strengthened and controlled school expenditure M (3.79) and SD (1.106). Committee members are aware of financial management practices M (3.68) and SD (1.155). When asked about the purchases in school in compliance with public procurement Act and regulation M (3.73) and SD (1.165). I am conversant with public procurement Act and Regulation governing public institutions M (3.79) and SD (1.195). Based on the results, the values of Skewness and kurtosis revealed that the data was normally

distributed where the Skewness values was in the range of -0.356 to 0.574. The value for kurtosis, on the other hand, was on a range of -0.657 to +0.687 which was well below the threshold of +/- 10 as recommended by scholars. The study established that the data was normally distributed.

#### 4.2.4 Descriptive Analysis on Information on Committee Training

Table 4.3 summarizes the study finding on descriptive information on Committee Ethics. The respondent were asked to rate their opinion on a five point likert scale ranging from 1-strongly disagree to 5-strongly agree.

**Table 4.5 Mean Standard Deviation, Skewness and Kurtosis for Committee Training**

	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic
The committee members have the required skills and knowledge to handle the procurement process	3.91	1.014	-.827	.173
Most of the committee members of Public Procurement have been trained	4.09	.924	-.971	.755
If the committee member is not adequately trained in procurement law, serious consequences; including, loss and misuse of funds	3.86	1.016	-.647	-.290
We are familiar with all procurement procedures and regulations	3.86	1.051	-.939	.563
All procurement committee members don't have appropriate competences to handle the procurement process	3.65	1.128	-.558	-.592

**Source: (survey data, 2015)**

The study sought to determine the effect of committee training on prudent financial management. The following statement was put across, the respondents generally agreed to the statements with M (3.5) and above and standard deviations (SD) above 1.0 as indicated: - The committee members have the required skills and knowledge to handle the procurement

process M (3.91) and SD (1.01). Most of the committee members of Public Procurement have been trained M (4.09) and SD (0.924).

Further in regard if the committee member were not adequately trained in procurement law, serious consequences; including, loss and misuse of funds M (3.86) and SD (1.016). We are familiar with all procurement procedures and regulations M (3.86) and SD (1.051). an indication that they agreed that they were trained based on the mean. All procurement committee members have appropriate competences to handle the procurement process M (3.65) and SD (1.128) which implied most of the respondents agreed to the statements that were asked in regard to committee training in relation to procurement Act and Regulation compliance. Based on the results, the values of Skewness and kurtosis revealed that the data was normally distributed where the Skewness values was in the range of  $-0.356$  to  $0.574$ . The value for kurtosis, on the other hand, was in the range of  $-0.592$  to  $+0.755$  well below the threshold of  $\pm 10$ . The study established that the data was normally distributed.

### **4.3 Factor Analysis**

An exploratory factor analysis was used to reduce the dimensionality of the data set into more manageable new sets of dimensions. According to Jolliffe, (1986) factor analysis is essential since it detects patterns from the original data and extracts them into more meaningful underlying dimensions known as factors. It enabled to identify separate dimensions and further permits understanding as to what extent the construct is explained by each dimension Hair *et al.*, (2006). Factor analysis seeks to set factors that can account for all common or unique variances in a given set of variables Lu *et al.* (2007). The analysis was conducted to each and every individual latent constructs and the results of the analysis are summarized in table 4.6 and appendix v.

### 4.3.1 Factor Analysis Results

Table 4.6 presents results of principle component analysis with Kaiser-Meyer-Olkin (KMO) measure of sample adequacy.

**Table 4.6 Factor Analysis Summary Table**

Variable	No. of Components Extracted	Highest Loading	KM O	Chi-square	Bartlett's Test	Variance Explained
Committee Ethics	1	0.843	0.925	754.806	P<0.05	90.646
Committee Awareness	1	0.830	0.734	235.221	P<0.05	83.265
Committee Training	2	0.989	0.836	861.618	P<0.05	85.045
Institutional Factors	2	0.951	0.836	861.618	P<0.05	66.837

Source: (Survey Data, 2015)

The interpretive adjectives for the Kaiser-Meyer-Olkin Measure of Sampling Adequacy are: in the 0.90 as marvelous, in the 0.80's as meritorious, in the 0.70's as middling, in the 0.60's as mediocre, in the 0.50's as miserable, and below 0.50 as undesirable. The. Since the KMO Measure of Sampling Adequacy meets the minimum criteria, the study established that the data set had no problem that required the examination of Anti-Image Correlation Matrix which is the rule of thumb, Coakes *et al.*, (2010).

### 4.4 Reliability Tests

Table 4.7 summarizes the study finding on reliability analysis of the study instrument based on cronbach alpha as show below.

**Table 4.7 Reliability Test**

Cronbach's Alpha	N of Items
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Prudent Financial Management	0.948	7
Committee Ethics	0.778	7
Committee Awareness	0.738	5
Committee Training	0.758	5
Institutional Factors	0.858	7

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**Source: (survey data 2015)**

Reliability is the extent to which a variable is consistent in what was supposed to measure (Hair *et al.*, 2006). Reliability of the items for the study was assessed by determining the items' coefficient alpha. The generally acceptable level of Cronbach's alpha is above 0.70 and it may decrease to 0.60 in exploratory research Hair *et al.*, (2006). The scores of reliability coefficient for this study were calculated using SPSS software and the result are shown in Table 4.7. The Cronbach alpha test showed values ranging from a low of 0.738 (Committee awareness) to a high of 0.948 (prudent financial management). Thus, it can be concluded that data collected from the pilot study were reliable and have obtained the acceptable level of internal consistency as recommended by Hair *at al.*, (2006). Therefore, all items were included in the survey instrument.

#### **4.5 Correlation Results**

Table 4.8 summarizes the study finding on the correlation analysis on the relationship between committee ethics, committee awareness, committee training and institutional factors with prudent financial management. Thus, the study analyzed the relationships that are inherent among the independent and dependent variables.

**Table 4.8 Correlation Results**

		PFM2	CE	CA	CT	IF
PFM2	Prudent financial management	1				
CE	Committee Ethics	.485**	1			
CA	Committee Awareness	.663**	.408**	1		
CT	Committee Training	.623**	.398**	.687**	1	
IF	Institution Factors	.399**	.128	.490**	.406**	1

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

Source: (survey data, 2015)

The findings revealed that committee ethics was positively and significantly associated with prudent financial management ( $r = 0.485$ ,  $\rho < 0.01$ ) indicating positive relationship with prudent financial management, committee ethics is also expected to influence prudent financial management by 23.52%. While we understand that professionalism is a key mechanisms for, and primary targets of institutional change, the precise role of professions and professional service firms in processes of institutional change remain under-theorized to enhance ethics among professionals as postulated by Hwang and Powell (2009; Scott (2008). Secondly, committee awareness was also positively and significantly correlated to prudent financial management with ( $r = 0.663$ ,  $\rho < 0.01$ ) showing that committee awareness has 43.957% positive relationship with prudent financial management.

The study attributes that committee awareness to be important element as cited by De Boer and Telgen (1998) as quoted by Gelderman *et al.*, (2006), who articulated committee awareness as one of the main causes of non – compliance with procurement regulations. Committee training was also found to be positively correlated with prudent financial management ( $r = 0.623$ ,  $\rho < 0.01$ ) an indication of positive relationship with prudent financial management, committee training is also expected to influence prudent financial management by 38.81%. Based on the findings the study attributes prudent financial management to effective training.

The professionals must be seen as champions of efficiency and effectiveness and must acknowledge the challenges and their various forms, and their sources. The study finding was in line Sauber et al., (2008). Sauberet *al.*, (2008) postulated that educating professionals and equipping them with new and higher-level skills have consequently become urgent. Lastly institutional factors was positively correlated with prudent financial management( $r = 0.399$ ,  $\rho < 0.01$ ) an indication of positive relationship with prudent financial management. It is expected that institutional factors will influence prudent financial management by 15.92% basing on coefficient of determination. This implies that committee ethics, committee awareness, committee training and institutional factors are expected to influence prudent financial management.

## 4.6 Regression Results

### 4.6.1 Assumptions of Regression Model

Multiple regression analysis makes the following assumptions:

#### 4.6.1.1 Test of Normality

Table 4.8 below summarizes the study finding on the normality tests are supplementary to the graphical assessment of normality. Kolmogorov-Simonov test and Shapiro Wilk was used to test normality of the data.

**Table 4.9 Test of Normality**

	Kolmogorov-Smirnov (KS) test			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Prudent financial management	0.243	385	0.061*	0.849	385	0.841*
Committee Ethics	0.136	385	1.141*	0.912	385	0.072*
Committee Awareness	0.158	385	0.067*	0.887	385	0.205*
Committee Ethics	0.153	385	0.112*	0.918	385	0.311*
Institution Factors	0.276	385	0.555*	0.875	385	0.199*



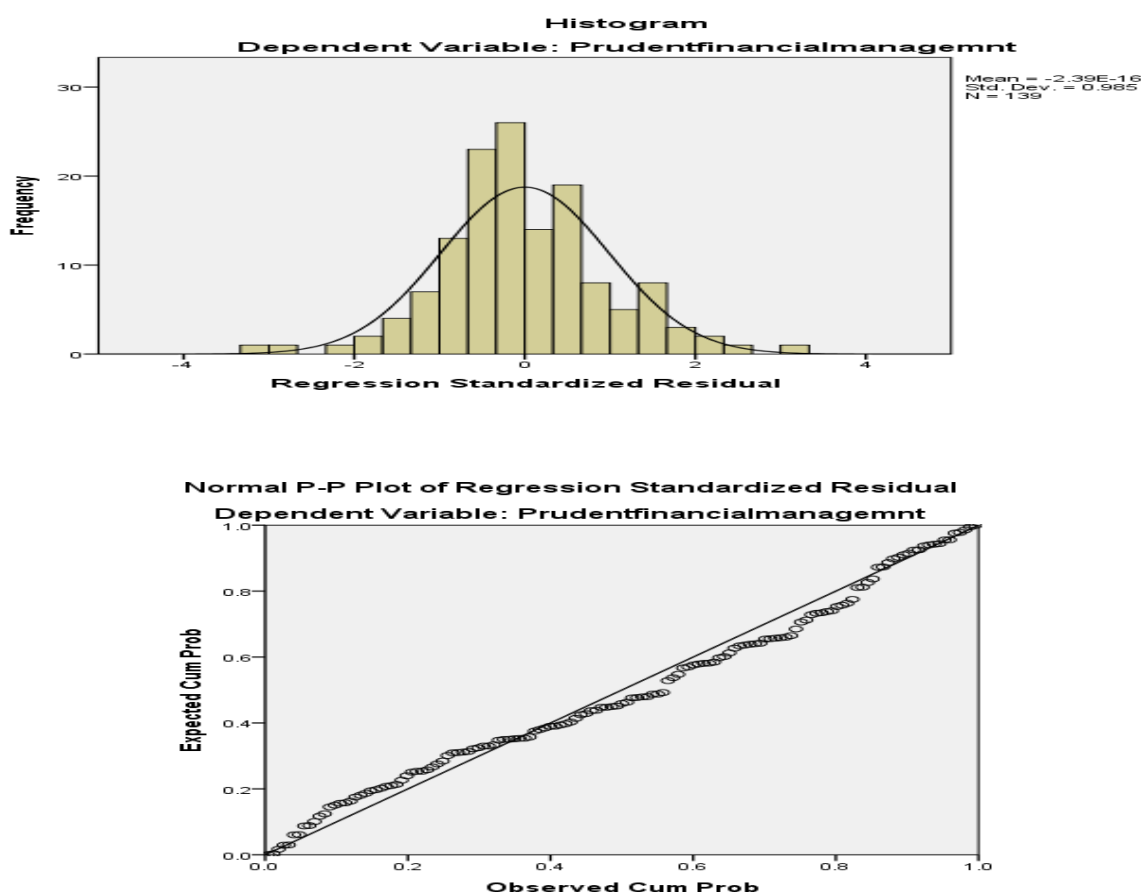
a Lilliefors Significance Correction, significant  $p > 0.05$

Source: (Survey data, 2015)

To examine the suitability of the data distribution Simonov test and Shapiro Wilk test was carried. In this study, the p-values are more than 0.05. Therefore the study concluded that the data is from a normal distribution.

#### 4.6.1.2 Test of linearity

Figure 4.1 summarizes the study finding on the assumptions of regression model using scatter plots which was within the trend line.



**Figure 4.1** Linearity Plot

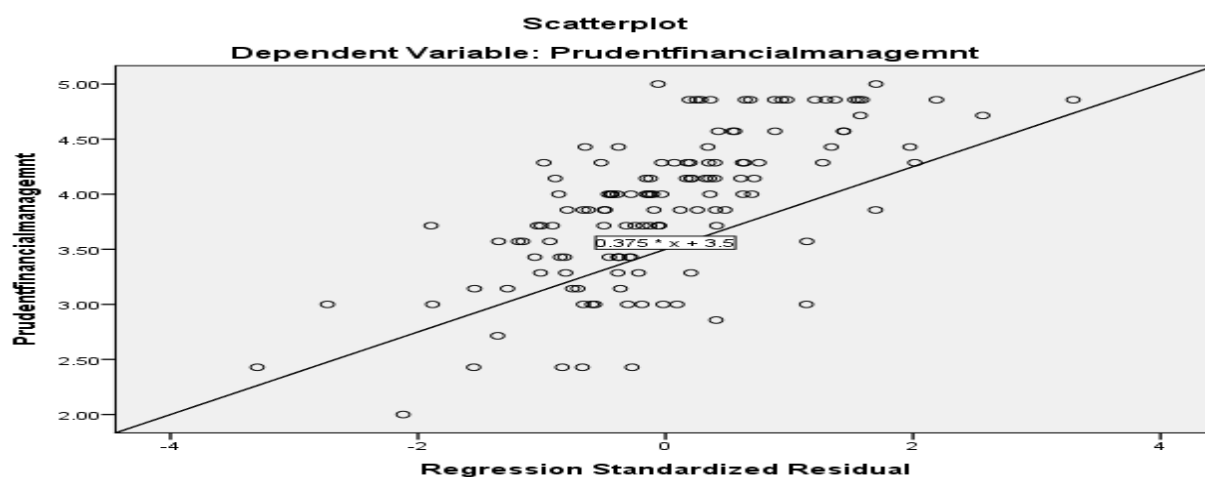
Linearity means that the amount of change or rate of change, between scores on two variables is constant for the entire range of scores for the variables.

#### 4.6.1.3 Test of Multicollinearity

Multicollinearity test was carried out to establish if the one or more predictor variables in a multiple regression model are highly correlated so that one can be linearly predicted from the others. Variance Inflation Factor (VIF) and coefficient of correlation between variables was used to test Multicollinearity. Table 4.10 results showed that the entire variable had VIF which were greater than 1 and less than 10 (Haire *et al.*, 2006). Hence we conclude that there was no multicollinearity. Also all the coefficients of correlation were less than 0.8 in table 4.8 as recommended by Haire *et al.*, (2006).

#### 4.6.1.4 Test of Homoscedasticity

Figure 4.2 summarizes the study finding on the assumptions of regression model using scatter plots which was within the trend line.



**Figure 4.2: Scatter Plot**

The study findings are as shown in the above figure. From the findings the spread of predicting variables are along the normal plot. Homoscedasticity refers to the assumption that the dependent variable exhibits similar amounts of variance across the range of values for an independent variable.

#### 4.7 Test of Hypotheses

Table 4.10 below summarizes the study finding on coefficients of regression analysis to test the study hypothesis.

**Table 4.10 Regression Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig. Collinearity Statistics		
	B	Std. Error	Beta		Tolerance	VIF	
(Constant)	.249	.0318		7.830	.043		
1 CE	.254	.076	.220	3.351	.001	.807	1.239
CA	.381	.081	.389	4.706	.000	.507	1.974
CT	.310	.095	.268	3.256	.001	.512	1.954
(Constant)	.430	.0321		13.39	.018		
2 CE	.235	.075	.203	3.133	.002	.798	1.253
CA	.393	.080	.401	4.924	.000	.505	1.980
CT	.490	.119	.423	4.102	.000	.315	3.177
IF	-.222	.092	-.210	-2.421	.017	.443	2.256

Dependent Variable: Prudent financial management

CE=Committee Ethics, CA=Committee Awareness, CT=Committee Ethics and IF=Institution Factors

**Source: (Survey data, 2015)**

Rule of the thumb when accepting or rejecting a hypothesis is accept when p-value is more than  $\alpha$  and reject a hypothesis when p-value is less than  $\alpha$ . For this study  $\alpha = 0.05$  and will be compared with p-values applicable to the stated hypotheses as below (Sekaran, 2003).

Hypothesis 1(**H<sub>01</sub>**) stated that there is no statistically significant relationship between procurement committees ethics and prudent financial management. Findings showed that procurement committees ethics had coefficients of estimate which was positively associated to prudent financial management and had a significant effect basing on  $\beta_1 = 0.254$  (p-value =

0.000 which was less than  $\alpha = 0.05$ ), which implied that with one unit increase in committee ethics prudent financial management will change by 0.220 units as shown in table 4.10. The study finding was in line Sauber *et al.*, (2008).

According to Sauber *et al.*, (2008), ethics in professionals is the important attribute that influence individual behavior towards a certain attribute. Therefore the null hypothesis was rejected and it was concluded that procurement committees' ethics has a statistical significant effect on prudent financial management.

Hypothesis 2 (**H0<sub>2</sub>**) stated that there is no statistically significant relationship between procurement committee's awareness and prudent financial management. However, research findings showed that procurement committee's awareness had coefficients of estimate which positively associated to prudent financial management and had a significant effect basing on  $\beta_2 = 0.381$  (p-value = 0.005 which was less than  $\alpha = 0.05$ ), which implied that with one unit increase in committee awareness prudent financial management will change by 0.389 units as shown in table 4.10. The study finding was in line Sauber *et al.*, (2008). According to the sentiments of Sauber *et al.*, (2008) and Gelderman *et al.*, (2006) concluded that educating professionals and equipping them with new and higher-level skills have consequently become urgent. Hence the null hypothesis was rejected and it was concluded that procurement committee's awareness has a statistical significant effect on prudent financial management.

Hypothesis 3 (**H0<sub>3</sub>**) stated that there is no statistically significant relationship between procurement committee's training and prudent financial management. However, research findings showed that procurement committee's training had coefficients of estimate which is positively associated to prudent financial management and had a significant effect basing on  $\beta_2 = 0.310$  (p-value = 0.005 which was less than  $\alpha = 0.05$ ), which implied that with one unit increase in committee training prudent financial management will change by 0.268 units as shown in table 4.10. The study findings were in line with the findings of Hwang and Powell (2009; Scott (2008).

Hence the null hypothesis was rejected and it was concluded that procurement committee's training, has a statistical significant effect on prudent financial management. The regression model for data is:  $Y$  (Prudent financial management) = 0.249 + 0.254 (Committee Ethics) + 0.381 (Committee Awareness) + 0.310 (Committee Ethics)

#### 4.7 Model Summary

Table 4.11 below summarizes the study finding on regression analysis to test the model fit as shown below.

**Table 4.11 Model Summary**

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.729 <sup>a</sup>	.532	.521	.45295	.532	51.112	3	135	.000	
2	.743 <sup>b</sup>	.551	.538	.44501	.020	5.863	1	134	.017	1.595

a. Predictors: (Constant), committee ethics, committee awareness and committee training

b. Predictors: (Constant), committee ethics, committee awareness, committee training and institutional factors

c. Dependent Variable: Prudent financial management

The results showed that all the three predictors in model 1 (committee ethics, committee awareness and committee training) explained 53.2 percent variation of prudent financial management. This means that there are other factors that explain 46.8%. Further table 4.11 illustrates the model summary of multiple regression model controlling for institutional factors, the results showed that all the four predictors in model 2 (committee ethics, committee awareness, committee training and institutional factors) explained 55.1 percent variation of prudent financial management meaning that there are other factors that explain 44.9%. Including institutional factors into the model it increased the variation by 2.7%. The

four study independent and control variables (committee ethics, committee awareness, committee training and institutional factors) predicts prudent financial management by 53.8% (Adjusted R squared =0.538). Possible other factors or variables to explain 46.2% are leadership component of an organization and their support towards prudent financial management, availability of adequate funding or financial capability of an organization to support and sustain quality service delivery efforts and initiatives so as to enhance prudent financial management.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Overview

This chapter presents the summary of findings, conclusion, recommendations and further research recommendations that are deemed important for the extension of the research.

#### 5.1 Summary of Findings

The study collected data from 139 procurement committee members from 36 secondary schools in Nandi County, amongst these respondents; among the female and male respondents the majority were their male counterpart, in terms of age, majority of the teachers in the procurement committee were below fourth years while majority of the schools had a student population of no more than four hundred students. Majority of respondent agree that the school advertise all goods and services that they require publicly. However majority of the respondents articulated that they advertise for goods only for two weeks. Majority of the procurement committee members were in line that they prepare procurement plans. Finally the respondent were ask how long does it take the procurement committee to prepare a procurement plan majority of the procurement committee postulated they take two weeks in establishing procurement plans.

The correlation findings revealed that procurement committee ethics was positively and significantly associated with prudent financial management ( $r = 0.441$ ,  $\rho < 0.01$ ) indicating that committee ethics had 19.45% variation on prudent financial management based on coefficient of determination. Secondly, procurement committee awareness was positively and significantly correlated to prudent financial management with ( $r = 0.596$ ,  $\rho < 0.01$ ) showing that committee awareness has 35.52% positive variation on prudent financial management based on coefficient of determination of committee awareness. Lastly

procurement committee training was positively correlated with prudent financial management ( $r = 0.566$ ,  $\rho < 0.01$ ) an indication of 32.04% positive relationship with prudent financial management.

The study findings also showed that procurement committee ethics had significant and positive effect on prudent financial management. This indicates hypothesis 1 was rejected ( $\beta_1 = 0.222$ ,  $p\text{-value} = 0.001$ ). Hence, increase in committee ethics through committee member's efforts to treat customers with dignity and respect, being courteous and friendly to customers, and instilling confidence in customers through integrity will lead to adherence to procurement Act and Regulation which will lead to prudent financial management. Procurement committee awareness was also found to have a positive and significant effect on prudent financial management. This indicates hypothesis 2 was rejected ( $\beta_2 = 0.389$ ,  $p\text{-value} = 0.000$  which was less than  $\alpha = 0.05$ ). Hence, if committee members are aware of procurement Act and Regulation they will depict better procurement practices that will lead to prudent financial management in the respective schools. This was in line with the sentiments of the county educational auditor who emphasized on training and awareness of the tendering committee members.

Further the study also established a positive and significant effect of procurement committee training on prudent financial management. Thus, hypothesis 3 was rejected ( $\beta_3 = 0.268$ ,  $p\text{-value} = 0.001$  which was less than  $\alpha = 0.05$ ). This infers that if committee members are trained on procurement procedures and regulations they will be able to adhere to procurement Act and Regulation which will eventually lead to prudent financial management. Finally, the study also established the effect of institutional factors such as organization culture, strategic planning and regulatory enforcement. The findings revealed that institutional factors had negative and significant effect on prudent financial management basing on ( $\beta_4 = -0.210$ ,  $p\text{-value} = 0.017$  which was less than  $\alpha = 0.05$ ). Institutional factors also increased the R square meaning it had a negative effect on the direction of the relationship between the study



variables. From the interview schedule of the auditor it was clear that institutional factors played a major role in financial management of schools.

## 5.2 Conclusion

The results of this study have delivered insights on the effect of procurement committee awareness, procurement committee ethics and procurement committee training on prudent financial management. Overall, the results showed no support for the study hypotheses. Procurement committee awareness, procurement committee ethics and procurement committee training were found to have a positive and significant effect on prudent financial management. Further to this and basing on percentages of the respondents, the following detailed notable conclusions can be made in regard to the objectives of the study.

On procurement committee awareness, the study revealed that committee members generally award tenders to well know suppliers which is not in line with procurement Act and regulation, even though they advertise the tenders and give equal chances to all the bidders we can attribute that the committee members are aware of the procurement act and regulation. The study also found committee training to have a significant effect on prudent financial management. Therefore training of committee members should be a prerequisite to ensure prudent financial management. Finally committee ethics was also found to be significantly associated with prudent financial management. Committee ethics is important in guiding the daily operations of school tendering committee and to provide them with guiding principles.

### **5.3 Recommendations**

The following recommendations were made based on the findings of the study. They are directed at improving procurement process and ensuring adherence to public procurement Act and Regulation so as to enhance the improvement of prudent financial management in secondary schools in Kenya. As a result of these study findings, the researcher puts forward the following policy recommendations: It is important to offer ethics education to school tendering committee members in order to ensure they serve in ultimate objectivity, accountability, and non-discrimination.

The organization code of ethics should be well put in place and adhered to; in order to guide the daily operations of school tendering committee and to provide them with guiding principles. Further the school should train tendering committee, suppliers/ bidders on the proper procurement procedures and practices so as to create consistency and to reduce cost. The public procurement oversight authority should consistently evaluate and audit performance of schools tendering committees so as to ensure purchases made are in compliance with the law of procurement so as to ensure prudent financial management in secondary schools.

### **5.4 Areas for Further Studies**

The primary purpose of the study was to investigate the effect of procurement committee awareness, procurement committee ethics and procurement committee training on prudent financial management among secondary schools in Nandi County, Kenya. The limitations of this study will be focus for future research. It is a cross sectional study where data was collected at a particular time that makes it restricted to that particular time.

Also, we cannot attribute prudent financial management on the three studied variables (committee awareness, committee training and committee ethics) only since there might be

other factors that contribute to prudent financial management. Further studies should consider the effect of procurement act and regulation compliance and its effect on service quality.

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**Appendix I: Questionnaire**

David Koech  
Moi University  
P.O. Box 3900  
**Eldoret**

Dear respondent,

**RE: REQUEST TO FILL THE ATTACHED QUESTIONNAIRE**

I am a master's student from Moi University, School of Education. I am currently on research work and would like to request your assistance in filling the attached questionnaire.

The questionnaire has been designed to gather information on “*effect of public procurement and Asset Disposal act and regulation compliance on prudent financial management.*”

The information you will present will be entirely for academic and learning purposes and will be treated with utmost confidentiality.

Thank you.

Yours faithfully,

David Koech

davidkwakoech@gmail.com

### SECTION A: DEMOGRAPHIC INFORMATION.

In this section the study would like you to provide some background information about yourself and your school. This information will, like the rest of the questionnaire, be treated confidentially. Please fill in the blank or tick (✓) appropriately. Note: only one tick for each question.

1. What is your Gender?

A. Female  B. Male

2. What is your age bracket?

Below 30  31-40  41-50   
51-60  Above 60

3. Indicate your highest education level.

Certificate  Diploma  Bachelor degree   
Masters/doctoral

#### Section A 2

1. What category is your school?

- a. Sub-County school
- b. County school
- c. Extra county
- d. National school

2. How long has the school been since it established?

Less than 5 years  5-10 years  11-15 years   
16-20 years  above 20 years

3. How long have you served in the school? \_\_\_\_\_
4. Does the school advertise for goods and services publicly?  
 a. None at all  b. some of them  c. all of them
5. Total number of students in the school?  
 -----
6. Do you prepare a procurement plan? Yes    
 Give reasons for your answer  
 \_\_\_\_\_  
 \_\_\_\_\_
7. How long does it take the procurement committee to prepare a procurement plan?  
 a. One week  b. Between one and two months   
 c. Between three and four months  d. Five months and above
8. How long does it take the school to advertise for goods and services?  
 a. One week  b. Two weeks  c. Three weeks   
 d. One month
9. How long does it take the school to evaluate tender documents submitted by tenderers?  
 a. Between one and three weeks  b. Between One and three   
 Months   
 c. Three months and above
10. How often does the school procurement committee meet?  
 a. Monthly  b. quarterly  c. Every six months  d. yearly
11. Do the meetings have any effect on procurement process?  
 Yes  No

If yes, how?.....

12. Requirement of public procurement Act and Regulation one should be trained

13.

## Section B: Public Procurement Act and Regulation Compliance

In this section the study is interested in your view on procurement Act and regulation compliance in your secondary school. Answer by indicating the appropriate category that best fits your opinion. The categories are:

1-Strongly disagree, 2-disagree, 3-Neutral, 4-Agree, 5-Strongly agrees

1	Committee ethics	1	2	3	4	5
	a) We normally award tenders to suppliers well known to some of the committee members					
	b) The tendering committee always advertise the tenders and give equal chances to all the bidders					
	c) Typically adopts a cautious, “wait-and see” posture in order to minimize the probability of making costly decisions.					
	d) Suppliers who attempt to win a contract in an unfair manner by granting personal benefits to committee members are excluded from award of contracts in future					
	e) Committee members keep bids confidential until the public opening					
	f) Committee members provide adequate notice of invitation to bids					
2	Committee awareness	1	2	3	4	5
	a) Clarity of the procurement laws and regulations is a prerequisite for Public Procurement					
	b) The procurement process is always transparent and open to the public for scrutiny.					
	c) All Committee members are aware of public procurement Act					
	d) Procurement Act has strengthened and controlled school expenditure.					
	e) Committee members are aware financial management practices					

	f) All the school purchases are in compliance with public procurement Act					
	g) We are conversant with public procurement Act and Regulation governing public institutions					
	h)					
3	Committee training					
	Generally	1	2	3	4	5
	If the workforce is not adequately educated in procurement law, serious consequences; including, breaches of the law will occur					
	All procurement committee members don't have appropriate competences to handle the compliance process					
	Most of the committee members of Public Procurement are properly trained and lack skills required to run the compliance processes					
	We are familiar with all procurement procedures and regulations					
4	Institutional Factors					
	The strategic plan enhances implementation of public procurement Act and Regulation					
	Regulation enforcement promotes public procurement					
	The school culture favors good procurement procedures culture					
	The school culture is compatible with public procurement Act					
	The strategic plans have relevant performance pillars					
	School culture enhances implementation of public procurement Act					

#### **SECTION D: Overall Compliance to Public Procurement Act and Regulation**

In this section the study is interested in your view on Public Procurement Act and regulation compliance of your school. Answer by indicating how the school normally works by indicating in the appropriate category that best fits your opinion. The categories are:

**Key: 1. SD- Strongly Disagree, 2. D-Disagree, 3. N-Neutral, 4. A-Agree, 5. SA -Strongly**

Agree

	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
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There has been an increase in saving and cost cutting in the procurement system of the school					
The quality in the procurement process has been enhanced in the school tendering process					
Transparency in the procurement process has been enhanced in the school tendering process					
Efficiency in the procurement process has been enhanced in the school tendering process					
There is coherent and united views among the main stakeholders on development and function of school procurement					
There is always fair competition among suppliers while we maintain reliable sources of supply.					

### Section C: Prudent Financial Management

In this section the study is interested in your view on financial management of your school.

Answer by indicating how the school normally works by indicating in the appropriate category that best fits your opinion. The categories are:

1-Strongly disagree, 2-disagree, 3-Neutral, 4-Agree, 5-Strongly agrees

Item	1	2	3	4	5
There is transparency in all the payment made on behalf of the school					
We are accountable as a school to our stake holders					
Auditing that are done for the school adheres to auditing standards					
There is timeliness submission of audit books to the county education office					
We always have a strict follow up on audit report to improve school financial management					
We are held accountable for our own actions and consequences.					



**Appendix II: Interview Schedule for Auditor**

1. For how long have you served at the county educational office?

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2. Are you satisfied with the financial management of secondary schools in Nandi County?

Yes [ ]

No [ ]

Briefly explain your answer?

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3. In what ways does Auditing affect schools management?

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4. Do you train secondary schools procurement committees?

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5. How does compliance to procurement Act and regulations affect schools financial management?

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**Appendix III: List of Public Secondary Schools in Nandi County**

1	29513101	KAPSABET GIRLS HIGH SCHOOL – Girls Boarding
2	29513103	CHEMUNDU SECONDARY SCHOOL – Mixed Day
3	29513104	KABIKWEN SECONDARY SCHOOL – Mixed Day
4	29513105	KAPTILDIL SECONDARY SCHOOL – Mixed Day
5	29513106	KAMOBO SECONDARY SCHOOL – Mixed Day
6	29513109	KIPSIGAK HIGH SCHOOL – Boys Boarding
7	29513112	ST. BARNABAS HIGH SCHOOL TEGAT – Mixed Day
8	29513201	KAPTEL BOYS HIGH SCHOOL – Boys Boarding
9	29513202	KIBORGOK HIGH SCHOOL – Mixed Day & Boarding
10	29513203	CHEMUSWA SECONDARY SCHOOL – Mixed Day
11	29513204	SANIAK SECONDARY SCHOOL – Mixed Day
12	29513205	KOMBE SECONDARY SCHOOL – Mixed Day
13	29513206	KAPSISIYWA SECONDARY SCHOOL – Mixed Day
14	29513208	CHEPKUMIA SECONDARY SCHOOL – Mixed Day
15	29513209	KABWARENG SECONDARY SCHOOL – Mixed Day
16	29513210	FR.KUHN SECONDARY SCHOOL – Mixed Day
17	29513211	ST. PAUL’S ACK GIRLS SECONDARY SCHOOL- KAPTEL – Girls Boarding
18	29513212	A.I.C. KAMOYWO GIRLS SECONDARY SCHOOL – Girls Boarding
19	29513213	KIMNYOASIS SECONDARY SCHOOL – Mixed Day
20	29513301	KILIBWONI HIGH SCHOOL – Boys Boarding
21	29513302	KAPCHEMOYWO GIRLS SECONDARY SCHOOL – Girls Boarding
22	29513303	OUR LADYOF VICTORY GIRLS KAPNYEB – Girls Boarding
23	29513304	TERIGE SECONDARY SCHOOL – Boys Boarding

24	29513305	TULON HIGH SCHOOL – Mixed Boarding
25	29513306	NDUBENETI SECONDARY SCHOOL – Mixed Boarding
26	29513307	KABIRIRSANG SECONDARY SCHOOL – Mixed Day
27	29513308	KAPKAGAON SECONDARY SCHOOL – Mixed Boarding
28	29513309	ST. ROBERTS ARWOS MIXED DAY SECONDARY SCHOOL – Mixed Day
29	29513310	KIPTURE SECONDARY SCHOOL – Mixed Day
30	29513401	ST.JOSEPH’S GIRLS-CHEPTERIT – Girls Boarding
31	29513402	CHRIST THE KING HIGH SCHOOL CHEPTERIT – Mixed Day
32	29513403	KOSIRAI HIGH SCHOOL – Mixed Day
33	29513404	A I C KOSIRAI GIRLS SEC SCHOOL – Girls Boarding
34	29513405	ST. PATRICK NDAPTABWA SECONDARY SCHOOL – Mixed Day
35	29523101	KEMELOI BOYS SECONDARY SCHOOL – Boys Boarding
36	29523102	KAPSENGERE SECONDARY SCHOOL – Boys Boarding
37	29523103	SEREM SECONDARY SCHOOL – Boys Boarding
38	29523104	KOIBARAK SECONDARY SCHOOL – Mixed Day
39	29523105	BANJA SECONDARY SCH – Mixed Day & Boarding
40	29523106	KAPKEBEN AIC GIRLS SECONDARY SCHOOL – Girls Boarding
41	29523107	BONJOGE A.I.C BOYS SECONDARY SCHOOL – Boys Boarding
42	29523108	KAPKURES SECONDARY SCHOOL – Mixed Day
43	29523109	KEMELOI GIRLS SECONDARY SCHOOL – Girls Day & Boarding
44	29523110	KOITABUT SECONDARY SCHOOL – Mixed Day
45	29523111	CHEBARA SECONDARY SCHOOL – Mixed Day
46	29523112	BISHOP MAKARIOS BOYS-KESENGEI – Boys Boarding
47	29523113	CHEPKUNY SECONDARY SCHOOL – Mixed Day
48	29523114	ST. ANNE’S GIRLS’ KAPKEMICH – Girls Boarding
49	29523201	KIMAREN SECONDARY SCHOOL – Mixed Day
50	29523202	MARABA SEC SCH – Mixed Day
51	29523203	KAPTUMEK SECONDARY SCHOOL – Mixed Day

52	29523204	FR. MAIR GIRLS SECONDARY SCHOOL – Girls Boarding
53	29523205	A.I.C CHEPKEBUGE SECONDARY SCHOOL – Mixed Day
54	29523301	KAPTUMO BOYS HIGH SCHOOL. – Boys Boarding
55	29523302	ALDAI GIRLS SEC SCH – Girls Boarding
56	29523303	CHEPKONGONY SECONDARY SCHOOL – Mixed Day
57	29523304	NDURIO SECONDARY SCHOOL – Mixed Day
58	29523305	KOYO SECONDARY SCHOOL – Mixed Day
59	29523306	KESOGON SECONDARY SCHOOL – Mixed Day
60	29523307	AIC CHEBISAAS GIRLS SECONDARY SCHOOL – Girls Boarding
61	29523308	KAPKOLEI GIRLS SEC SCH – Girls Boarding
62	29523309	KIPTULUS SECONDARY SCHOOL – Mixed Day
63	29523310	KEBURO SECONDARY SCHOOL – Mixed Day
64	29523401	CHEMASE SECONDARY SCHOOL – Mixed Day & Boarding
65	29523402	ST.PAULS CHEMALAL A.C.K SECONDARY SCHOOL – Mixed Day
66	29540101	KABIYET BOYS SECONDARY SCHOOL – Boys Boarding
67	29540102	CHEPTIL SECONDARY SCHOOL – Mixed Day & Boarding
68	29540103	SANG’ALO SECONDARY SCHOOL – Mixed Day
69	29540104	STEPHEN KOSITANY GIRLS’ HIGH SCHOOL – Girls Boarding
70	29540105	KEBULONIK SECONDARY SCHOOL – Mixed Day
71	29540106	ST MICHAEL’S SECONDARY SCHOOL KABISAGA – Mixed Day
72	29540107	EISERO GIRLS SECONDARY SCHOOL – Girls Boarding
73	29540109	ST. PATRICK’S CHEMNOET SECONDARY SCHOOL – Mixed Day
74	29540111	A C K KIMOGOCH SECONDARY SCHOH OOL – Mixed Day
75	29540112	TABOLWA SECONDARY SCHOOL – Mixed Day
76	29540113	ST. THOMAS SECONDARY SCHOOL – KAIBOI – Mixed Day
77	29540201	KURGUNG SECONDARY SCHOOL – Boys Boarding
78	29540202	LABORET BOYS HIGH SCHOOL – Boys Boarding
79	29540203	ST. TERESA OF AVILA GIRLS – NDALAT – Girls Boarding
80	29540204	TULWO GIRLS HIGH SCHOOL – Girls Boarding

81	29540205	NDALAT GAA GIRLS' SECONDARY SCHOOL – Girls Boarding
82	29540206	ST MONICA SEC.SCHOOL. KAPKOROS – Mixed Day & Boarding
83	29540207	ST.BRIGITTA GIRLS HIGH SCHOOL – Girls Boarding
84	29540208	ST. CLEMENT SECONDARY SCHOOL-NYIGOON – Mixed Day
85	29540209	KAPKOIMUR SECONDARY SCHOOL – Mixed Day
86	29540210	A.I.C CHEPKEMEL SECONDARY SCHOOL – Mixed Day
87	29540211	AIC KAMANYINYA SECONDARY SCHOOL – Mixed Day
88	29540213	ST. PETERS NGENYILEL SECONDARY SCHOOL – Mixed Day
89	29540214	ST. JOSEPH'S KAPKENYELOI – Mixed Day
90	29540215	OLMAROROI SECONDARY SCHOOL – Mixed Day
91	29540216	TANGARATWET SECONDARY SCHOOL – Mixed Day
92	29540217	AIC KIMONG' SEC SCH – Mixed Day
93	29540218	KAMUNGEI SECONDARY SCHOOL – Mixed Day
94	29540301	LELMOKWO HIGH SCHOOL – Boys Boarding
95	29540302	MOI HIGH SCHOOL ,SIRGOI – Boys Boarding
96	29540303	ITIGO GIRLS SECONDARY SCHOOL – Girls Boarding
97	29540304	NGECHEK SECONDARY SCHOOL – Mixed Day & Boarding
98	29540305	ST FRANCIS CHEPTARIT SECONDARY SCHOOL – Girls Boarding
99	29540306	SIGOT SECONDARY SCHOOL – Mixed Day
100	29540307	AIC CHEPTWOLIO SECONDARY SCHOOL – Mixed Day
101	29540308	NDONYONGARIA SECONDARY SCHOOL – Mixed Day
102	29540309	ST JUDES KOKWET SECONDARY SCHOOL – Mixed Day
103	29540310	AIC MOSORIOT SEC SCHOOL – Mixed Day
104	29540311	AIC ITIGO MIXED SEC SCH – Mixed Day
105	29541101	LELWAK SECONDARY SCHOOL – Boys Boarding
106	29541102	SOCHOI SECONDARY SCHOOL – Boys Boarding
107	29541103	SOCHOI A.I.C GIRLS SECONDARY SCHOOL – Girls Boarding
108	29541104	KOILLOT SECONDARY SCHOOL – Mixed Day
109	29541105	OL'LESSOS MIXED DAY SECONDARY SCHOOL – Mixed Day

110	29541106	SIWO SECONDARY SCHOOL – Mixed Day
111	29541201	SAMOEI BOYS SECONDARY SCHOOL – Boys Boarding
112	29541202	OUR LADY OF PEACE GIRLS’ SECONDARY SCHOOL – Girls Boarding
113	29541203	TAITO K.T.G.A SECONDARY SCHOOL – Mixed Boarding
114	29541204	CHEPKUNYUK SEC SCHOOL – Girls Boarding
115	29541205	KABOTE ADVENTIST SEC. SCHOOL – Mixed Boarding
116	29541207	KAPLELMET SECONDARY SCHOOL – Mixed Day
117	29541208	KAPSIMOTWA SECONDARY SCHOOL – Mixed Day
118	29541209	SAVANI SECONDARY SCHOOL – Mixed Day
119	29541210	SIRET SECONDARY SCHOOL – Mixed Day
120	29541211	KOSOIYWO SECONDARY SCHOOL – Mixed Day
121	29542101	METEITEI BOYS SECONDARY SCHOOL – Boys Boarding
122	29542102	ST.MARY’S TACH ASIS GIRLS SECONDARY SCHOOL – Girls Boarding
123	29542103	GOT NE LEL SECONDARY SCHOOL – Mixed Boarding
124	29542104	A I C SETEK SEC SCHOOL – Mixed Day
125	29542105	ST JOHN TACHASIS MIXED DAY SECONDARY SCHOOL – Mixed Day
126	29542106	FR.MARTIN BOYLE KABOLEBO SECONDARY SCHOOL – Mixed Day
127	29542107	ST. ANDREW SECONDARY SCHOOL – SENETWO – Mixed Day
128	29542108	KAPKOROS SECONDARY SCHOOL – Mixed Day
129	29542109	FR. MARTIN BOYLE ACADEMY SECONDARY SCHOOL – Mixed Day
130	29542201	HENRY KOSGEI SECONDARY SCHOOL – Mixed Boarding
131	29542202	KIMWANI SECONDARY SCHOOL – Mixed Day
132	29542203	TAUNET SEC SCHOOL – Mixed Day
133	29542301	TINDERET SECONDARY SCHOOL – Mixed Day & Boarding
134	29542302	CHEPTONON MIXED SECONDARY SCHOOL – Mixed Day & Boarding
135	29542303	CHEMAMUL SECONDARY SCHOOL – Mixed Day
136	29542304	MUTUMON SECONDARY SCHOOL – Mixed Day

## Appendix IV: Study Area Map



## Appendix V: Research Permit

NACOSTI

**NATIONAL COMMISSION FOR SCIENCE,  
TECHNOLOGY AND INNOVATION**

Telephone: +254-20-2213471,  
2241349, 3310571, 2219420  
Fax: +254-20-318245, 318249  
Email: dg@nacosti.go.ke  
Website: www.nacosti.go.ke  
when replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. Date:

NACOSTI/P/16/52429/12883 24<sup>th</sup> August, 2016


David K. Koech  
Moi University  
P.O. Box 3900-30100  
ELDORET.

**RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Effect of public procurement act and regulations compliance on prudent financial management in public secondary schools in Nandi County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Nandi County** for the period ending 9<sup>th</sup> August, 2017.

You are advised to report to **the County Commissioner and the County Director of Education, Nandi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
BONIFACE WANYAMA  
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner  
Nandi County.

The County Director of Education  
Nandi County.



Appendix V: Research Permit

THIS IS TO CERTIFY THAT:  
**MR. DAVID K KOECH**  
of **MOI UNIVERSITY, 652-30100**  
eldoret, has been permitted to conduct  
research in **Nandi County**

Permit No : **NACOSTI/P/16/52429/12883**  
Date Of Issue : **24th August, 2016**  
Fee Received : **Ksh 1000**

on the topic: **EFFECT OF PUBLIC  
PROCUREMENT ACT AND REGULATIONS,  
COMPLIANCE ON PRUDENT FINANCIAL  
MANAGEMENT IN PUBLIC SECONDARY  
SCHOOLS IN NANDI COUNTY, KENYA**

for the period ending:  
**9th August, 2017**

**Applicant's  
Signature**



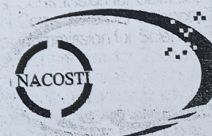
**Director General,  
National Commission for Science,  
Technology & Innovation**

**CONDITIONS**

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.**
- 2. Government Officer will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one (1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice**



**REPUBLIC OF KENYA**



**National Commission for Science,  
Technology and Innovation  
RESEACH CLEARANCE  
PERMIT**

Serial No.A **10743**

**CONDITIONS: see back page**