

**DETERMINANTS OF EFFECTIVE UTILIZATION OF SCHOOL
FUNDS IN PUBLIC SECONDARY SCHOOLS IN KENYA: A
CASE OF WARENG SUB COUNTY.**

BY

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This thesis is my original work and has not been submitted for any degree in any university.

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DEDICATION

This work is dedicated to my dear wife Eddah and children, for prayers, support and love in the trying moments.

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ABSTRACT

The purpose of this study was to investigate the factors that influence utilization of funds in Kenyan secondary school and its effects on the role of value based leadership in Wareng sub county -Uasin Gishu County. Among its specific objectives were: assess the role of value based leadership on effective utilization of school funds, find out the effect of school characteristics on effective utilization of school funds, investigate the effect of school policy on effective utilization of school funds and to establish the effects of Board of Governors chairperson (B.OG),parents teachers association chairperson (P.T.A) and head of department chairperson (H.O.D)characteristics on effective utilization of school funds. The study was based on value based leadership theory that was propounded by Chen, J. (2009). The conceptual framework assumes that head teachers effectiveness in financial management was determined by personal, institutional, and moral factors that guide schools. A descriptive survey design was adopted. A sample size of 49 respondents comprising 12 head teachers, 12 PTA chairpersons, 12 H.O.D, 12 BOG chairpersons and 1 Auditor were drawn from 12 public secondary schools to participate in the study through, purposive and stratified simple random sampling techniques. Data was collected using questionnaires and interview schedules for different categories. The study analyzed data using statistical package for social sciences (SPSS).Tables were used to present data. Based on the results or the data analysis, the study established that most of the head teachers were experienced in administrative position, had knowledge and basic skills in financial accounting management. This shows indispensable need to prudently manage school financial resources. It was further revealed that majority head teachers supported that KESI workshops were very good in financial management. The study also revealed that most head teachers follow the rules of school budgets and record transactions often as they occur. It was further revealed by the study that PTA does a good job of evaluating the performances of head teachers /board of governors measuring results against effectiveness. Moreover, the study also indicated that, there is a productive working relationship between the BOG,PTA and the head teacher on funds utilization (characterized by good communication and mutual respect).That school organization resource are used efficiently (good value for money spent).This study is significant in that, understanding the determinants of effective utilization will therefore be of value to educational management at institutional and policy making levels as well as other stakeholders interested in effective financial management for institutional and education sector development. The study therefore recommends that a comprehensive in service training be establish in order to empower the management with more relevant knowledge through information technology application on financial management. In addition close monitoring and evaluation be done in order to minimize chances of misappropriation of funds.

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ABBREVIATIONS

| | |
|-------------|---|
| B.O.G | Board of Governors |
| E.F.A | Education for All. |
| F. P. E | Free Primary Education |
| F.S.E | Free Secondary Education |
| G.F.M.A | Government Finance Utilization and Training Act |
| G.O.K | Government of Kenya |
| H.O.D | Head of Department |
| I.C.E | International Conference of Education |
| I.I.E.P | Institute of International Educational Planning |
| I.P.A.R | Institute of Policy Analysis and Research |
| K.I.M | Kenya Institute of Management |
| M.O.E.S.T | Ministry of Education Science and Technology |
| N.G.O | Non Governmental Organization |
| P.T.A | Parents Teachers Association. |
| T.I.Q.U.E.T | Totally Integrated Quality Education and Training |
| T.S.C | Teachers Service Commission |
| U.K | United Kingdom |
| U.S.A | United States of America |

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.0 Introduction

This Chapter presents the background of the study, the statement of the problem, the objectives, and the research questions which guided the study, the significance, justification, scope, limitations, assumptions, the theoretical framework and the definition of key terms.

1.1 Background to the Study

The Kenya government in Sessional Paper No 1 of 2005; states that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of rights of learners to education and redress of past inequalities in education provision. Effective financial utilization skills therefore are key elements of strong school governance (Alan, 1987). According to Encyclopedia. Com (2005); financial utilization is ensuring that money is well spent and not misused. This forms a basis of service delivery in secondary schools where funds utilization management is good, transparent and accountable to stakeholders for stewardship use of resources.

In this study, reference is made to similar situations of principals in Australia, New Zealand, United States of America, England and Africa. School boards (BOG) in Scotland for example were involved in determining the overall policies on effective utilization of public funds, objectives and ethos at the school. According to the Institute of Policy Analysis and Research (IPAR view issue 2007:3), there is mismanagement in public secondary schools in Kenya particularly at the administration and board levels with regards to procurement of school equipment, consumables, learning materials and hiring of teaching and non-teaching staff. One

reason for this is the failure of schools to adopt modern technology in their financial utilization practices.

According to National Institute on Education, Governance, finance, policy making journal (2008), Ministry of Education continues to employ archaic techniques in the administration of Education Institutions. The tools for utilization and evaluation of public education institutions have remained static for a long time despite the rapid technological, socio – cultural and economic changes in the country.

There are also utilization related problems that arise from the ethical stewardship of schools. Education Act 1968 defines a manager as any person or body of persons responsible for the utilization and conduct of a school and includes board of governors (BOG). Research states that the Act, read with Teachers Service Commission Act, Cap 212, confers extensive powers on the Minister of Education over the utilization and regulating of education in Kenya. Similarly the public procurement and disposal Act (2005) has granted teachers the power to control the tendering and procurement process in public schools. Related studies also point out that the government Finance Utilization Act, 2004 empowers the board of governors (BOG) on the utilization of government funds under the free primary education (F.P.E) and free secondary education (F.S.E) programs.

Financial resources are therefore critical in facilitating educational development in general but also are aiding institutional administration to achieve their objectives. It is important for educational managers to demonstrate awareness, skills and attitude in the utilization of this scarce resource in order to facilitate attainment of institutional goals. The study comes at a time when the paucity of finance due to uncertain times continues to weigh down on organizations but also in exciting times when stakeholders in education are increasingly keen on the accountability of financial

managers. Understanding the determinants of effective utilization will therefore be of value as educational managers at the institutional and policy making levels as well as other stakeholders interested in effective financial management for institutional and education sector development. This study therefore investigated the determinants of effective utilization of funds in public secondary school in Wareng Sub County.

1.2 Statement of the Problem

Several studies have investigated the role of transformative leadership in achieving change in schools (Argiris, 1994; Bass, 1998; Harris and House, 1999, Pastor and Mayo 2008). These studies underscore the role of transformation values that stimulate effective management of change in learning institutions. Harris and House (1999) for example argue that effective leaders are those who endear change or are those that are willing to make sacrifices in order to improve the functioning of their institutions.

Other studies have underscored the application of information technology as critical to effective utilization of funds, Ostrander, (2007); Lunnan and Haugland, (2008). Further, Ostrander (2007), argues that institutions become more innovative and accountable when they engage in information technology application.

A far less emphasis has also been put on value-based leadership (Chen, J. 2009) that deals with ethical orientations and convictions of leaders. This is surprising given that financial utilization or mis-alignment is primarily a problem of integrity. The proposed study sought to investigate the determinants of effective utilization of secondary school funds in Wareng Sub County. The Sub County was ideal for the study due to effective utilization practice displayed and reflected by complete projects in majority schools. According to Wareng sub county auditor's report (2009) states, funds utilization was good as per set objectives and priorities in most schools. From

the above report it shows a reflection of how determinants of effective utilization of school funds practice is undertaken in various schools in the entire sub county.

The problem that this study sought to find out was to investigate the determinants of effective utilization of funds in public secondary schools in Wareng sub County.

1.3 Purpose of the study

The purpose of this study was to investigate the determinants of effective utilization of funds in public secondary schools in Wareng sub County.

1.4 Objectives of the Study

The objectives that guided the study were to:-

1. Investigate the role of value based-leadership on effective utilization of school funds;
2. Find out the effect of school characteristics on effective utilization of school funds;
3. Investigate the effect of school policy on effective utilization of school funds;
4. Establish the effect of B.O.G, P.T.A and H.O.D characteristics on effective utilization of school funds.

1.5 Research Questions

1.5.1: Major Research Questions

What factors account for effective utilization of school funds?

1.5.2: Subsidiary Research Questions

1. What is the effect of value-based leadership on the utilization of school funds?
2. In what ways do effects of school characteristics influence the utilization of school funds?
3. How does school policy influence the utilization of school funds?
4. How do B.O.G, P.T.A and H.O.D characteristics influence the utilization of school funds?

1.6 Significance of the Study

The importance of the study depended on effectiveness or ineffectiveness of financial utilization skills of public secondary school head teachers. Therefore the findings of this study are expected to be a useful tool to the Ministry of Education in Planning on relevant areas where public head teachers requires financial utilization skills, guide to practicing head teachers in public secondary school to enable him/her improve financial utilization skills, fill the existing gap by providing more knowledge base on financial utilization skills required by public secondary head teachers, act as a data bank for further research undertakings, avail key information to various stakeholders on areas of concern and provide sound suggestions for improvement of head teacher's financial management.

1.7 Justification of the Study

Head teacher's management skills merit attention by government, educationists, policy developers, and stakeholders. This is justifiable in order for the schools achieve aims, objectives, and financial control to support the broad goals of education in Kenya. The literature cited however reveals that administrative problems have arisen in public schools. Olembo (1986) cited in Lelei (1998); notes that while useful information is given in the manual for heads of secondary schools, head teachers still had basic problems in accounting such as in indicating the amount of money allocated for various votes in the school.

Reports in the recent past also indicated that, head teachers have sometimes been accused of deliberately misappropriating school funds (N.I.E.G.F. Policy Journal 2008). It is, however, not clear how the integrity of the school head teachers can be enhanced to promote effective utilization of school funds in secondary schools. The

proposed study establishes the factors that promote effective utilization of school funds in order to design appropriate intervention.

1.8 The Scope

The study was done in Wareng sub County. A total of 12 schools were involved in the study. Head teachers, P.T.A, B.O.G, Academic master and sub county Audit Officer took part in the study. Public secondary schools in Wareng Sub County were targeted in the study. The study focused on leadership, school characteristics, school policy and P.T.A, B.O.G, Academic master characteristics as the primary explanatory factors for variations in perceived levels of effective management. Parents and teachers association chairperson's perception of schools' utilization of funds was served as the dependent variable. The study was undertaken in the month of September 2010.

1.9 Limitations of the Study

The researcher encountered the following constraints in the study:

- 1 Financial records were confidential and were not easily accessible however persuasions were used and assurance that the information obtained would be treated confidential and were for academic purposes only
- 2 Clear records of development projects were not up to date and therefore, effective utilization of school funds were directly observed because of the present out comes that were strongly moderated by past financial management.

1.10 Assumptions

The study made the following assumptions,

- 1) That P.T.A and B.O.G members in secondary schools are literate and in a position to oversee financial management in their respective schools.

- 2) Assurance of confidentiality encouraged participants to provide accurate and credible information.
- 3) The perception of Sub County Audit Officer constituted an accurate indicator of the level of financial utilization in various schools and inaccuracies or errors were not deliberate or systematic.

1.11 Theoretical Framework

This study was guided by value – based leadership Theory as postulated by Chen, J. (2009). This theory tries to convey the characteristics of value-based leaders. Values concerns what is morally right and wrong and can expressed in terms of: personal moral responsibility; making significant social contribution to others; concern for honesty and fairness; and meeting obligations to others; responsibility, school organization and stakeholders. Based on the above analysis, this study attempted to find out the determinants of head teachers effectiveness as chief executive officer (CEO) in utilizing public school funds . This was measured through Sub County audit officers' perception test which measured the effectiveness of utilization of school funds on scale of 1 to 5. Chief executive officers(CEO's) head teachers are usually regarded as both most powerful people and responsible for policy guidelines and development goals in enterprise organization or school. Since they are the chief decision makers they are responsible for the success and failure of organization. By letting their followers develop own –sense of commitment and passion. Their actions are consistent with a willingness to make certain sacrifice. Staff that has good financial management competencies will fulfill their financial management roles and responsibilities. Better specifically, they are more likely to take a more strategic approach to the deployment of financial resources in line with priorities. Perform their statutory and non-statutory roles more effectively. Hence good management practice

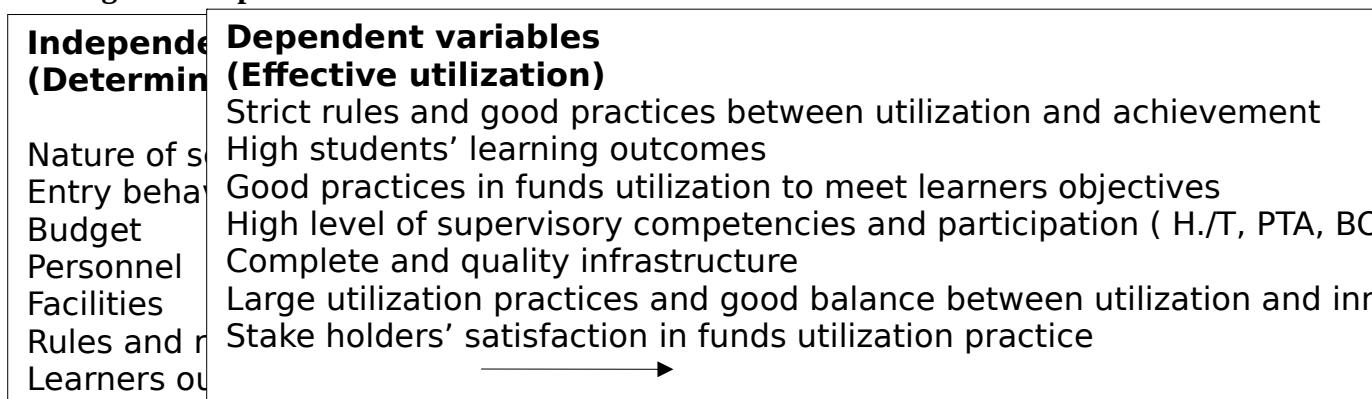
displayed since they can provide board of governors (BOG) with better information and support as value –based leaders.

1.12 Conceptual Framework

The conceptual framework of the study sought to link the head teachers' effectiveness in the utilization of school finances to personal factors such as the level of competence, age, perceived working conditions, school internal policies and moral or ethical leadership. The study assumes that, a variety of factors determined the head teachers' effectiveness.

The figure below illustrates relationship between independent variables (Determinant factors) between dependent variables (effective utilization) practices on secondary schools' funds.

Fig1: Conceptual model



Source: Researcher 2011

The figure above gives an illustration of the process through which outputs are realized in schools. It portrays the high level of supervisory competencies and participation among the head teachers, PTA and BOGs as the administrative process in the utilization of resources in a school set up. The components and elements that interrelate are interdependent. The conceptual model therefore, formed the theoretical framework for the study; however the PTA and BOG which forms part of the school management are expected to contribute to supervision of finance utilization practices in secondary schools.

The study focused on the role of value-based leadership, school characteristics, and school policy, establish the effect of PTA and BOG characteristic on effective utilization of school funds supervision practice. If proper supervision and networking is done, results to better fund utilization and learning outcomes in the school will be realized. This implies that PTA and BOGs who provide support in the supervision of funds utilization and learning processes are those with relevant competencies associated with their abilities and commitment to perform a task.

1.13 operational Definition of Key terms.

Effective management: refers to the art of managing properly, directing and using resource for a purpose.

Effective utilization: refers to policy acts to use all funds received for the running of the school in a sound manner.

Value-based leadership: This refers to the moral leadership of a school head teachers as perceived by auditors.

School Characteristics: refers to related features such as nature of school, entry behavior, budget, personnel and facilities in relationship to the operational cost utilization

School Funds: refers to public revenue from the government, charity, sponsors, NGO, Local authority and individual for rights of learner's education.

School Policy: This process mechanism for ensuring any school revenues are efficiently, utilized and ensure quality education provision.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the literature relevant to this study. It targeted the studies that have been carried out by other researchers on finance and more so financial utilization skills.

The review of the study covered financial utilization skills required by head teachers to competently and effectively manage financial resources in their schools. The sources of the literature were books, seminar papers, journals, thesis, newspapers, periodicals and magazines.

2.1 Review of related literature

Money is necessary for running the schools. If managed properly money fulfils the efforts of many but if managed badly it impairs them. The knowledge of good financial management is an essential ingredient of effectiveness (Alan 1987:1).

Good (1989)cited in Daudi (2003) held the view that, the efficiency of a school is determined largely by the amount of school revenue and the wisdom with which the revenue is expended .In Kenya the financial resource has also been recognized as one of the most crucial inputs into the education system, hence determinants of effective utilization of school funds is critical to the quality of learning outcomes(Government of Kenya Sessional Paper No1.2005).This view is in line with similar studies done by bennet (1974)cited in chumba (2013) and still applicable today situation that, management could be seen as a process through which a manager (head teacher) organizes other tasks in relationship to available resources in order to achieve desired goals. He goes on to argue out that, the availability of funds and their administration determined largely on the success of utilization otherwise of a school. Further

studies in support of this study, Kosgei(2001:131) sought to determine the optimal size and operational efficiency of Nandi sub county secondary schools. He may not have had any interest in management of school finances but found that there was need for proper resources utilization to any school management. More research on effective schools further revealed that most effective principals had a clear vision of how the school could serve its students, had aligned financial resources and priorities with the vision and could engage others. Moseti (2007) also in his study, point out that if the school is to operate smoothly the principal must be well equipped with both general utilization skills and special supervisory practices of good management. More studies by Institute of Policy Analysis and Research (IPAR) Policy View (issue 2007:3) noted that, it was important for the government as it reviews the financing of public secondary education in Kenya with a view to making it affordable to also address the issue of governance in public secondary school. These studies therefore revealed that there is a gap existing in determinants of effective financial utilization skills by head teachers in public secondary schools. The study recommended that determinants of effective utilization of school fund system be streamlined and reporting systems for all public schools is enhanced to improve transparency in the utilization of public secondary school funds.

2.1.1 Value- based leadership

Value based leadership roles concerns what is morally right and wrong and can be expressed in terms of personal moral responsibility, making significant social contribution to others ; concern for honesty and fairness. This study tries to investigate the determinants of effective utilization of school funds against the huge roles vested on head teachers as value based leadership. Similarly the study shows that, head teachers are perceived as the principal instrument through whom leadership

and management is carried out in schools, (RPCRERG, 2002). Fenwick (2006) indicates that in the developed world effective management of school plants has become an important factor in maximizing the utilization of the complex and demanding responsibilities of decision making, planning, management and funding of school plants. In most developing countries, head teachers encounter many problems in managing schools (Harber and Davies, 2002). These problems are attributed to many factors, among the most significant, lack of good systems in material allocation and inefficient resource utilization measures. Kenya is a country of few resources that should be put into effective use. The obvious question of wastage in effective utilization funds translate into wasted of individual and opportunities.

Cooper (1989) concurs; that schools need to create models of shared leadership which incorporate the talents and energy of principals, teachers, students and parents. More studies done in developed countries points out that executive officers (head teachers) are the decision makers, they are responsible for the success and failure of organization (Ibrahim and Goodwin,1986; McClelland and Burnham, 1976) and thus are also the leaders in such organizations (Redding, Norman and Schlander, 1994). A study done in Mozambique and Philippines by World Bank (2001) asserts, decision at the school level in these countries, were made by one representative of the school (the president of the school council). In other words, there is no single school management structure but a structured collaboration between school staff and other stakeholders. Nzuve (2000) and Armstrong,M.(2006) have analyzed ability, intelligence, skills, perceptions, age, education and work experience and concluded that they account for most variations in competencies, effectiveness and performance in any organization. Hoy & Miskel (2001) opine that, schools in Kenya operate in different contexts and educational managers need to be innovative by applying practical strategies in

circumstance of scarce resources. Henson defines administration as the steady state of ensuring that, an organization performs smoothly and efficiently to achieve predetermined goals.

In the light of all these studies, it is evident that the role of headship is becoming a challenge in management practice. According to Abagi (1997), indicators of efficiency and effectiveness in utilization of secondary funds in Kenya include; transparency and accountability on school management and resources utilization, utilization of school physical facilities such as textbooks, classrooms and desks, as well as resources allocation to both various levels of education and different inputs such as fees. More studies show that effective leadership is influenced by several factors which determine roles of such managers. Value based leadership roles according to these studies include goal emphasis, coordination and organization, power and discretionary decision making, human relations and concern for others. An index for effectiveness includes setting instructional goals, high expectation and focus on student achievement, work for effectiveness and efficiency, secure resources, generate alternatives, assist and facilitate to improve the instructional program, deal effectively with staff, parents, community, students, honesty and fairness. Ineffectiveness is reflected by low achievement, low morale and poor organization, slow decision making and gives excuses.

According to value-based leadership theory, values that are intrinsically and powerfully motivational must be ideological. Ideological values concern what is right and wrong and can be expressed in terms of; personal moral responsibility; making significant social contributions to others; concern for honesty and fairness, and meeting obligations to others, organizational stake holders (House, Delbecq, and Taris, 1999) .Research findings by pastor and Mayo's (2008) concurs that the value

and beliefs of leaders might be strongly associated with their perceived characteristics displayed in leadership style. The study therefore proposes value-based leadership theory as the conceptual basis for evaluating whether CEO's (head teacher) display characteristics of effective utilization of school funds in public secondary schools.

2.1.2 School characteristics

In the business world it is that, larger organizations can operate more efficiently than can smaller organizations so that size decreases per unit costs. The term economics of scale is used to refer to this concept. When applied to schools, this reasoning implies that larger schools will be more cost effective than are smaller schools (Mullins, 1973, Sybouts and Bartling, 1988, Jewell, 1989).

McGuffey and Brown (1978), related school size to the operational cost of facilities utilization. They found that larger schools had higher facilities utilization and experienced lower operational costs per student than did smaller schools. Abagi (1997) concurs further that, indicators of effectiveness and efficiency should include; resource allocation to both various levels of education, pupil-teacher ratios and teachers inputs in school utilization of school physical facilities such as textbooks, classrooms, desks, transparency and accountability on school management resource utilization is paramount.

Panday (2004) states that central issue of financial policy is the wise use of funds and the central process involved is a rational merging of alternatives potential sources so as to achieve the broad financial goals which an enterprise sets for itself. This implies that financial manager in his or her new role is concerned with the efficient allocation of funds. Financial management contributes a lot in achieving the firm's long-run objectives.

These studies concur with similar studies related to school policy. However, since “efficiency” implies maximizing inputs in an endeavor to produce optimum goods or services the processes for which the available inputs are allocated and used are crucial, in-service sector like education the processes themselves form part of the inputs (Abagi, O. Wasunna 1997).

The study findings therefore reveal roles, determinants of effective and ineffective school policies guiding utilization of secondary school funds. School policy roles could include rules and regulations, school organization, entry scores, learners outcome and tradition. Outcome of effective policy in school are shown by strict rules, good practice, high scores, large utilization practices and good balance between utilization and achievement/ innovation practices. Negative practice of ineffectiveness may include loose rules, poor organization, low scores, small utilization practices and above all poor balance in utilization and achievement target practice. Therefore policy acts as a guide to any public activities in which educational school policies direct players on what to do in this field.

These studies are therefore significant and support the study in identifying school characteristics that bring about effective utilization of school fund practice.

2.1.3 General Policy

The government of Kenya in Sessional Paper No. 1 of 2005 states public schools should use all funds received for the running of the school in the most effective manner and ensure that proper exercise of rights of learners to education is a priority.

Ngobolya K. (2008), In Financial Management and Control hand book, asserts that the management of learning institutions is accountable to parents, students, government and donors as appropriate for the use of institutions resources.

2.1.4 School Budget.

The management and the school budget have been delegated by the Governing body (BOG) to the finance committee (PTA). The day today management of the budget has been delegated to the head teacher. Monitoring of the school finances is an ongoing process. The finance committee (P.T.A) shall review all aspects of the schools budget each year in accordance with the principles of best value as set out in the government's guidelines or circulars to schools.

Based on above, the finance committee (PTA) will determine a proposed budget for the following financial year in sufficient times for it to be approved by the governing body (BOG) and submitted before the end of time. It includes a statement of assumptions on how it has been constructed and how best values will be achieved. , (Ngobolya 2008 and <http://www.wakefields>)

The head teachers will work closely within the finances committee (PTA) in monitoring the schools finances. An up to date written statements of the school finances shall be included in the head teacher's report to the governing body meeting (at least every term).The format shall show details of any virements and explanation for any variances which affects the above financial policy it gives details for the (BOG)governors to fully understand the school financial position.

Ngobolya (2008)further states that non compliances with financial management guidelines directives constitutes a bridge of duty and those responsible shall be liable for disciplinary action under the provision of teachers service commission (TSC)Act, the code of regulations for teachers and the penal code. The governing body (BOG) will ensure that the principle of obtaining best value are always followed as a useful

benchmark (Opondo2006) the head teacher has delegated responsibility to authorized purchases of good and service approved.

Ngobolya (2008) asserts, further that in special cases the BOG should review the listing of sundry debtors and recommend to the DEO/PDE for approval to write them off. All write off must be justified.

2.1.5 Data Protection

The school computer system holds the financial record of the school along with other records. These records form an essential part in the proper financial management and control of the school. To ensure the security of these records they should be password protected and the file contents of the computer system shall be archived daily (encyclopedia .com, 2005)

2.1.6 Board Development

The process of securing board members entails determining the skills and competencies needed in the board and then developing procedures that facilitate the identification and selection of appropriate members (Daily and Dalton 2004, Lee and Phan, 2000, Metz, 1998). Once the ideal board members is identified, the organization need to provide orientation and training to ensure adequate preparation for the board member and to address the changing organizational environment (Robert and Connors, 1998). The general human resources literature suggests that training must be directly tied to needs of the position holder; the more relevant that training is to task requirements, the more likely it will improve the performance of individual position holders (Pynes, 2004). The board must also address leadership and development needs through coaching or monitoring, for example that can facilitate leadership succession (Inglis and Dooley, 2003).

Finally, boards need some kind of evaluation procedures to ensure continued effective performance. Two types of evaluations are discussed in the non profit governance literature; overall board performance and individual board member evaluations. By every indication both practices are relatively rare in board governance (Cornforth, 2001).

The most basic individual performance monitoring reflects recording and holding board members accountable for regular attendance. Secondly, some organizations desire financial contributions from board members which involves monitoring financial or in kind donations if a board member does not meet this expectation. It can lead to his or her removal from the board. Since many boards do not have systematic practices to assess.

On individual member's performance, many typically rely on term limits as the default mechanism to remove or rotate board members off the board. This too is widely recognized as a best practice strategy, designed to bring new ideas and perspectives to the board (Watson, 2004) unfortunately, few studies have focused exclusively on these practices.

Stancy (2006) Osure (1996) says the role conflict was observed in functions that were shared by BOG and PTA. Such functions include determining fees and other charges, fund raising and project initiatives. Maranga (1989) concurs the relationship between PTA and BOG in secondary school management as a question of power and authority in governance.

Salemi (2007) point out that, members in an organization will work together most effectively, if they know the part they are to play in any collaborative endeavor and how their roles relates to one another. The study therefore, helps to explain the tendency of board to secure members who are highly capable of performing their role.

2.1.7 Board member competencies

The majority of the research investigating board performance has identified group-level indicators of performance (Herman, Renz, & Helmovics, 1997; Inglis, Alexander and Weaver, 1999; Jackson & Holland, 1998), as opposed to individual board member performance indicators. Studies on board performance proposed that indicators should be based on knowledge and skills to perform the role. This last feature is reinforced in the work of Hillman and Dalziel (2003). Research supports the fact that boards high in board capital are more inclined to provide necessary service and counsel (Westhal, 1998, 20,431-460). These studies concur with the study that effective board development practice should lead to competent board members.

It is widely recognized that member composition contributes to group performance (Senior and Swailles, 2004). In support more research exploring member demographics (Race, age and gender) and the implications for board performance have been done by Brown, (2002) & Ostrower and Stone (2006). Consequently capabilities (skills, experience) and social networks provide a better mechanism to consider the implications of member characteristics in performance (Reagans, R, Zuckerman, E., and McEvily B, 2004). This implies that the presence of highly capable board members should coincide with better overall board performance that is the ability of the board as a group to fulfill key roles and functions as established through legal requirements and general practices.

Guzzo and Shea (2002) concur that several factors, such as interpersonal dynamics and leadership may drive performance. Herman and Renz (1997) identified eleven roles of the board while Cornforth (2001) identified five key functions (strategy stewardship, monitoring, board maintenance and external relations) and then considered inputs (board member time and skills) structure board size, committees

and processes (vision, clear roles and meeting practices) to explain board performance. What has not been fully explored is the extent to which presence competent board members contributes to improved board performance.

Board performance was conceptualized as six general functions, including fiscal oversight setting policy, and ensuring effective leadership (Herman and Reuz, 1997, Cornforth, 2001). Theoretically, resource- dependency perspectives recognize how important it is to get capable individuals on the board so that they can be instrumental in strengthening the organization. The study provides insight into the association between board development practices and perceptions of board member competencies. Specifically, it supports the contention that board development practices lead to stronger board members and board members are a significant predictor of board performance. The study provides statistically validated measurement tools to assess board development and board members quality.

2.1.8 The roles of BOG and PTA

According to independent schools Inspectorate (2006) Board Governors and Parents and Teachers association play the following roles.

Set secondary school fees using government guidelines, ensuring sound financial management, mobilization of resources, setting of priorities for spending and see that all expenditures are authorized; they oversee school facilities and monitor school performance. PTA members are volunteers who through election attempt to assess the quality of education offered in the school, express their opinion about the education offered, support the school's program by raising funds to supplement secondary school budgets, making decisions about the expenditures of these funds, PTA executive committee elected is designated to liaise with the BOG and PTA consult the BOG chairman who is required to present PTA concerns to the BOG.

Similar studies on the roles of BOG and PTA practices have been further highlighted by Educational Management Society of Kenya, proceedings of the First National Workshop for the Educational Management, sessional paper No 1 of 2005; Hoopkins, 2001. Those on competencies of managers include Kindiki, 2009, Mobegi 2010, and Njogu 2003.

School improvements have become centrally important. Elements of both professional standards that guide administrative development and Board are increasingly diverse of principal preparation. The study therefore, gives summary roles of BOG and PTA characteristics on effective utilization by school funds

2.1.9 BOG and PTA characteristics

The concept of governance of secondary education begins by understanding the structure and function of the system, the education vision and legislation which guides the systems structure content, objectives, funding roles and responsibilities of governing board members. Kosgei (2001:131) in support of this study notes: it is evident that the need for proper resources utilization is paramount for any school management. Nafukho (2000:13) also asserts that given the scarce resources allocated to the education sector calls for a great need for education institutions to be both internally and externally efficient in funds utilization to realize desired objectives. This study is particularly important in carrying out studies of determinants of effective funds utilizations in public secondary school is relevant at any given level of management. Therefore, some of these practices include vision, teamwork, governing structure, budget and decision making while effective governance indicators are priority, consulting widely, relevant education, use of public funds, time management and good communication reflected by mutual respect. Ineffectiveness practice

management are displayed by lack of priority, limited consultation, lack of relevant education, poor use of public funds and conflict between BOG and PTA members.

2.2 Financial utilization skills

Gupta (1990) in support of the argument that the job of a manager has become very challenging identifies four skills required to make a successful manager, which a head teacher should be conversant with. These are:

(a) Technical skills

A manager should have the ability and knowledge in using equipment, techniques and procedures involved in performing specific tasks. There is need for one to be very proficient and knowledgeable in the job being done.

(b) Human skills

This is the ability to work effectively with other people as members of a group. One should be able to win the cooperation of others and be able to build work teams.

A manager should have a sense of feeling for others and be able to look at things from other point of view. A manager should be able to understand the people who are superiors or those under him.

(c) Conceptual skills

These are skills concerned with one's ability to see the organization as a whole, and inter- relationships between its parts for example to visualize the parts that make a whole and still have a holistic view. Thus a manager will conceptualize the environment, analyze forces working in a situation, and be able to take a broad and far sighted view of the organization.

(d) Diagnostic skills

This is the ability to determine by analysis and examination the nature and circumstances of a particular condition and be able to develop certain possible outcomes. A manager needs to have logical thinking, analytical reasoning and creativity in order to manage the organization effectively. These are skills which a head teacher needs to have and put in place in order to properly manage finances in his / her school. A school which is well managed is sure to perform much better. Head teachers therefore need to be conversant with proper financial utilization skills as well as managerial skills in an ambiguous situation in various areas of administration.

2.3 Financial Utilization in Public Secondary Schools

This section highlights literature related to utilization of finance in public secondary schools by head teachers and challenges related. A study done by Olembo (1986) found that, head teachers are not adequately prepared to manage finances and to supervise their school bursars. Further, financial control techniques such as auditing were not taken seriously. Makori (1996) states that head teachers have a responsibility to be innovative in schools since funds are scarce. Their ineffectiveness may render them incapable and hence there is need for them to be upright in this line in preparation of instrumental budgets. A study by Kiboiy (1998) on Effective Financial management; its impact on schools administrative functions in Nandi sub county , point out that head teachers should be trained in the accounting equations, basic accounting, principles, double entry transactions, ledger accounts, balance sheet, budgeting, income and expenditure statements, expenditure control and auditing. According to Gaynor (1998), as the utilization and delivery of education comes under increasing public scrutiny, the question of how best to manage teachers is receiving much attention. In addition, central control may be replaced by increased accountability requirements as has happened in United Kingdom and New Zealand.

Opondo (2006) points out that, a head teacher as an accounting officer are preparation of accurate and realistic estimates both recurrent and development, ensuring proper financial and accounting records, conformity with laid down rules, management, eliminating wastage of public funds, custody and safe guard of school property, responsible for balance of funds, signing audited accounts and facilitating expedient execution of school activities. This study therefore was important and different from other studies in the sense that, it seeks to identify determinants of effective utilization of public school funds in Kenya, a case of Wareng Sub County. The study will give suggestions and recommendations.

2.4 Budgeting for School Financial Resources

According to Okumbe (1999), philosophy and policies of the school system enable the school to determine the quantity and quality of both human and material resources required to fulfill the purpose for which the school was established.

Head teachers therefore should have the basic budgeting skills to ensure that resources at the disposal of the school are optimally used.

2.5 Book-Keeping

Book keeping is the art of recording transactions capable of being measured in financial terms. It is concerned with maintenance of records in which financial transactions of an educational organization are summarized. It enables school administration to have a quick check on both the rate of income and proper financial utilization expenditure by head of school institution. (Okumbe, 1999).

2.6 Auditing

Bowls cited in Ball et al (1993:33) emphasizes internal audits as a way of reviewing institutional strengths and weakness. The way forward is external and internal audit.

2.7 Summary

This chapter brings into focus key highlights of the study summary. The focus were on the role of value based leadership theory, school characteristics school policy and PTA,BOG,HOD characteristic on funds utilization in public secondary schools. The study reflects a link between the head teacher's effectiveness in utilization of school funds to personal factors. If proper management and networking is done leads to better funds utilization.

Understanding the determinants of effective utilization will be great value to educational managers of institutional, stakeholders and policy making levels. Similar studies done by Good (1989) cited in Daudi (2003:11) asserts: it is clear that utilization of available resources is more important than the quantity of resources. Further study in support Nafukho(200:13)notes, given the scarce resources allocated to education sector, there is great need for educational institutions to be both internally and externally efficient in funds utilization. More research shows that in Kenya, resource has also been recognized as one of the most crucial inputs into the education system and utilization is critical to the quality of learning outcomes (Government of Kenya Sessional Paper No1,2005).This study is further complimented with other studies by Bennet(1974)cited also in Chumba(2012)opines that management could be seen as a process through which a manager organizes other tasks to achieve desired goals. Hence the availability of funds and their administration determined largely the success of a school. However still, personal integrity of the head teacher is dependent upon determinants of effective. Utilization skills as key attributes. Gaps existed in core areas of school levels management and foremost under serious question was determinants of effective utilization of school funds in public secondary.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter discusses the following: the description of the research design which were used in carrying out the study, the study area, the target population, the sample size and sampling procedure, the research instruments, the research variables and data analysis techniques used.

3.1 Research Design

This study used survey, as a research design to identify and assess the factors that contribute to effective utilization of funds in public secondary in Wareng Sub County. According to Mugenda and Mugenda (1999) a survey attempts to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. It is therefore the best design for this particular study because it will help obtain information that describes the existing problem rapidly.

3.2 The Study Area

The study was carried out in Wareng Sub County in (Rift Valley Province) of Kenya. Wareng Sub County has two administrative divisions namely, Kesses and Kapsaret. It has one constituency, Eldoret South. The Sub County was carved out of the former larger Uasin- Gishu County. It is bordered by Nandi Sub County to the south, Eldoret East constituency to the East and Eldoret- West constituency to the West. The population of the Sub County was estimated at 160,000 in 2010 (Republic of Kenya). Wareng Sub County is a cosmopolitan area with good agricultural climate. The economic activities of the Sub County are crops and livestock farming, trading,

entrepreneurship and transport service. There are 36 public secondary schools of which some are boarding schools.

3.3 The Target Population of Study

The target population refers to the total number of subjects or the total number of environments of interest to the researcher (Oso & Onen 2008). The head teachers, BOG Chairperson, PTA chairperson, HOD chairperson and Auditor in Wareng Sub County constituted the population of the study.

3.4 Sample Size

There were 36 Public secondary Schools in Wareng Sub County. The sample used consisted of 12 schools. Kothari, (2008), states that a representative sample of the entire population is 30%. In this case therefore 12 public secondary schools were sufficiently representative for the study estimation. Which is 30% of 36 public schools in the Sub County? A total number of 12 head teachers, 12 HOD chairpersons, 12 PTA chairpersons, 12 BOG chairpersons and 1 auditor formed the study sample as illustrated in table 3.1 below.

Table 3.1: The Sample size for respondents.

| Respondents | Population | Sample size |
|---------------------|-------------------|--------------------|
| Auditor | 1 | 1 |
| Head Teacher | 36 | 12 |
| HOD chairpersons | 36 | 12 |
| PTA chairpersons | 36 | 12 |
| BOG chairperson | 36 | 12 |
| Total sample | 145 | 49 |

3.5 Sample and Sampling Procedures

Sampling is the process of selecting a number of individuals for a study in such a way that the individuals selected are representative of the large group from which they were selected. The individuals selected form the sample and the large group from which they were selected is the population (Mugenda & Mugenda, 2003).

Oso & Onen, (2008) define procedure as the description of strategies which the researcher used to select the subjects/respondents/elements for the study. In this study, the following sampling techniques were used; purposive, stratified and simple random sampling techniques. All the Public secondary Schools in Wareng Sub County were stratified into two divisions in the Sub County that is Kesses and Kapseret. In selecting schools for study in each stratum, codes were used to identify them. The researcher ensured that each school had a unique code for its identity. Further, stratified simple random sampling was used to ensure that each school in each stratum had an equal chance to be included in the sample.

Purposive sampling technique was used to select the school head teachers, Academic master, PTA chairperson, BOG chairperson from all 12 selected schools and 1 auditor.

3.6 Research Instruments

In this study, questionnaires and interviews were used as the principal tool to collect primary and secondary data in public secondary schools in Wareng Sub County. A questionnaire is a list of question that the participant answers in writing or by marking answers on an answers sheet. Questionnaires are frequently used in surveys(Fraenken & Wallen,2000).The questionnaires were most appropriate in the study since it enabled easy collection of data, largely quantitative in nature, within a short period of time and within limited financial capacity (Oso & Onen, 2005).

3.6.1 Questionnaire

A questionnaire refers to a list of questions, (Mugenda & Mugenda, 2003).The questionnaire was chosen in this study because it collects a lot of information over a very short period of time. The other advantages of this instrument is that, it is free from bias of the interviewer and answers are in the respondents own words. Besides, piloting can be carried out to test the reliability of the instrument and lastly large samples can be made use of and thus the results can be made more dependable and reliable,(Kothari,2008:101). In this study the questionnaires were administered to every head teacher, PTA chairperson, BOG chairperson and HOD chairperson from the 12 selected public secondary schools in Wareng sub County. The questionnaire designed was used to collect information based on the objectives of the study.

3.6.2 Interview schedule

Interview is a method of collecting data that involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari 2003:120, Oso and Onen 2005:8).

Interviews are important because more information and in greater in-depth can be obtained. Secondly there is a greater opportunity to restructure questions specifically in the case of unstructured questions. Lastly, observation method can be applied to supplement information Kothari (2008:98). This study therefore employed the respondent type of interview where the interviewer retained all control throughout the process. The interview schedule designed were used to collect data from the auditor.

3.7 Validity and Reliability of Research Instrument

3.7.1 Validity

The researcher availed the instruments to relevant research experts in the Department of Educational Management and Policy Studies, Moi University.

The experts evaluated the instruments with regard to its content validity. A unanimous approval by the experts led to the application of the instruments.

3.7.2 Reliability

Reliability refers to the consistency that an instrument demonstrates when applied repeatedly under similar conditions (Kerlinger, 1983). Pearson product moment correlation coefficient was employed in obtaining the measure of reliability. A Pearson moment coefficient of more than 0.5 lead to the instrument adopted for the study. Otherwise the instrument will be modified and re-tested until this threshold values is achieved.

3.8 Data Collection Procedure

A permit was sought from the National Council for Science and Technology (NCST) through the School of Education Moi University. On obtaining the research permit, the researcher sought permission from the DEO's office to visit schools. Selected schools were thereafter visited by the researcher after an appointment had been made with the school administration. Questionnaires and the interview schedules were

administered to the respondents. Adequate instruction and assurance of confidentiality were provided to all participants. Thereafter, the questionnaires were collected the same day by the researcher after being filled. Interview schedules followed.

3.9 Data Analysis

Data analysis entails the separation of data, to distinguish its component parts, or elements separately or in relation to the whole (Oso & Onen, 2008).

In this study data was analyzed using both quantitative and qualitative techniques. The quantitative aspects were analyzed. Data collected was tabulated and frequency tables established. The frequencies were converted to percentages to illustrate relative levels of opinions. Information gathered was analyzed using descriptive statistical technique. This technique was chosen because data obtained was mainly nominal and ordinal. The statistical Package for Social Sciences (SPSS) assisted to analyze the data collected.

3.10 Ethical Considerations

Permission was sought from the relevant authorities before conducting research.

Participants were asked to read an introductory consent letter. The letter informed about the objectives of the study. Participants were not required to indicate their schools or own names on the research instruments. Instead codes only known to the researcher were used. The respondents were also assured of total confidentiality of all the information given and that the findings from the study were only meant for academic purposes. They were also informed that they were free to withdraw from the study at any time they deemed fit.

3.11 Chapter Summary

This chapter presents the methodology used. The study used survey as a research design to indentify and asses the factors that contribute to effective utilization of funds in public secondary school. This study was undertaken in Wareng Sub County. The research used questionnaires, interview, and document analysis. The study illustrates relationship between independent variables (Determinants factors) and dependent variables (effective utilization) practices on secondary schools funds. The population sample, sampling procedures and sampling frame have been discussed. Data collection instruments, data analysis and methods of presentation are also discussed in this chapter. The next chapter presents analysis, interpretations and findings of the study.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This chapter deals with data analysis, presentation, interpretation and discussion of the research findings. In the first section, descriptive statistics are used to provide background information of the respondents who participated in the study.

The second section presents the analysis of the responses to the specific objectives of the study as provided by the respondents in the questionnaires and interview schedule.

The purpose of the study was to investigate determinants of effective utilization of school funds in public secondary schools in Kenya; A case of Wareng sub county.

The data analyzed and addressed the following objectives of the study:

- i) Investigate the role of value-based leadership on effective utilization of school funds.

- ii) Find out the effect of school characteristics on effective utilization of school funds.
- iii) Investigate the effect of school policy on effective utilization of school funds.
- iv) Establish the role of PTA, BOG and HOD characteristics on effective utilization of school funds.

4.1 Background

This section presents personal information of the respondents which entails description of gender, school category, school status and working experience, the analysis of data collected and their interpretation

Table 4.1: Description of the school

| Description of school | <i>Frequency</i> | Percent |
|-----------------------|------------------|--------------|
| Day school | 7 | 58.3% |
| Boarding school | 3 | 25% |
| Boarding and day | 2 | 16.7% |
| Total | 12 | 100.0 |

As indicated in table 4.1, 7 (58.3%) of the respondent head teachers head day schools, 3 (25%) of them head boarding schools while 2 (16.7%) of them in boarding and day. This high percentage of head teachers heading day schools is explained by the fact that schools which have high value leadership infuse collectives and work, are

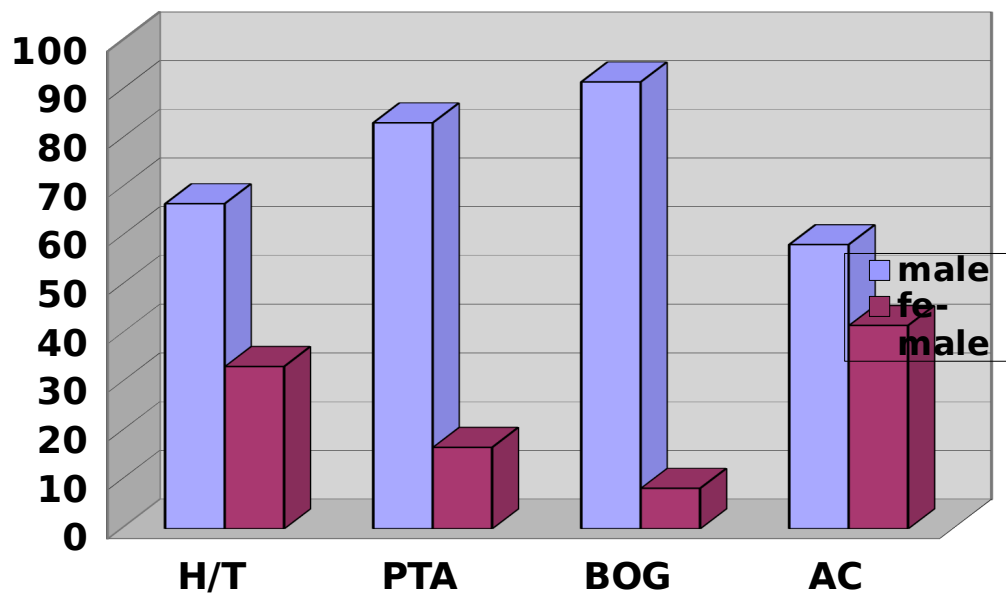
oriented towards academic achievements and understands better key players (students) needs matched with effective utilization practice of school funds.

Table 4.2: School type of respondents

| School type | Teachers | |
|---------------|-----------|--------------|
| | Frequency | Percent |
| Boys school | 2 | 16.7% |
| Girls school | 4 | 33.3% |
| Mixed and day | 6 | 50% |
| Total | 12 | 100.0 |

As indicated in table 4.2, 2 (16.7%) of the respondents heads in boys only school, 4 (33.3%) of them heads in girls only school, while 6 (50%) of the head teachers are in mixed schools. The study reveals that, a performance attracts money as a resource. This is displayed by various type of school choice made by the respondents. Large utilization practice is a reflection of good balance between utilization and achievement practice. It is evident also as characteristics on effective utilization of school Funds Since it attracts both manpower and more funding in terms of resources.

Figure 4.1: Gender of the respondents



Results in figure 4.1 revealed that, the male head teachers are 8(66.7%), the PTA chairperson 10 (83.3%), BOG chairperson 11(91.7%) and HOD chairperson are 7(58.3%). The male representation could be attributed to culture dominance which is male oriented and the fact that most males are willing to take leadership responsibilities.

It was revealed that, 4(33.3%) are female head teachers, 2 (16.7%) are female PTA chairperson, 1(8.3%) BOG chairperson and 5(41.7%) are female HOD chairpersons. Results could be attributed to culture stereotype belief which is male oriented so that most respondents are male therefore, leaving a small fraction to the female. Moreover, some of the female head teacher's respondents attributed it to the fact that most female teachers fear ascending to power due to challenges that come with responsibilities.

Table 4.3 Age and Educational Qualification of respondents

| Age years | H/T | HOD | PTA | BOG |
|---------------------------|---------------|--------------------|--------------------|--------------------|
| | | chairperson | chairperson | chairperson |
| | <i>F (%)</i> | <i>F (%)</i> | <i>F (%)</i> | <i>F (%)</i> |
| Between 30-40 yrs | 3(25%) | 7(58.3%) | 8(66.7) | 3(25%) |
| Between 40 – 50 yrs | 9(75%) | 5(41.7%) | 4(33.3%) | 9(25%) |
| Level of education | | | | |
| Masters in Education | 2(16.7%) | 1(8.3%) | - | 1(8.3%) |
| B/Education | 7(58.3%) | 6(50%) | 4(33.3%) | 8(66.7%) |
| Diploma in | 3(25%) | 5(41.7%) | | 3(25%) |
| Education | | | 8(66.7%) | |

From the result above majority 9(75%) of head teachers and 9(75%) BOG chairperson aged between 40-50 years while 7(58.3%) HOD chairpersons and 8(66.7%) PTA chairperson aged between 30-40 years. Also it was revealed that majority of the head teachers 7(58.3%), chairperson 6(50%) and BOG chairperson 8(66.7%) had a Bachelor of Education Degree while the PTA chairperson 8(66.7%) had Diploma in Education. From these results it reveals that most of the respondents had experiences and high level of education leading to effectiveness in managing and utilizing school funds. It is worth noting also that age and educational qualification is a strong value indicator in administrative position and hence help shape role of value- based leadership in effective utilization of school funds.

Table 4.4 Experience of the Respondents

| Experiences | H/T | HOD | PTA | BOG |
|--------------------|-------------|--------------------|--------------------|--------------------|
| | | chairperson | chairperson | chairperson |
| | <i>F(%)</i> | <i>F(%)</i> | <i>F(%)</i> | <i>F(%)</i> |
| 0.3years | 1(8.3%) | - | 12(100%) | 12(100%) |

| | | | | |
|----------------|--------|----------|---|---|
| 4-5 years | | 4(33.3%) | - | - |
| 4(33.3%) | | | | |
| 6-10 years | 6(50%) | 8(66.7%) | - | - |
| Above | | - | - | - |
| 1(8.3%) | | | | |

Results on table.4.4 above revealed that, majority of the respondents had an experience of 6-10 years. This implies that their experience were enough to be effective in work which includes utilization of funds in public secondary schools. Similarly, the study showed that some few schools were newly established constituency development schools(CDF) and disbursing of funds had not been done well. In addition, all the PTA chairpersons and BOG chairpersons had an experience of over 5 years in their tenure of office, meaning they have wealthy of experiences and effective to determine utilization of school funds.

4.2 The Role of Value Based Leadership on Effective Utilization of School Funds

The first research objective was to assess the role of value based leadership on effective utilization of school funds. In order to achieve this objective the respondents were asked to assess the role of value based leadership on effective utilization of school funds. Their responses are as in table 4.5 below

Table 4.5: Assessment of head teachers as value-based leaders on effective utilization of school funds

| Statement | S | | A | | U | | D | | SD | | TOTAL | |
|-----------------------------------|---|------|---|------|---|-----|---|------|----|------|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| I always have Competent personnel | 2 | 16.7 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 12 | 100 |
| KESI workshops Are very good in | 4 | 33.3 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |

| | | | | | | | | | | | | | |
|---|---|------|---|------|---|------|---|------|---|------|----|-----|--|
| Financial Management | | | | | | | | | | | | | |
| I require more Financial utilization | 2 | 16.7 | 4 | 33.3 | 2 | 16.7 | 3 | 25 | 1 | 8.3 | 12 | 100 | |
| Skills | | | | | | | | | | | | | |
| Transactions are recorded immediately they occur | 2 | 16.7 | 3 | 25 | 2 | 16.7 | 4 | 33.3 | 1 | 8.3 | 12 | 100 | |
| I influence budgeting in public secondary schools | 3 | 25 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 | |
| I follow the rules of School budgets | 3 | 25 | 2 | 16.7 | 1 | 8.3 | 4 | 33.3 | 2 | 16.7 | 12 | 100 | |
| I urgently require Financial utilization | 4 | 33.3 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 | |
| Skills training in Book- keeping | | | | | | | | | | | | | |
| I have proper skills To detect errors or Omissions made by bursars in accounts book | 2 | 16.7 | 3 | 25 | 1 | 8.3 | 3 | 25 | 3 | 25 | 12 | 100 | |

As revealed in table 4.5, head teachers who said that they always have competent personnel were 50% of the total respondents agreed and strongly agreed respectively while 41.7% disagreed and strongly disagreed. The remaining 8.3% of the respondents were undecided. This shows that half of the total head teacher's respondents do not have competent personnel in their school institutions as regards effective utilization of school funds. It is further revealed by the table that, 58.3% of the head teachers who agreed and strongly agreed supported that KESI, workshops were very good in financial management while 33.3% disagreed and strongly disagreed whereas only 8.3% of the remaining respondents were undecided. The study therefore shows effectiveness of personnel to be accountable to stakeholders. Hence stewardship use of scarce resources.

Further it is shown that 50% of the respondent head teachers agreed and strongly agreed that they require more financial utilization skills; while 33.3% disagreed and 16.7% of the remaining was undecided. The study also revealed that 41.7% of the respondents head teachers agreed and strongly agreed that transactions are recorded immediately they occur. It is interesting to note that 41.7% of the respondents also disagreed and strongly disagreed while 16.7% of the remaining respondents were undecided. Further table 4.5 show that 58.3% agreed and strongly agreed that they influence budgeting in public secondary schools, while 33.4% disagreed and strongly disagreed. A plenary 8.3% of the remaining respondents were undecided. This implies that those practicing head teachers require training. When asked to give their opinion on whether they follow the rules of school budgets, 50% agreed and strongly agreed, 41.7% disagreed and strongly disagreed. The remaining 8.3% respondents were undecided. It is therefore evident from the table that 41.7% of the total head teacher's respondents do not follow the rules of proper school budgets. The table reveals further that 58.3% of the respondent's head teachers urgently require financial utilization skills training in book keeping. 33.3% disagreed and strongly disagreed while 16.7%of the respondents undecided. This indicates that majorities of the head teacher's were in newly established secondary schools(CDF) and therefore understanding the determinants of effective funds utilization will be of great value to educational managers training in book keeping. It is surprising to note that, 41.7% of the head teachers respondents reported that, they do not have proper skills to detect errors or omission made by bursars in accounts books. While 50% disagreed and strongly disagreed that they had proper skills, 8.3% of the respondents were undecided.

Concerning whether the bursar had proper skills to detect errors or omission entries in books of accounts, 50% of the respondents agreed and strongly agreed while 41.7% disagreed and strongly disagreed. Overall therefore, the results indicate that a majority 50% of the head teacher's respondents head newly established secondary schools and therefore require proper skills and financial utilization training in book- keeping. The study reveals further that value- based leaders are effective on utilization of school funds.

These findings reinforce previous research by (Okumbe, 1999) which suggests that head teachers should have basic budgeting skills to ensure that resources at the disposal of the school are optimally used.

It is also supported by academic master and audit evidence that majority of respondent heads require training in finance utilization skills. Therefore, it is revealing knowledge gap between PTA, BOG and the heads of institution as custodians of public funds in secondary school.

4.3 School Characteristics on effective utilization of school funds

4.3.1 School Characteristics

The second objective was to study the effect of school characteristics on effective utilization of school funds. To achieve this objective the respondents were asked to determine effect of school characteristics on effective utilization of school funds.

Table 4.6: Head teacher's response on school characteristics on effective utilization of school funds

| Statement | Very Effective | | Effective | | Not effective | | Ineffective | | Very ineffective | | TOTAL | |
|--|----------------|------|-----------|------|---------------|------|-------------|------|------------------|------|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| How do you rate your school in terms of development projects? | 4 | 33.3 | 3 | 25 | 2 | 16.7 | 2 | 16.7 | 1 | 8.3 | 12 | 100 |
| What is your rating of the use of vote heads as a financial management tool in your school? | 3 | 25 | 3 | 25 | 2 | 16.7 | 3 | 25 | 1 | 8.3 | 12 | 100 |
| What is your rating on the use of trial balance as a financial management tool in your school? | 4 | 33.3 | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 12 | 100 |
| How do you rate BOG budgetary allocations on finances from government in your school | 2 | 16.7 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 4 | 33.3 | 12 | 100 |
| Rate the effectiveness of county school auditors as overseers of financial management in schools | 3 | 25 | 4 | 33.3 | 2 | 16.7 | 2 | 16.7 | 1 | 8.3 | 12 | 100 |
| Rate the bursar/ Accounts clerk competency in keeping records of accounts in your school | 3 | 25 | 3 | 25 | 1 | 8.3 | 3 | 25 | 2 | 16.7 | 12 | 100 |

Table 4.6 indicates the following findings: head teachers respondents who were asked how you rate your school in terms of development projects in relationship to effective utilization of school funds. 58.3% respondents remarked effective and very effective, 25% reported ineffective and very ineffective while 16.7% were not effective. It is evident that development projects is an effect since were directly observed because of the present out comes that were strongly moderated by past financial management. When respondents were asked what is your rating on the use of vote heads as a financial management tool in school? 66.6% respondents were effective and very

effective, 16.7% remarked not effective while 25% and 8.3% were ineffective and very ineffective respectively. Further it is revealed that 50% of the respondents were effective and very effective respectively on how trail balance in school is being interpreted as a financial management tool in school, 8.3% were not effective while 16.7% and 25% were ineffective and very ineffective. When asked how you rate BOG budgetary allocation on finances from government 41.7% were effective and very effective, 16.7% ineffective and 33.3% were very ineffective while 8.3% not effective. Moreover, 25% respondents were very effective, 33.3% effective rating as regards to regular auditors detecting errors in books of accounts, 50% of the respondents were ineffective and very ineffective while 8.3% of the respondents were not effective. Moreover, 33% respondents were effective, 25% very effective rating as regards to regular county school auditors detecting errors in books of accounts, 16.7% not effective while 25% of the respondents remark not effective. Further, on competency of bursar/accounts clerk roles in keeping records of school accounts, 50% of respondents were effective and very effective, while 8.3% not effective and 41.7% respondents were ineffective and very ineffective. This implies that head teachers are exposed to a variety of challenges as regards the effects of school characteristics on determinant of effective utilization of school funds. It also means that, the effectiveness of managing and utilizing school finances is therefore crucial. The results of the study are in agreement with audit report that inefficiency of some head teachers to utilize scarce resources (money) as per real needs of learners is impaired by misplaced priorities (curriculum need against physical facilities which come first).

| Statement | SA | | A | | U | | D | | SD | | TOTAL | |
|--|----|------|---|------|---|------|---|------|----|------|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| The PTA is actually involved in planning the direction and priorities of the school in funds utilization | 3 | 25.0 | 3 | 25.0 | 1 | 8.3 | 3 | 25.0 | 2 | 16.7 | 12 | 100 |
| The PTA does a good job of evaluating the performance of the head teacher/ Board of governors measuring results against effectiveness | 3 | 25 | 4 | 33.3 | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 12 | 100 |
| The school organization resources are used efficiently (good value for money spent) | 3 | 25 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |
| The B.O.G in funds utilization has high credibility with key stakeholders (e.g founders, donors, consumers of professions, community, teaching staff members) | 2 | 16.7 | 5 | 41.6 | 3 | 25.0 | 0 | 0 | 2 | 16.7 | 12 | 100 |
| The school boards of governors to effective utilize funds is not impaired by conflicts between PTA members and other stakeholder | 3 | 25.0 | 3 | 25.0 | 1 | 8.3 | 2 | 16.7 | 3 | 25.0 | 12 | 100 |
| There is a productive working relationship between the board of governors parents teachers association and the head teacher on funds utilization (characterized by good communication and mutual respect | 6 | 50.0 | 1 | 8.3 | 2 | 16.7 | 0 | 0 | 3 | 25.0 | 12 | 100 |
| On utilization of school funds, as PTA executive members do you give report to parents on each meeting held? | 4 | 33.3 | 4 | 33.3 | 0 | 0 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |
| BOG members/ teacher/ parents fully participate in budgeting process | 5 | 41.7 | 4 | 33.3 | 3 | 25.0 | 0 | 0 | 0 | 0 | 12 | 100 |
| I have proper expenditure tracking system in public schools | 2 | 16.7 | 6 | 50.0 | 0 | 0 | 1 | 16.7 | 3 | 25.0 | 12 | 100 |

Table 4.7: PTA response on Characteristics on Effective Utilization of School Funds

As indicated in table 4.7 show that 50% of the respondent parents teacher association chairperson strongly agreed and agreed they are involved in planning the

direction and priorities of the school in funds utilization, while 41.7% disagreed and strongly disagreed they are not involved in planning the direction and priorities of school funds utilization, 8.3% of the respondents were undecided. When asked the PTA does a good job of evaluating the performances of the head teacher and board of governors by measuring results against effectiveness? 58.3% of the respondents remarked agreed and strongly agreed, 25% of the respondents disagreed and strongly disagreed, while 8.3% of the remaining respondents were undecided. On whether the school organization resource are used efficiently (good value for money spent) 33.3% of the respondents agreed, 25% strongly agreed, 33.4% disagreed and strongly disagreed while 8.3% of the respondents were undecided. Further it was revealed that, 58.3% of the respondents agreed and strongly agreed that BOG in funds utilization has high credibility with key stakeholders, 16.7% strongly disagreed and 25% of the remaining respondents were undecided. The study showed also that 50% of the respondents agreed and strongly agreed that funds were not impaired by conflicts between PTA and stakeholders, 41.7% disagreed and strongly disagreed and 8.3% of the remaining respondents were undecided. Moreover 58.3% of the respondents agreed and strongly agreed that there is a productive working relationship between BOG, PTA and head teachers, 25% disagreed and strongly disagreed and plenary 16.7% of the respondents were undecided. When respondents were asked whether PTA gives report to parents on meetings held? 66.6% of the respondents agreed and strongly agreed, 33.4% disagreed and strongly disagreed while none of the respondents were undecided. concerning whether the BOG, PTA fully participate in budgeting process and if proper expenditure tracking systems were available in school, 75% of the respondents agreed and strongly agreed while 25% of the remaining respondents were undecided. The results of the study concurs

with the research objectives that determinants of effective utilization of school funds in public secondary is necessary to enable head teachers to be better managers in these schools.

The study also is in agreement with the arguments of Nafukho(2000:13) notes, given the scarce resources allocated to the education sector it is particularly important that the studies of determinants of effective funds utilization in public schools is relevant in order to ascertain what conditions minimize costs at any given level of management.

4.4 School Policy on Effective Utilization of School Funds

The third objective was to investigate the effect of school policy on effective utilization of school fund.

| Statement | SA | | A | | U | | D | | SD | | TOTAL | |
|---|----|------|---|------|---|------|---|------|----|------|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| There is a clear policy on awarding tenders in public secondary schools | 3 | 25.0 | 3 | 25.0 | 2 | 8.3 | 3 | 25.0 | 2 | 16.7 | 12 | 100 |
| I always carry out internal audit | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 4 | 33.3 | 12 | 100 |
| Do you as head teachers prepare monthly trial balance on time and submit them to the audit officer | 6 | 50 | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 1 | 8.3 | 12 | 100 |
| Do financial utilization skills been utilized in schools? | 4 | 33.3 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |
| Do PTA members comply with requirements of planning, budgeting, monitoring and evaluating projects ? | 3 | 25.0 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 12 | 100 |
| The school organization has a good balance between sound organizational financial utilization and achievement/ innovation | 3 | 25 | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 4 | 33.3 | 12 | 100 |
| As PTA executive member are you part of procurement and disposal committee panel in your institution | 2 | 16.7 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 3 | 25.0 | 12 | 100 |

Table 4.8: Head teacher response on Characteristics on Effective Utilization of School Funds

As presented in table 4.8 show that 50% of the respondents head teachers agreed and strongly agreed that there is a clear policy on awarding tenders in public secondary schools while 41.7% of the respondents disagreed and strongly disagreed and a plenary 8.3% respondents were undecided. This implies that school policy plays a major role on effective utilization of school funds since the percentile of the respondents are nearly equal in response. When the respondents were asked whether they always carry out internal audit 50% agreed and strongly agreed, 41.7% disagreed and strongly disagreed while 8.3% were undecided. This study showed that

determinants of effective utilization of funds knowledge are vital for both head teachers and PTA chairpersons as a policy to utilize institution funds effectively.

Further the study reveals that ,when the respondents were asked do PTA members comply with requirements of planning, budgeting, monitoring and evaluating projects?50% of the respondents agreed and strongly agreed,41.7% disagreed and strongly disagreed while 8.3% were undecided. The study also shows that, when asked does the school organization have a good balance between sound organizational financial utilization achievements/ innovation. 41.7% of the respondents agreed and strongly agreed, 50 %disagreed and strongly disagreed while 8.3%were undecided. This implies that there is a mismatch between good balance and sound organization policies in some of the schools. It is also evident that some of the PTA's chairperson is not part of procurement and disposal committee panels in their respective schools revealing need for understanding the determinants of effective utilization practice of school funds. These will therefore be of value to educational managers at intuitional and policy making levels as well as stakeholders interested in effective financial managements. These findings is also supported by Newrman and brown (1992) who asserts that utilization of funds practices in secondary schools is heavily influenced by ideologies of board members (BOGS)and the ambition of superintendent(head teacher).

Table 4.9 Documents of school accounts found missing by the auditor

| Statement | Y | | N | | TOTAL | |
|-----------------------------|---|------|---|------|-------|-----|
| | F | % | F | % | F | % |
| Cash box | 7 | 58.3 | 5 | 41.7 | 12 | 100 |
| Journals | 5 | 41.7 | 7 | 58.3 | 12 | 100 |
| Certificate of cash on hand | 5 | 41.7 | 7 | 58.3 | 12 | 100 |
| Inward cheque register | 3 | 25.0 | 9 | 75.0 | 12 | 100 |
| Requisition order | 4 | 33.3 | 8 | 66.7 | 12 | 100 |
| Local service order | 4 | 33.3 | 8 | 66.7 | 12 | 100 |
| Counterfoil receipt book | 7 | 58.3 | 5 | 41.7 | 12 | 100 |
| Consumable store ledger | 8 | 66.7 | 4 | 33.3 | 12 | 100 |

As revealed in table 4.9, 5 (41.7%) of the total respondents had all documents available in the five schools on average basis while the summary of respondents schools 7(58.3%) of the remaining schools did not have the mentioned documents in use in the seven schools. This implies that urgent need is required to equip the head teachers with financial utilization skills to properly manage the institutions, hence a reflection of in effective use of school resource by the heads of institution.

4.5 Roles of BOG and PTA characteristics on effective utilization of school funds

The fourth objective of this study was to study the role of PTA, and BOG characteristics on effective utilization of school funds. To achieve this objective, data was collected to answer the question.

Table 4.10 BOG and PTA characteristics on effective utilization of school funds

| Statement | SA | | A | | U | | D | | SD | | TOTAL | |
|---|----|------|---|------|---|-----|---|------|----|------|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| A Budget is a very useful document | 4 | 33.3 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |
| BOG Members/ teacher/ parents fully participate in building process | 2 | 16.7 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 12 | 100 |
| I have proper expenditure tracking | 3 | 25 | 3 | 25 | 1 | 8.3 | 2 | 16.7 | 3 | 25.0 | 12 | 100 |

system in public schools

| | | | | | | | | | | | | |
|---|---|------|---|------|---|------|---|------|---|------|----|-----|
| PTA chairperson is actively involved in planning the direction and priorities of the school in funds utilization | 3 | 25.0 | 5 | 41.7 | 1 | 8.3 | 1 | 8.3 | 2 | 16.7 | 12 | 100 |
| The PTA does a good job of evaluation of the performance of the head teachers (board of governors measuring results against objectives) | 3 | 25.0 | 3 | 25.0 | 2 | 16.7 | 1 | 8.3 | 3 | 25 | 12 | 100 |
| The school organization resources are used efficiently (good value for money spent) | 3 | 25.0 | 2 | 16.7 | 1 | 8.3 | 3 | 25.0 | 3 | 25.0 | 12 | 100 |
| BOG demonstrates commitment to funds utilizations in meeting priorities missions and values | 4 | 33.3 | 3 | 25.0 | 0 | 0 | 3 | 25.0 | 2 | 16.7 | 12 | 100 |
| The school BOG effectively utilize funds without being impaired by conflict between PTA members and stakeholders | 3 | 25.0 | 4 | 33.3 | 1 | 8.3 | 2 | 16.7 | 2 | 16.7 | 12 | 100 |
| There is a productive working relationship between BOG parents and head teacher in funds utilization characterized by good communication and mutual respect | 4 | 33.3 | 2 | 16.7 | 1 | 8.3 | 2 | 16.7 | 3 | 25.0 | 12 | 100 |
| I am confident that the Ht and BOG would effectively utilize school funds as reasonably anticipated | 3 | 25.0 | 3 | 25.0 | 1 | 8.3 | 2 | 16.7 | 3 | 25 | 12 | 100 |
| PTA and board meetings on utilization of school funds are well- managed | 0 | 0 | 0 | 0 | 7 | 58.3 | 5 | 41.7 | 0 | 0 | 12 | 100 |
| The BOG uses sound decision making processes (focused on Board responsibilities, factual information, efficient use of public funds, time and effective implementation) | 2 | 16.7 | 3 | 25.0 | 1 | 8.3 | 4 | 33.3 | 2 | 16.7 | 12 | 100 |

As revealed in table 4.10 , the respondents who said a budget is a very useful document where 58.3% agreed and strongly agreed,33.4% disagree and strongly disagreed, while 8.3% respondents were undecided .When asked does BOG and PTA fully participate in budget process?.50% of the respondents agreed and strongly agreed, 41.7 % of the respondents disagreed and strongly disagreed while 8.3% of the remaining respondents were undecided .Further the study reveals 66.7% of the respondents agreed and strongly agreed, 25% disagreed and strongly disagreed and 8.3% of the respondents were undecided. As regards whether the school organization resources are used effectively (good value for money spent).41.7% of the

respondents agreed and strongly agreed 50% disagreed and strongly disagreed and a plenary 8.3% of the respondents remain undecided.

Similarly when the respondents were asked whether BOG demonstrates commitment to funds utilization in meeting priorities, missions and values.58.3% of the respondents agreed and strongly agreed while 41.7% of the respondents disagreed and strongly disagreed. The study further revealed that 58.3% of the respondents disagreed while 41.7% strongly disagreed. When asked if PTA and BOG meetings on utilization of school funds are well managed. 41.7% respondents agreed and strongly agreed, 50% of the respondents disagreed and strongly disagreed while 8.3% of them remained undecided. This study concurs with previous research evidence(Daily and Dalton ,2004 Lee and Phan ,2000 Metz ,1998) which suggest that ,the process of securing board members entails determining the skills competencies needed on the board(BOG) and their developing procedures that facilitate the identification and selection of appropriate members.

Table 4.11: head of departments response on effective utilization of school funds

| Statement | V. Good | | Good | | Average | | Poor | | V. Poor | | TOTAL | |
|---|---------|------|------|------|---------|------|------|---|---------|---|-------|-----|
| | F | % | F | % | F | % | F | % | F | % | F | % |
| How would you rate your head teacher on the following policy issues? | | | | | | | | | | | | |
| How are tendering procedures followed in your school? | 5 | 41.7 | 7 | 58.3 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 100 |
| How would you rate account entries in your school? | 4 | 33.3 | 5 | 41.7 | 2 | 25 | 0 | 0 | 0 | 0 | 12 | 100 |
| Rate the vote head adherence in your school | 5 | 41.7 | 4 | 33.3 | 3 | 25 | 0 | 0 | 0 | 0 | 12 | 100 |
| How is the position of banking funds in your school | 4 | 33.3 | 5 | 41.7 | 3 | 25 | 0 | 0 | 0 | 0 | 12 | 100 |
| Rate the PTA and BOG involvement in the budgeting process | 3 | 25 | 5 | 41.7 | 4 | 33.3 | 0 | 0 | 0 | 0 | 12 | 100 |
| Do your Head teacher and Bursar have proper budgeting skills to satisfy parents queries | 4 | 33.3 | 5 | 41.7 | 3 | 25 | 0 | 0 | 0 | 0 | 12 | 100 |
| How efficient are stakeholders involvement in funds utilization in your school | 4 | 33.4 | 4 | 33.4 | 4 | 33.4 | 0 | 0 | 0 | 0 | 12 | 100 |
| Rate the budgets adherence in meeting learner needs? | 4 | 33.3 | 5 | 41.7 | 3 | 25.0 | 0 | 0 | 0 | 0 | 12 | 100 |
| What is the state of Auditing in your school? | 3 | 25.0 | 4 | 33.3 | 5 | 41.7 | 0 | 0 | 0 | 0 | 12 | 100 |

From table 4.11 above the findings reveals that when the respondents were asked how are tendering procedures followed in your school? Rating accounts entries, position of banking funds and the PTA,BOG involvement in the budgeting

process.41.7%,33.3%,41.7% and 33.3% of the respondents remarked very good respectively in that order while 58.3%,41.7% 33.3% and 41.7% consecutively in that order reported good while the remaining respondents reported 25%,25%,25% in that order average .When asked, do your head teacher and bursar have proper budgeting skills to satisfy parents queries?75 % of the respondents confirmed good and very good while 25% of the respondents remarked average .The study further revealed that if asked how efficient are stakeholders involvement in funds utilization in your school. How are budget adherences in meeting learners need and head teacher's ability in terms of auditing skills? All the respondents confirmed as follows 33.4%,33.3%,and 25% of the respondents confirmed very good while 33.4%,41.7% and 33.3% confirmed good.33.4%,25%,41.7%, of the remaining respondents in that order also remarked average. Study results implies that a majority of the head of department chairpersons' were in agreement that head teachers need great improvement on determinants of effective funds utilization to enhance good value for money spent. Thus promoting good governors by measuring results against objectives. The study therefore concurs with cooper (1989) that schools need to create models of shared leadership roles which suggest that training must be directly tied to needs of the position holder.

4.6 Interview Results

The researcher's interview with the Sub County auditor established that some schools had relevant books of accounts while few of them did not. When asked whether the schools avail all books of account for the purpose of auditing .The report were that some schools had relevant books of accounts. This finding therefore, reveals that there is great need of knowledge on determinants of funds utilization practice to be

displayed by all head teachers in management of their learning institutions. When the respondents were asked further to give the overall view on entries in books of accounts made in schools. The study found out that a greater majority of schools entries in books of accounts is good while in other schools were average.

Hence head teacher need to improve the skills required to enable them practice effective utilization of school funds.

When the researcher inquired how often schools produce financial statement such as school monthly trial balance, income and expenditure statements as well as balance sheets. A summative report was given as majority schools' submit books for verification while few of the other schools poorly submit books on time. The foregoing findings therefore reveal that financial positions of most schools are good. In the few schools reflect lack of seriousness by the head teachers to strictly adhering to proper standards of funds utilization practice in their respective schools. This clearly shows that understanding the determinants of effective utilization of public school funds is of great value to educational managers (head teacher). Further inquiry on how good a job has the schools utilization been doing as regards budgeting of school finances? The respondent remarked accurate for most schools but in the few schools bad position.

It is therefore evident that budgeting which is an indicator of sound practice on effective utilization of school fund was not strictly adhered to in the few schools. Practicing head teacher therefore should be given immediate attention by developing determinants of effective utilization practice of school funds.

Further probing, the report revealed that record keeping, vote head entries, virement, income and expenditure transaction were poorly done in the said few identified class of schools. It also shows a picture of careless managed schools that should be a

concern of the government and ministry of education. Head teachers need awareness and determinants of effective practice to improve their managerial expertise and adapt new skills of leadership practices.

The interviewee when asked, do you think the bursar of the institutions is competent in keeping schools books of accounts and performing other duties. The response was majority bursars in most schools are effective .This implies that the heads of these institutions were effective in utilizing school finance by observing the required procedures recommended by the ministry of Education. The few remaining schools reported as fairly effective show that they lack relevant knowledge regarding proper financial document to warrant effective utilization of school funds.

The findings therefore shows a reflection of how determinants of effective utilization of school funds practice are under taken in various schools in the sub county and supports the study as very significant. It gives therefore, true reflection of financial status of the school and hence are significant in the study.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter contains a summary of the study findings, conclusions, recommendations, and suggestions for further research based on the analysis of data

5.2 Summary of the Findings

5.2.1 General Information of the Respondents

The study showed that (58.3%) of the head teacher's heads day school, 25% head boarding schools and 16.7% head both boarding and day school. Most (50%) head teachers came from mixed school while (33.3%) of the heads were from girls and (16.7%) from boys schools. It was evident that 66.7% of the head teachers comprised only male while 33.3% of them were female. Those who had been in headship position 0-3 years were (50%) and 5 -10 years were (8.3%). Further the findings revealed that student population (size) ranged from 100 -200 (33.3%) and 200 – 400 (25%) on the highest. The teachers were distributed in schools as (25%) 11- 20 teachers, (8.3%), 31-40 teachers and (16.7) over 40 teachers.

The study concluded that, as regards academic and professional qualifications as a factor, one expects effective management and sound utilization of school funds. This is so according to the findings. Most (50%) head teachers are experienced in administrative position 6-10 years in service and academic qualification places them as bachelor education category. It is equally important to note that effective utilization of school funds largely depends on commitment, the integrity and the honesty of the head teachers and bursar. Therefore, value-based leadership strategy is believed to aid the heads with right skills and exposure. These qualities should be taken into account when selecting heads and bursar. The study further reveals that type of school choice, entry behavior, and orientation towards academic achievements is a strong evidence of school characteristics on effective utilization of school funds.

5.2.2 Assessment of head teacher as a value-based leader on effective utilization of school funds.

If the school is to operate smoothly, the principal must be well equipped with general utilization skills and the special supervisory skills (Moseti, 2007). This explains why headship is an important function in any institution such as the school. From the study, it shows that (50%) of head teachers agreed and strongly agreed that they have competent personnel, (58.3%) reported that KESI workshop was good, (50%) stated that, they required more financial skills, (42.7%) said transactions are recorded instantly, (75%) acknowledge they influence budgeting, 41.7% have proper skills to detect errors and (50%) agreed that they can detect error entries made by the bursar. The study therefore reveals these as determinants of utilization tasks that are affecting drastically the effectiveness of heads in the management and utilization of school finances. As such, these heads need specialized skills, knowledge and approaches if they have to successfully be effective in utilizing scarce funds in school institution.

Consequently, (50%) disagreed and strongly disagreed in summary imply that heads need to be innovative leaders. Value-based headship adds great value to the leadership and success of any school institution. Thus holding on the “old” saying that the school is the head teacher and the head teacher is the school.

5.2.3 Effects of school characteristics on effective utilization of school funds.

The study findings indicates that 66.6% respondents were effective and very effective, 16.7 % remarked not effective while 33.3% were ineffective in using vote heads as a financials tool. This implies that head teachers were exposed to a variety of challenges as regards the effects of school characteristics on determinants of effective utilization of school funds. It also means that, the effectiveness of managing and utilizing school funds requires innovativeness. Further 58.3 % of the head teachers

respondents reported effective and very effective, 25% remarked effective and very effective while 33.7% were not effective. It is therefore evident that development projects is an effect since were directly observed because of the present out comes that were strongly moderated by past financial management.

5.2.4 Effect of school policy on effective utilization of school funds

The study underpins that ministry of education has vested a lot of responsibility on the shoulders of the head teachers for example supervision as well as the accounting system in the school. It implies that, heads enjoy several privileges to almost access to all school assets, final authority in transacting, controlling work of bursar and performing duties of virement. The authorization of transactions by head teacher as an internal control measure depends solemnly on the ability of head to interpret the financial report. The study finding further reveals (53.8%) respondents had missing documents of school account. This implied that urgent need was required to equip the head teacher with determinants of effective utilization skills to properly manage the institutions.

5.2.5 Roles of Board of Governors characteristics on effective utilization of school funds.

The findings of the study showed that experience and knowledge are strong characteristics of effective utilization of school funds. The study reveals further that, the head teachers have a responsibility to be innovative in schools since funds are scarce resource. The knowledge of effective determinants of funds utilization adds value to the head teacher as financial manager of school institution.

To sum up, the findings revealed that most respondents adhere to audit requirements on submission of financial statements on monthly basis never the less, there were also

few cases of ineffective management practice on utilization of school funds. These problems were ranked in decreasing order of agency

- i) Low flow of revenue (fees and grants) affects budget performance.
- ii) Virements without authority by principals i.e. misappropriation.
- iii) BOG not informed of school financial utilization system.
- iv) Difficulties in utilizing school financial system
- v) Inflation trend affecting budget performance.
- vi) Inefficiency of some few head teachers to utilize scarce resources (money) as per real needs of learners. (curriculum needs against physical facilities which comes first)

5.3 Conclusions

The first objective of this study was to investigate the role of value-based leadership on effective utilization of schools funds. The study established that majority of the head teachers are in some newly established secondary schools (C.D.F schools) and therefore understanding the determinants of effective funds utilization will be of great value to educational managers training in book-keeping.

The second objective of the study was to find out the effects of school characteristics on effective utilization of school funds. The study established that head teachers were exposed to a variety of challenges as regards to how funds are utilized. Efficiency of some head teachers to utilize scarce resources (money) as per real needs of learners was impaired by misplaced priorities (curriculum needs against physical facilities which come first).

The third objective of the study was to investigate the effect of school policy on effective utilization of school funds. The study established that more than half of the respondents strongly agreed that there was a clear policy on effective utilization of school funds. Moreover, that school organization had a good balance between sound financial utilization and achievement/ innovation in majority schools. In the few schools established, a slight mismatch was noted between good balance practice and sound policies on effective funds utilization as per priority needs in schools.

The fourth objective was to establish the role of PTA, head of department chairperson and board of governor's characteristics on effective utilization of school funds. The study found out that the PTA'S, HOD'S and BOG'S understood roles on determinants of effective utilization of funds in public secondary schools. Majority of the respondents reported that PTA does a good job of evaluating the performance of head teachers and board of governors by measuring results against effectiveness. The findings therefore concur with the study research objectives.

5.4 Recommendations

1. The findings reveal that there were no proper mechanisms in place for head teachers, P.T.A'S and BOG'S on financial management. This study therefore, recommends an establishment of mechanism for management including bench marks for teachers, P.T.A and BOG on effective utilization of school funds.
2. The study recommends that comprehensive in-service training be established in order to empower the management teams with the relevant knowledge and skills.

3. It is further suggested that there is need to evaluate Government policies on key levels of education to manage existing trends of funds disparity among governing management practice.
4. The findings revealed that, there are no clear guidelines on financial duties for secondary school board members. The study recommends that, the government reviews and formulates clear guidelines on financial duties for school board members.

5.5 Suggestions for Further Research

1. Research of the same kind should be conducted on a much wider area outside the sub county to provide for generalizations.
2. A study on procurement practices and tendering committee procedures in secondary school fund utilization should be conducted.
3. It is further suggested that there is need to evaluate government policies on key levels of education management with a view of reversing the existing trends of funds disparity among governing management practice.

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APPENDICES**APPENDIX I: INTRODUCTION LETTER**

MOI UNIVERSITY
SCHOOL OF EDUCATION
P.O BOX 3900,
ELDORET

Dear Sir/Madam,

I am a post graduate student at Moi University Eldoret. I am carrying out a study on **Determinants of Effective Utilizations of School Funds in Public Secondary School. A case study of Wareng Sub County**

Kindly respond to the questions with due concern and honesty. The cooperation accorded will be highly appreciated.

Yours faithfully,

Thanks in advance for being selected to take part in this study as respondents

LAGAT K. JOSHUA

EDU/PGA/13/08

APPENDIX II: QUESTIONNAIRE FOR HEADTEACHER

INSTRUCTIONS

- I. Do not write your name on this paper
- II. Indicate by a tick () your correct response in section A and B.
- III. In section B give only one response use the key below.
 SA-Strongly agree A- Agree U – Undecided
 D – Disagree SD – Strongly Disagree
- IV. In section C, be brief as possible

SECTION A :(Demographic data)

- 1) My school is ; Day school () Boarding school () Boarding and day ()
 - 2) My school is; Boys school() Girls school () Mixed school ()
 - 3) I am male () Female ()
 - 4) I am below 30 years old () between 30 and 40 years () between 41 and 50 years () 50 years and above old ()
 - 5) My qualification is SI/Diploma () BA/BSC () B Ed () /BA with PGDE () M Ed/M Phil Ed () Untrained () any other specify.....
 - 6) I am the Head teacher () Deputy Head teacher ()
 - 7) I have occupied this position in this school for a period of? 0 – 3 years () 4 – 5 years () 6 – 8 years () 9 years and above () period of same appointment else where specify
 - 8) As a teacher, I teacher subject 1.....Subject
- Subject

- 9) The average student population in this school for the last three years has been ,
Below 100 () between 100 and 200 () between 200 and 300 () between
300 and 400 () over 400 ()
- 10) The total number of teachers in my school is

SECTION B

Please indicate the extent to which you agree with the following statements

| | STATEMENT | SA | A | U | D | SD |
|----------|---|----|---|---|---|----|
| A | FINANCIAL UTILIZATION SKILLS | | | | | |
| 11 | I always have competent personnel | | | | | |
| 12 | KESI workshops are very good in financial management | | | | | |
| 13 | I require more financial utilization skills | | | | | |
| 14 | Transactions are recorded immediately they occur | | | | | |
| 14 | The nature of the school always affect financial utilization skills | | | | | |
| 15 | I influence budgeting in public secondary schools | | | | | |
| 16 | I follow the rules of school budgets | | | | | |
| 17 | I urgently require Financial utilization skills Training in book keeping | | | | | |
| 18 | I have proper skills to detect errors or omission made by bursars in accounts books. | | | | | |
| 19 | Do your bursar have proper skills to detect errors or omission entries in books of accounts | | | | | |
| B | GOVERNMENT POLICY | | | | | |
| 20 | The nature of the school always affect financial utilization skills | | | | | |
| 21 | Vote heads are limiting my creativity for good results | | | | | |
| 22 | I ' require more skills on budgeting | | | | | |
| 23 | I can easily interpret Trial balance in schools account books | | | | | |
| 24 | I sometimes misalign schools budget allocated by the government | | | | | |
| 25 | Auditors regularly detect errors in school books of accounts. | | | | | |
| 26 | Do bursar / accounting clerk assist in budgeting process | | | | | |

APPENDIX III: QUESTIONNAIRE FOR BOARD CHAIRMAN.

SECTION A: BACKGROUND INFORMATION

Indicate your responses by ticking (√) the appropriate box

1. Please indicate your sex M () F ()
2. Please tick () appropriately to indicate your educational qualifications.
 - Post secondary () form six () form four ()
 - Mid level college () form or lower ()
3. Professional qualifications. Please tick as applicable
 - M. .Phil Ed () BA/BSC/BED () DIPLOMA () Certificate level ()
 - others specify ()
4. Experience in your present job in terms of years. Less than 2 years () between 2 and 6 years () between 7 and 10 years () between 11 and 14 years

SECTION B:

5. Please briefly describe your duty in your present job
-
-
-

6. Are the following documents of school accounts available in your school?

| TICK (√) to show your response | YES () | NO () |
|--------------------------------|---------|--------|
| (a)Cash box | () | () |
| (b)Journals | () | () |
| (c)Files of bank statements | () | () |
| (d)Certificate of cash on hand | () | () |
| (e)Cheque books | () | () |

- (f)Receipt books () ()
- (g)Payment vouchers () ()
- (h)Fees register () ()
- (i)Savings of bank A/C book () ()
- (j)Rent register () ()
- (k)Inward cheque register () ()
- (l)Requisition order () ()
- (m)Local purchase order () ()
- (n)Local service order () ()
- (o)Ledgers; () ()
- (p)Permanent stores ledger () ()
- (q)Consumable stores ledger () ()
- (r)Counterfoil receipt books () ()

7. How many bank accounts does the school operate?

.....
.....

8. If your response in item 7 above is two or more, please indicate the monies that go into different accounts.

(a) A/C1.....
.....

(b) A/C2.....
.....

(c) A/C3.....
.....

(d)Other accounts.....
.....

How often does school prepare the following statements? Tick in the applicable box;

9. The school trial balance

Every month () approximately once in two months () approximately once in six months () once a year () never ()

10. The school income and expenditure statement. Yearly () once in 2 years ()

Once in () 3 or 4 years () once in 5 years () never ()

11. The school annual financial statement (balance sheet) yearly ()

Once in 2 years () once in 3 or 4 years () once in 5 years () never ()

Show by rating the accuracy with which entries in the school books of accounts are made in your school. Tick the appropriate response.

12. Primary (source books) for example receipts, vouchers, cheque books.

Very accurate () quite accurate () accurate () fairly accurate () in accurate ()

13. Secondary entries for example ledgers

Very accurate () quite accurate () accurate () fairly accurate () inaccurate ()

14. Financial statements such as monthly trial balance.

Very accurate () quite accurate () accurate () fairly accurate ()

As the school BOG chairman you perform several duties. In your own opinion, indicate the ease with which you perform those tasks. Tick appropriately.

15. (a) Under what circumstances does the Board management allow advances and loans?.....

.....
.....

(b) The school board grants advance, salaries and loans to the staff members from which funds?.....

.....

(c). Does the school board cash cheques drawn by members of staff from institutions money?.....

.....

16 (a) How does the school acknowledge receipt of money from various sources?

.....

17. Financial utilization of school finances requires certain measures. Please list the internal control measures employed by your school.

i).....

ii).....

iii).....

iv)
.....

v).....

vi)
.....

vii).....

viii).....

18. As the school BOG chairman do you experience any job related problems

YES () NO ()

19. If your response in item (18) is yes, please briefly describe these problems.

.....
.....

20. Please list the problems as earlier pointed out from the “most difficult to the least serious”

i).....
ii).....
iii).....
iv)
.....

21. In your view, do you think utilization of finances in your school is proper?

22. If in your opinion the utilization of finance’s in your school is improper, what reasons can be identified as the major causes?

APPENDIX IV: HEAD OF DEPARTMENT QUESTIONNAIRE.**Questions**

- 1) In your view what are the financial utilization skills of public secondary school Head teacher.....
- 2) How would you rate your head teacher as far as the following issues are concerned:- 1) Very good 2) Good 3) Average 4) Poor 5) Very poor

| Statement | V. Good | Good | Average | Poor | V. Poor | TOTAL |
|---|---------|------|---------|------|---------|-------|
| How would you rate your head teacher on the following policy issues? | | | | | | |
| How are tendering procedures followed in your school? | | | | | | |
| How would you rate account entries in your school? | | | | | | |
| Rate the vote head adherence in your school | | | | | | |
| How is the position of banking funds in your school | | | | | | |
| Rate the PTA and BOG involvement in the budgeting process | | | | | | |
| Do your Head teacher and Bursar have proper budgeting skills to satisfy parents | | | | | | |
| How efficient are stakeholders involvement in funds utilization in your school | | | | | | |
| In your opinion how do you rate school budget | | | | | | |
| Rate the budgets adherence in meeting learner needs? | | | | | | |
| What is the state of Auditing in your school? | | | | | | |
| Rate your Head teacher ability in terms of Auditing skills. | | | | | | |
| Rate the state of accounts records in your school? | | | | | | |
| Rate the state of monitoring and evaluation strategies in place to promote effective fund utilization in school | | | | | | |
| In meeting deadlines on auditing of school funds how is your head teacher | | | | | | |

- 3) What complains do parents raise about financial utilization?

4. What problems are common to head teachers in funds utilization?

- 5 In your opinion do head teachers regularly consult BOG and auditors on financial Issues in your school?

- 6 What can be done to improve financial utilization skills within the schools in the Sub County?

- 7 Are the school resources used efficiently (good value for money spend)?

- 8 How do you rate your school financial state? (Viable/Stable or poor/ unstable)

APPENDIX V: QUESTIONNAIRES FOR P.T.A.

Instructions

1. Do not write your name on this paper
2. Indicate by a tick (✓) your correct response in the questions asked.
3. Give only one response as shown in the key below.

Agree strongly (5), Agree (4), Disagree somehow (3), Disagree (2) Disagree strongly (1)

1. The PTA is actually involved in planning the direction and priorities of the school in funds utilization

SA [] A [] U [] D
 [] SD []

2. The PTA does a good job of evaluating the performance of the head teacher/ Board of governors measuring results against effectiveness

SA[] A [] U [] D []
 SD []

3. The school organization resources are used efficiently (good value for money spent)

SA[] A [] U [] D []
 SD []

4. The B.O.G in funds utilization has high credibility with key stakeholders (e.g founders, donors, consumers of professions, community, teaching staff members)

SA[] A [] U [] D []
 SD []

5. The school boards of government to effective utilize funds is not impaired by conflicts between PTA members and other stakeholder

SA[] A [] U [] D []
 SD []

6. There is a productive working relationship between the board of governors parents teachers association and the head teacher on funds utilization (characterized by good communication and mutual respect

SA[] A [] U [] D []
 SD []

7. On utilization of school funds, as PTA executive members do you give report to parents on each meeting held?

SA [] A [] U []
 D [] SD []

8. BOG members/ teacher/ parents fully participate in budgeting process

SA [] A [] U [] D []
 SD []

9. I have proper expenditure tracking system in public schools

SA [] A [] U []
 D [] SD []

APPENDIX VI: DOCUMENTATION

To assess the availability and accuracy of the following documents in your school.

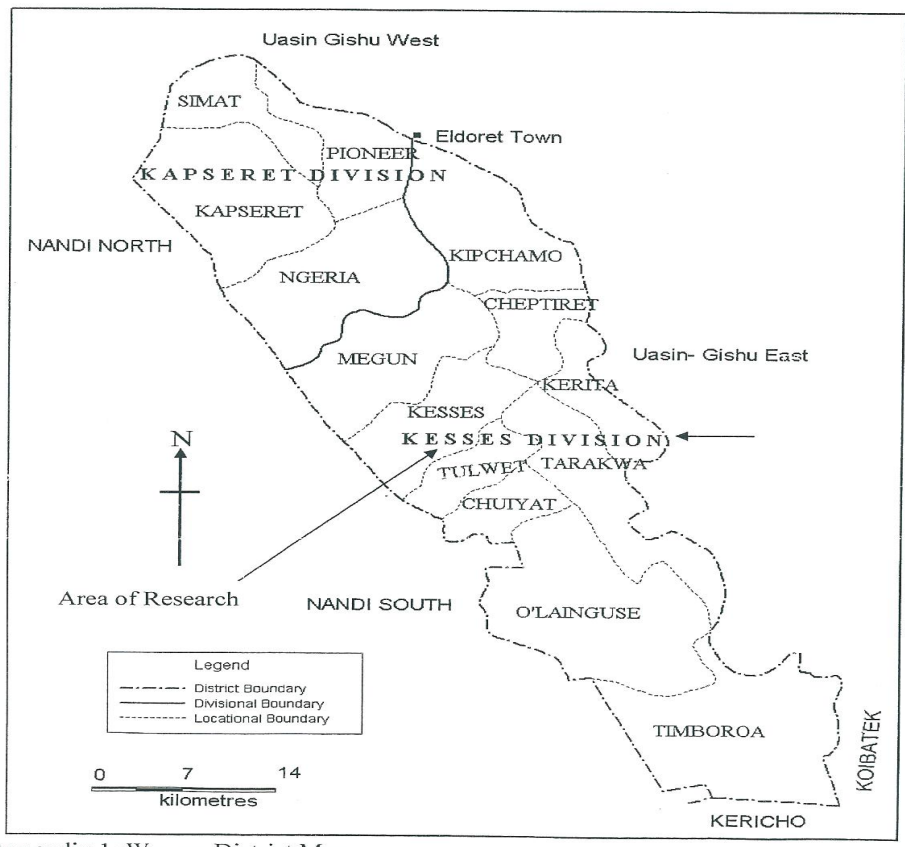
Indicate available or not available beside each document below:

| | Documents | Yes | No |
|-----|-----------------------------|------------|-----------|
| 1. | Cash Box | | |
| 2. | Journals | | |
| 3. | Certificate of cash on hand | | |
| 4. | Inward cheque register | | |
| 5. | Requisition order | | |
| 6. | Local service order | | |
| 7. | Counterfoil receipt book | | |
| 8. | Consumable store ledger | | |
| 9. | Files of bank statements | | |
| 10. | Cheques books | | |
| 11. | Receipt books | | |
| 12. | Payment vouchers | | |
| 13. | Fees register | | |
| 14. | Savings of bank A/C book | | |
| 15. | Rent register | | |
| 16. | Local purchase order | | |
| 17. | Ledger | | |
| 18. | Permanent stores ledger | | |

APPENDIX VII: INTERVIEW SCHEDULE OF AUDITOR

1. Does the school avail all books of accounts for the purpose of auditing?
2. How accurately have entries in books of account been made in the schools?
3. Do the schools produce financial statements such as monthly trial balance, school income expenditure statement as well as balance sheet for auditing?
4. How accurate does schools reflect their financial position in books of accounts?
5. How good a job has the schools been doing as regards budgeting of school finances?
6. How effective has the school utilization put to use its budget?
7. Financial utilization skills requires internal control measures such as proper record keeping, vote head entries, virement, income and expenditure transaction. What is your opinion?
8. Do you think the accounting systems in the schools are very effective in detecting possible fraud?
9. In your opinion, do you think the heads of institutions is competent in utilizing school finances?
10. Do you think the school bursar/ accounts clerk are competent in keeping school books of accounts and performing other duties?
11. What is your opinion about head teachers utilization skills of school finances in the school?
12. What are some of the problems encountered by the schools in utilizing its financial resources?

APPENDIX VIII: A MAP SHOWING WARENG SUB COUNTY



Appendix 1: Wareng District Map
Appendix: Wareng Sub County

APPENDIX IX: RESEARCH PERMIT

PAGE 2

PAGE 3

THIS IS TO CERTIFY THAT:

Prof./ Dr./ Mr./ Mrs./ Miss..... JOSHUA

..... KIPNG'ETICH LAGAT

of (Address) MOI UNIVERSITY

..... P.O. BOX 3900, ELDORET

has been permitted to conduct research in

..... Location,

..... WARENG District,

..... RIFT VALLEY Province,

on the topic..... Determinants of effective utilization of School funds in Public Secondary Schools in

Kenya: A case of Wareng District.

.....

for a period ending..... 31ST DECEMBER, 20. 10

Research Permit No..... NCST/RRI/12/1/SS/634

Date of issue..... 13/07/2010

Fee received..... SHS 1,000



[Handwritten Signature]

.....
Applicant's
Signature

.....
Secretary
National Council for
Science and Technology

APPENDIX X: RESEARCH AUTHORIZATION

REPUBLIC OF KENYA

**NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY**

Telegrams: "SCIENCETECH", Nairobi
Telephone: 254-020-241349, 2213102
254-020-310571, 2213123.
Fax: 254-020-2213215, 318245, 318249
When replying please quote

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: **NCST/RRI/12/1/SS/634/3**Date: **13th July 2010**

Mr. Joshua Kipnetich Lagat
Moi University
P. O. Box 3900
ELDORET

Dear Sir,

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Determinants of effective utilization of school funds in public secondary schools in Kenya: A case of Wareng District*" I am pleased to inform you that you have been authorized to undertake research in **Wareng District** for a period ending **31st December 2010**.

You are advised to report to **the District Commissioner and the District Education Officer, Wareng District** before embarking on the research project.

On completion of the research, you are expected to submit two copies of the research report/thesis to our office.

A handwritten signature in black ink, appearing to read 'P. N. Nyakundi', written over a horizontal line.

P. N. NYAKUNDI
FOR: SECRETARY/CEO

Copy to:
The District Commissioner
Wareng District
The District Education Officer
Wareng District