FINANCIAL MANAGEMENT PRACTICES AND FUNDS MANAGEMENT IN PUBLIC SECONDARY SCHOOLS IN KILIFI COUNTY, KENYA

Seith Baya Kalume.
Masters Student, Kenyatta University, Kenya.
Dr Peter Ng'ang'a.
Department of Accounting and Finance, Kenyatta University, Kenya.

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ABSTRACT

Effective fund management in secondary schools in Kenya and across the world contribute to the economic development of those countries. The handling of funds in many public secondary schools has encountered several obstacles, including instances of mismanagement. Therefore, this brings out the issues on fund management challenges in Kenyan Public Schools. The research was led by the aforementioned precise objective; to establish the effect of budgeting process on fund management in public secondary schools in Kilifi County, Kenya. Research was underpinned by: Stewardship theory of management and Contingency theory. The study utilized a descriptive research design and the target audience was 107 public secondary schools in Kilifi County. Stratified random sampling was utilized to arrive at a sample of 85 respondents. The study utilized primary data which was obtained via a questionnaire where a drop and pick method was adopted. Data collected was scrutinized using SPSS software (version 26) using both descriptive and inferential statistics. Descriptive statistics focused on means and standard deviation and represented in terms of graphs and charts. Inferential statistics sought the relationship between the study variables by running correlation and regression analysis while multiple regression was used to express the contribution of each variable. Further diagnostic tests in terms of normality, multi-collinearity and Homoscedasticity was conducted before running multiple regression. Ethical consideration which includes guidelines governing the research was fully followed during the research. The study showed that budgeting process had the significance threshold of $p< 0.05$ hence had statistically significant effect on fund management of public secondary schools. The study concluded that popular of the responders established to abundant magnitude with the fact that budgeting process indeed affected the fund management of public secondary schools. The study recommended that the schools should involve stakeholders in budget preparation and compare current and previous budgets. It should also ensure approval of budget on yearly basis and ensure adherence on budget estimates. It also recommends frequent monitoring and evaluation of the budget but also ensure they involve the accounting experts.

Key Words: Budgeting Process, Book Keeping, Financial Control, Procurement Process, Fund Management and Financial Management Process.

INTRODUCTION

For institutions or organizations to achieve their set objectives and ensure effective and efficient services delivery, financial resources must be considered as a core determinant of performance. In fact, financial resources form the central part of success of any given institutions since finances can be used to acquire other resources required by an institution or organization (Usman, 2019). Financial resources form the central capital resource that ensures other resources are availed for effective and efficient performance of any organization. Despite the importance role played by financial resources, from time to time, there have been cases of poor funds management which have always left institutions with a deficit of achieving the set objectives. Poor funds management has led to the recognition of the central role played by fund/financial resources management in the recent past. The importance of funds management has been outlined in all the sectors of the economy and in all economic development operation segments; be it in the public, private or not for profit making segment (World Bank, 2021; OECD, 2021, AfDB, 2019; UNDP, 2020), making it an important area of study in modern world.

In the education sector, funds management is a strategy of ensuring value for money given that since 2000, spending on education has grown from 3.2% of the global budget to 5.79% in 2020 (World Bank, 2020). Given the substantial financial resources allocated to the field of education, it is essential that those responsible for overseeing educational institutions engage in meticulous planning and comprehensive review processes (World Bank, 2019). Based on the fact that education consumes billions of tax payers' money annually, a number of studies have linked proper funds management of performance of these institutions of learning.

From a global standpoint, it is apparent that scholars concur on the significance of budget performance management in higher education institutions as an efficient tool for educational management. This approach serves as a crucial foundation for allocating educational resources and developing appropriate educational policies. Moreover, it assumes a significant function in facilitating the enhancement of management practices inside colleges and universities, fostering the growth of exceptional individuals, and contributing to societal progress (Xiaohua, 2019). Eryong and LiJian (2020) convey an overview of funds management in Chinese learning institutions, highlighting the recent growth in financial expenditure within the education sector. They note that the government has been progressively increasing its investment in financial education funds, while the state's funding for higher education has also shown a consistent upward trend. Furthermore, with the implementation of the reformed "performance-oriented" financial expenditure management system, the relevant ministries within China have also enhanced the performance evaluation of higher education institutions.

The financial management practices in Chinese higher education institutions has been accompanied by the establishment of a comprehensive legal framework, increased awareness of evaluation processes, expanded evaluation scope, defined evaluation indices, identified evaluation subjects, specified evaluation content, and the utilization of evaluation results. These developments hold significant relevance in enhancing the management of financial resources in higher education institutions in China. This is in turn has been associated with improved performance of these learning institutions.

Across Africa, the education systems can't fund their own; meaning that majority of the budgetary allocation to education from the basic to the higher education depends on foreign aids and borrowing (OECD, 2019; World Bank, 2020a; USAID, 2019). This means that there are conditions which are tied to these funds among them proper management of the finds so as more donors can be attracted to fund the education kitty (AfDB, 2019). Despite the fact that funds management have been found to influence the performance of learning institutions in Africa in various ways, there have been challenges that have been reported in numerous countries; central among them being financial mismanagement, financial embezzlement and corruption (Transparent International, 2020). In a study conducted by Ali (2019), an investigation was undertaken to assess the influence of money management on the performance of specialized Federal Universities in Nigeria. Ali (2019) has highlighted the issue of underfunding in Nigerian Federal Universities, despite their limited contribution to research. However, it is important to note that effective management of funds has a substantial influence on the quality of physical infrastructure, research output, and the number of graduates produced by specialized federal universities. Given the aforementioned context, there is a prevailing consensus that the federal government ought to augment its financial support, encompassing capital, recurrent, and research grants, towards specialized federal universities. Additionally, it is imperative to foster internally generated revenue by ensuring that state and local governments, private enterprises, and other non-governmental entities (referred to as third parties) are actively contributing their share. This concerted effort is deemed necessary to enhance the overall performance of these institutions.

Across East Africa, it is evident that despite the fact that education institutions are facing a challenge of underfunding, effective and efficient funds management is associated with improved performance. For example, Tomusange, Muweesi and Kyagaba (2021) centered on effective financial resources management for school improvement and development in Uganda. The study found out that the allocation of sufficient funds to schools at all levels lead to improved performance; although deficits in budgetary allocations were realized across the board. Moreover, while certain educational advancements are evaluated based on academic achievements, resulting in significant financial allocations for cutting-edge laboratories and well-equipped libraries to facilitate extensive research, alternative approaches may prioritize the cultivation of practical skills and talents, thereby redirecting school funds towards the enhancement of athletic facilities, apprenticeship programs, and other related initiatives. This leaves a mixed expectation of the concept of sufficient funds allocation; a need for such a study to establish the study measures of improvement/performance and link them too various components of funds management.

At the local level, there is a conspicuous presence of several problems that impede the provision of high-quality education, hence hindering its potential to foster sustainable development (Alvy and Harvey, 2014; Nyakundi and Morara, 2018). According to Kola (2018), a significant and primary obstacle confronting the education sector is the insufficiency of financial resources provided by federal, state, and local governments. This lack of funding has resulted in challenges related to the management of funds, which in turn hampers the successful implementation of free day secondary education, as well as other educational levels, within the context of Kenya. Similarly, Nthia (2018) presents a comprehensive overview of the prevailing circumstances, highlighting the insufficiency of financial resources allocated to the development of physical and instructional facilities throughout all tiers of basic education in Kenya. The administration of basic education has been significantly impacted by several factors, including the low morale of teaching staff and a decline in student enrollment, with the exception of women in adult education programs.

A comprehensive analysis of the shortfall in education financing in Kenya reveals that the government's allocation towards free secondary education for the period of 2019-2020 accounted for just 3.8% of the total yearly spending. This figure falls well below the recommended range of 10% to 15% of national budgets, as advised by UNESCO (Barton, 2019; UNESCO, 2020; IMF, 2020). The education sector in Kenya has emerged as the primary driver of economic development, commanding a significant portion of the government's financial resources. In addition, the implementation of cost sharing has imposed financial strain on both parents and the local populations in close proximity to the educational institution, since supplementary funding is required to supplement the limited public resources allocated by the government. In the context of this particular investment, it is essential for parents and the relevant communities to insist on effective financial management by school administrators (Mobegi et al, 2014; Nganga, 2019; Simiyu, 2019).

Despite the challenge of underfunding in Kenya’s education system, it is evident that funds management influences its performance. According to Nyangosi and Araka (2019), funds management influence the performance of universities just any other institutions of learning in Kenya. The internal control mechanisms that have been associated with effective and efficient funds management are auditing, financial expenditure monitoring, and expenditure authorization among others that form part of the objectives in the current study. According to Wangari and Muturi (2017), there is a consensus that the financial performance of public universities in Kenya is significantly influenced by factors such as yearly budget adherence, financial monitoring, investment decision-making, and financial planning. In a research undertaken by Kiplangat (2017), the focus was on examining the impact of financial management on the success of school projects funded by CDF in Bureti Sub-County, Kenya. The provided background information suggests that working capital management, responsibility for money used, and financial planning play a crucial role in determining the effectiveness of school projects sponsored by the CDF.

Statement of the Problem

Funds management in public organizations means making sure they are accessible when required and that they are acquired and utilized in the most effective and efficient ways possible for the benefit of the public (Waddell, 2017). Performance of a public academic institution depends on managing the flow of finances in respect to the budget. However experience shows that public academic institutions' fund management procedures are often ineffective and driven by resource shortages relative to the expanding list of development projects that may be funded. Though the finance management system at public academic institutions in Africa is improving, Oladipo (2019) argues that there are still instances of deficient financial systems and processes; there is a need for a lot more research in this specific field.

Despite the important role played by the fund management concept across the globe, in sub-Saharan countries like Kenya, it is evident that funds management in the education sector is still very poor, weak, and faced with both external and internal challenges (World Bank, 2020). According to a report by KIPPRA (2020), there has been a significant rise in the debt owed by secondary schools, reaching a total of Kshs.11.5 billion. This growth is in comparison to the outstanding fees and debts owed by schools, which amount to Kshs.21.5 billion. Auditor’s report (2020) indicated a qualified opinion for many schools meaning many schools didn't present its records with GAAP. Several other educational institutions received a disclaimer of opinion report, indicating their decision to refrain from expressing any view about the financial accounts. Thus, there is so much allocated towards expenditure in public secondary schools but at the same time so much is embezzled and misappropriated along the way.

In Kilifi County, According to facts, up to 60% of the money granted have been improperly utilized, which indicates that the auditing of school finances is subpar. According to the EACC (2016), school boards and head teachers in Kilifi County abuse education funds for occasional expenses including sitting compensation and international trips. The research also uncovered that they inflate registrations in order to generate more money, which they subsequently rely on for their own needs. For instance, According to a study conducted by the East African Corruption Commission (EACC) in 2022, it was discovered that the previous principal of Bofu Secondary School, who had retired at the time, engaged in the mismanagement and misappropriation of school finances during the COVID-19 epidemic. The investigation substantiated that the principal engaged in the unauthorized withdrawal of school money and neglected to provide a suitable record of the aforementioned amounts. The aforementioned withdrawals were executed via the collaboration of two board members who had the authority to sign on behalf of the school account. The previous principle proceeded to acquire goods for the educational institution without remitting payment, resulting in an outstanding liability of Ksh.3 million owing to several vendors.

Investigations further uncovered that the Kajiwe Secondary School has 459 students, according to the EMIS secondary schools data return for 2018 and the free day secondary education data capture form for 2020. There were 444 pupils present in actuality. The suspect deceived the Kilifi County Director Teacher Service Commission (TSC) and the District Education officer by neglecting to check the information on the aforementioned filed forms in order to distribute monies for the year 2020 totaling Kshs 5,745,965, which was over by Kshs 1,182,089 (EACC, 2021)

Nyakundi et al (2013) examined the association between financial management practices and funds management in public secondary schools located in Kisii Central District, Kenya. The findings of the study indicated a positive correlation between the level of funds management in public secondary schools and the extent to which financial management practices are utilized. The research findings indicate that financial management methods have a significant impact on the management of finances inside public secondary schools., thus, the study focused on book keeping and internal control in Kisii district as its variable whereas this study will be focusing on budgeting, procurement, financial control and book keeping in Kilifi County as attributed by both the contextual and conceptual gaps. According to research by Munge, Kimani, and Ngugi (2016), ineffective budgeting is one of the primary causes of embezzlement and improper management of school money because of overspending or underspending. The study's variable was only budgeting thus exposing both conceptual as well as contextual gaps that this study will be seeking to incorporate procurement, financial control and book keeping in Kilifi County.

Okumbe (2018) found that difficulties with budgeting, delays in the distribution of funds for free secondary education, fee defaults, late fee payments, and unqualified bursars and accounts clerks compromise the creation of budgetary estimates and administration, which frequently leads to financial mismanagement and misappropriation. The study's variable was only budgeting thus exposing both conceptual as well as contextual gaps that this study will be seeking to incorporate procurement, financial control and book keeping in Kilifi County.
Therefore, it is on this preceding background that considering the demand for greater accountability in public secondary school, the study sought to fill in both the conceptual and contextual gaps by determining the effect of financial management practices on fund management in public secondary schools in Kilifi County, Kenya.

Objective of the Study

To determine effect of financial management practices on fund management in public secondary schools in Kilifi County, Kenya.

Specific Objective

To establish the effect of budgeting process on fund management in public secondary schools in Kilifi County, Kenya.

THEORETICAL REVIEW

Stewardship Theory of Management

Menyah K.'s (2013) stewardship theory emphasizes that managers will unquestionably behave as accountable stewards of the assets they control if left to their own devices. According to Otieno and Nyangechi (2013), the stewardship model assumes that the manager would make decisions that are in the best interests of the company, prioritizing communist decisions above self-serving ones. This person is motivated by doing the right thing for the business because she thinks that if the form is successful, she will ultimately profit from it (Davis et al, 1997). According to Maslow (1943), the stewardship idea is grounded on psychology and posits that people are self-actualizing, therefore they desire to accomplish organizational objectives without being forced to do so. In order to concentrate on long-term performance improvement, the stewardship theory promotes cooperation amongst the managing administrator and the board of executives as the key attribute of accounting and control systems (Davis et al., 1997). Therefore, this theory is pertinent to our research since it is connected to the dependent variable (financial management), where it is up to school administrators to serve as good stewards of the resources they oversee on behalf of the general public.

The Contingency Theory

Pike (1986) introduced the contingency theory, which contends that understanding advanced, speculatively superior theory strategies and methods is not the only requirement for efficient asset resource allocation. Comparative consideration should also be given to the appropriate between the corporate environment and the graph and growth of the capital masterminding framework. According to Pike (1986), the schematic and mission of an alliance's capital organizing structure are based on three sectors of the corporate environment that are acknowledged to be related to them. Contingency theory has shown to be significant in both management accounting and organization theory. Additionally, it has been suggested that while creating accounting arrangements, the contingency technique be used. It is argued that by extending the contingency structure to corporate reporting, it may be possible to define and anticipate such frameworks. The unexpected aspects are viewed as coming into four categories, which include: social factors, organizational characteristics, client characteristics, and other data sources. These are intended to be connected to certain characteristics of corporate reporting systems.

According to Schweikart (2015), there is significant concern about issues like harmonization and differences in the bookkeeping data displayed across countries, as well as what he called the "recommendation" that the requirements for bookkeeping data in different countries are subject to environmental effects. Since many scientists are using contingency theory to establish a hypothesis of universal bookkeeping, Schweikart's (2015) claim that there has been little practical work done to support the concept of ecological consequences on accounting is no longer a significant one.
This theory applies to this research since it supports the role of budgeting process in the management of funds in public schools.

Empirical literature Review

Budgeting Process and Fund Management

Tomusange, Muweesi and Kyagaba (2021) conducted a study on effective financial budgeting for school improvement and development in Uganda. According to the study, financial budgeting as a component of funds management influences the improvement of schools in Uganda. Additionally, due to the lack of resources and the inelastic demand for education, it is important to think about how to handle the financial aid that is available and how to allocate monies to secondary education in a way that will help battle ignorance, poverty, and sickness. This aligns with the proposition put out by Lewin (2018) advocating for the adoption of a Keynesian-Schumpeterian model in Uganda and other countries within the Sub-Saharan Africa region. The purpose of this model would be to effectively manage, distribute, and optimize financial resources in order to achieve overarching socio-economic objectives at the aggregate level. This study however hasn't outlined the various variables adding up to budgeting process neither has the study linked them to holistic improvement of the secondary schools in Uganda. Further, the study is purely qualitative using archived data meaning that one can't easily establish the extent of influence of one variable vs. the other statistically. Therefore, this study addressed both the methodological, contextual and conceptual gaps found in this study.

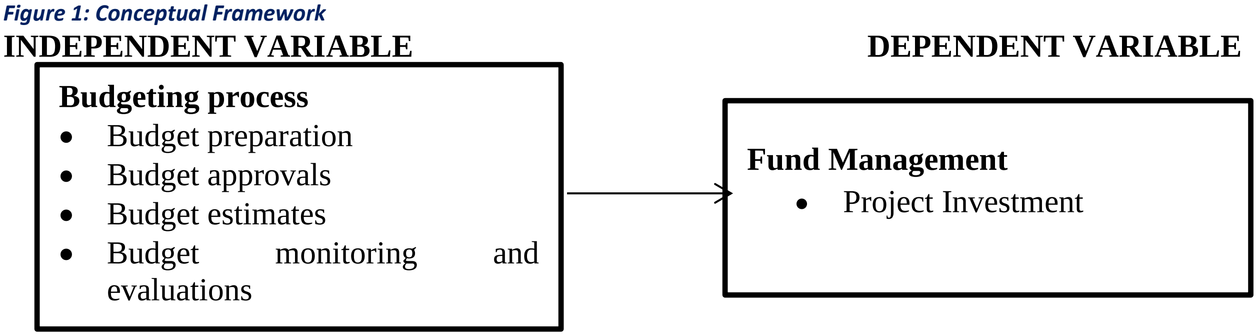
Irungu (2019) avers budgeting practices on the performance of schools; although performance in this study has been taken to be the financial performance indicators only. The research reveals that schools have deficiencies in their program planning and budgeting procedures, as they fail to establish comprehensive strategies for achieving educational goals. The research revealed that head teachers did not undertake any efforts to assess the outcomes of their expenditures in order to ascertain the extent to which budgetary choices have yielded the intended outcomes. Consequently, the research proposed the implementation of comprehensive in-service training programs for school principals focusing on financial management. From this study, it can be noted that schools' head's ability to take schools through proper budgeting has a deficit and therefore a need for future examination by use of statistical tests like the multiple regression analysis that shall be applied by the current study thus addressing a methodological gap.

Abdikadir, Mugwe, and Kimamo (2019) conducted a study to ascertain the impact of budget reporting procedures on financial management within the context of public secondary schools in Mandera County, Kenya. The research used a mixed methods approach and implemented a concurrent triangulation design. The quantitative data was subjected to both descriptive and inferential analysis using the One-Sample t-Test in SPSS Version 23. The results were then displayed in tabular form. The research findings indicate that there is a lack of adherence to budget reporting standards aimed at enhancing financial management in secondary schools within Mandera County. In summary, budgetary reporting assumes a vital position in the financial administration of secondary educational institutions. Further the study concluded that budgeting practices like preparation of school budgets, planning for budgeting, approval of school budgets, involvement of experts and other external stakeholders influences financial management of secondary schools. This study however has only concentrated on financial performance which is just one indicator of learning institutions' performance leaving out other components. There was also a methodological gap and contextual gap that the current study sought to fill.

Otieno, Kute, and Yambo (2018) conducted research on the implications of financial budgeting in the administration of public secondary schools in Uriri Sub-County, Migori County Kenya. The study's methodology was a survey. All head teachers, PTA presidents, and BOM members from the 18 public secondary schools made up the research population. Utilizing questionnaires and an interviewing guide, data was gathered. Descriptive statistics were used to assess quantitative data in the form of frequency counts and percentages. The SPSS was used to analyze the data. The BOM received funding via fund raising, parental donations, benefactors, and individual contributions, according to research on the impact of financial budgeting on school administration. It was also determined that the BOMs had difficulties managing their finances. The majority of PTA chairpersons regarded the BOM members as being mediocre in managing finances and creating budgets. Despite the fact that this study has failed to show the various indicators of financial management budgeting, it has indeed shown the challenge facing school leaders in budgeting and management of finances. Thus, this study incorporated more indicators to capture exactly ailing the schools.

According to Mito and Simatwa (2018), the presence of problems in the budgeting process has posed significant obstacles for head teachers of public secondary schools in efficiently managing school operations. In the district of Bondo, where the study was conducted, certain head teachers were found to be engaging in excessive expenditure in certain budget categories while simultaneously neglecting others. This practice has resulted in various issues, including the misappropriation and mismanagement of school funds. It is important to note that such actions are considered violations of the TSC code of conduct and regulations, and can lead to severe consequences such as interdiction and subsequent demotion. This aligns with the findings of Irungu (2018), which indicate that the existing measures and support mechanisms for head teachers in public secondary schools are deficient and fail to sufficiently equip them for their duties in money management.

Figure 1: Conceptual Framework



Source: Researcher (2024)

Research Design

The work exploited was descriptive research design. The aforementioned design was favoured for its capacity to enable the researcher to define the study's scope and clarify the gathered data, therefore establishing the distinctions and similarities within our frame of reference across a designated timeframe (Cooper & Schindler, 2006; Saunders, Lewis, & Thornhill, 2007). Thus, descriptive research design ascertained the upshot of financial management practices on fund management in public secondary schools. This is because descriptive research was utilized to address the inquiry pertaining to the impact of financial management practices on fund management, specifically focusing on the "what" aspect.

Target Population

It's the entire group that the work will focus on. This constituted 107 public secondary school in Kilifi County Kenya (MoE 2022).

Sampling Design

Stratified sampling design was adopted to select a sample size of 85 public secondary school in Kilifi County. The schools were stratified in terms of National, County, Extra County and Sub-County. Levy and Lemeshow (2013) define a sample as a representative subset of the whole population that has been selected for the purpose of study. According to Gall, Gall, and Borg (2007), a sample refers to a meticulously chosen subset that accurately reflects the whole population in terms of its features. According to Cooper and Schindler (2011) and Oso and Onen (2011), sampling is a frequently used technique in inferential statistics for making predictions about the behavior of a population. Sampling strategies provide assurance to the researcher that the sample effectively reflects the attributes and traits of the whole population.

In this study the researcher used Yamane (1967) formula to arrive at the sample as below

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

Where N=target proportion

N= sample size

e= level of precision at 0.05

Thus, $n = \frac{107}{1+107(0.05)^2} = 85\ respondents$

Data Collection Instruments

Both primary and secondary data were gathered. Secondary data supporting dependent variable was collected in the development plans for all budgeted and completed investments for the financial year from June 2021 to July 2022, which is the scope of the study. Structured questionnaires was the key data collection tools in this investigation. A questionnaire, according to Bryman (2015), is a list of statements or questions utilized to gauge someone's views, biographical details, attitudes, opinions, or other types of information. The researcher would utilize structured questionnaires to gather primary data since the population of interest was literate and could write. A questionnaire also offers the chance for anonymity so that the researcher can get exact information, providing the informant a chance to supply accurate information.

The research utilized a 5-point Likert scale to quantify how respondents rate different things in connection to the many factors being studied. The respondents were asked to score the statements as they relate to their individual areas of budgeting process on a scale of 1 to 5. Since respondents are likely to answer all or most of the questionnaire's items, a Likert scale was used since it is seen to be more trustworthy. Additionally, since Likert scale evaluations are interval scale features, they may be simply assessed using conventional methods (Barua, 2013).

Data Collection Procedure

The researcher applied for NACOSTIC research permit which was used as a permission to collect data. The researcher individually conducted a structured questionnaire utilizing the drop-and-pick approach, assisted by a research assistant.

Data Analysis and presentation

Cooper and Schindler (2006) assert that the process of data analysis often includes the reduction of collected data to a more manageable size, the generation of summaries, the identification of patterns, and the use of statistical tools. This metric may also be characterized as a method that enables researchers to examine, manipulate, and analyze data in order to emphasize valuable insights, propose findings, and facilitate the process of making informed decisions. Prior to inputting the data into Statistical Package for Social Scientists (SPSS) version 26, a thorough examination was conducted to verify its comprehensiveness and precision. This package enables researchers to conduct an analysis of descriptive statistics, including the calculation of measures of central tendency, frequency distributions, measures of association, and measures of dispersion. Furthermore, inferential statistics was used to ascertain the correlation between the independent factors and the dependent variable. The researcher used content analysis as a method for examining and interpreting qualitative data.

The study employed a multiple linear regression model, which is considered appropriate for cross-sectional data as expressed in the direct effect function below:

$Y = \beta 0 + \beta 1X1$……………………………………………………………(i)

Where:

Y – Fund management

$\beta 0$ - Constant

X1 – Budgeting process

$\beta 1$ – Regression coefficient

Є= term of error

The data analyzed was displayed via the utilization of frequency tables, graphs, and pie charts.

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive Statistics

Table 1: Descriptive Statistics on Budgeting Process

	N	Mean	Std. Deviation
The school involve stakeholders in budget preparation	85	4.3059	.67301
There is approval of budget on yearly basis	85	4.4353	.98134
The school adhere on budget estimates	85	2.8353	1.73786
There is frequent monitoring and evaluation of the budget	85	2.9176	1.19734
The school involve the accounting experts	85	3.2353	.92127
There is comparison of current and previous budgets	85	3.7882	.41098
Valid N (listwise)	85		

Source: Field Study (2024)

In table 1 above, on the aspect of whether the school involve stakeholders in budget preparation, it was noticed that most of responders strongly concur with the statement at an average of 4.3059 with a variation of 0.67301. On the statement of whether there is approval of budget on yearly basis, majority of the responders strongly agree with an average of 4.4353 and a variation of 0.98134. On the statement on whether the school adhere on budget estimates, bulk of the responders agree with a mean of 2.8353 and a disparity of 1.73786. On the account on whether there is frequent monitoring and evaluation of the budget, bulk of the responders agree with an average of 2.9176 and a disparity of 1.19734. On the account on whether the school involve the accounting experts, bulk of the respondents agree with an average of 3.2353 and a disparity of 0.92127. On the account on whether there is comparison of current and previous budgets, bulk of the respondents agree with an average of 3.7882 and a disparity of 0.41098. These discoveries agree with those of Abdikadir, Mugwe, and Kimamo (2019) explored a study to ascertain the impact of budget reporting procedures on financial management within the context of public secondary schools in Mandera County, Kenya. The research findings indicate that there is a lack of adherence to budget reporting standards aimed at enhancing financial management in secondary schools within Mandera County.

Table 2: Descriptive Statistics on Fund Management

Std. Deviation	Mean	Kurtosis	Skewness
.05303	.0876	-.460	.758

Source: Study Data (2024)

As evident in Table 2 the average fund management of public schools in public secondary schools in Kilifi County is 0.0876 with an insignificant deviation of 0.05303. This indicated that fund management is steady with closely normal dispersal grounded on its management as also confirmed by its kurtosis and skewness.

Correlation Analysis

The researcher created a correlation matrix between the variables utilizing the SPSS software. The results are summarized in Table 3.

Table 3: Correlation Results

		Budgeting process	Fund management
Budgeting process	Pearson Correlation	1	.006
	Sig. (2-tailed)		.955
	N	85	85
Fund management	Pearson Correlation	.006	1
	Sig. (2-tailed)	.955	
	N	85	85

Source: Field Data (2024)

An insignificant and very weak positive correlation exists between budgeting process and fund management (r = 0.006). This correlation is statistically insignificant at the 0.05 level (p = 0.955).

Regression Analysis

Multiple regressing analysis was computed to derive the relationship between the variables.

Model Summary

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890[a]	.791	.781	.16234

a. Predictors: (Constant), Budgeting process

Source: Field Study (2024)

The results designate that R square of 0.791 was evaluated, demonstrating that changes in the budgeting process, book keeping, financial control and procurement process were responsible for 79.1% of the changes in fund management among public secondary schools in Kilifi County. 20.9% of the remaining changes were related to external factors that this model did not take into account.

Analysis of Variance (ANOVA)

The ANOVA test was done and the results shown in Table 5.

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.002	4	2.000	75.907	.000[b]
	Residual	2.108	80	.026		
	Total	10.110	84			

a. Dependent Variable: Fund management

b. Predictors: (Constant), Book keeping, Budgeting process

Source: Field Study (2024)

In table 5, p-value 0.000 as calculated denotes that the regression model was statistically substantial in predicting the connection amongst financial management practices and fund management among public secondary schools in Kilifi County as the p-value <5%.

Regression Coefficients

The regression output was done and represented in Table 6.

Table 6: Regression Results

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	16.264	1.397		11.640	.000
	Budgeting process	1.362	.361	.627	3.776	.000

a. Dependent Variable: Fund management

Source: Field Study (2024)

The scholar undertook regression analysis to come up with the linking between budgeting process and fund management among public secondary schools in Kilifi County. The following regression equation was developed.

Y (Fund Management) = 16.264+ 1.362X1

The findings show that a unitary rise in budgeting process would result to 1.362 rise in fund management. A p value of 0.000<0.05) meant that it was both favorable and statistically significant. Accordingly, objective one was rejected.

This could be attributed to involving shareholders in budget making, approving of budget on annual foundation, adhering on budget approximations, regular monitoring and assessment of the budget, involving the accounting specialists and contrast of existing and preceding budgets. These outcomes support the findings of Irungu (2019) who found that the research reveals that schools have deficiencies in their program planning and budgeting procedures, as they fail to establish comprehensive strategies for achieving educational goals. It also agreed with the findings by Abdikadir, Mugwe, and Kimamo (2019) who indicate that there is a lack of adherence to budget reporting standards aimed at enhancing financial management in secondary schools within Mandera County.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study's findings show that budgeting process significantly improved fund management of public secondary schools in Kilifi County, Kenya. In view of this findings, budget preparation, budget approvals, budget estimates and budget monitoring and evaluations influence fund management of public secondary schools in Kilifi County, Kenya. This suggests that addressing budgeting process issues improves the fund management of a public school. Budgeting process aids in managing spending habits, tracking expenses, saving more money, making better financial decisions and preparing for emergencies.

Recommendations

As per the effect of budgeting process on fund management of public secondary schools in Kilifi County, Kenya, the study recommends that the schools should involve stakeholders in budget preparation and compare current and previous budgets. It should also ensure endorsement of budget on annual foundation and ensure devotion on budget approximations. It also recommends regular monitoring and assessment of the budget but also ensure they involve the accounting experts.

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