

**EFFECT OF PRINCIPALS' FINANCIAL MANAGEMENT PRACTICES ON
ACADEMIC ACHIEVEMENT IN PUBLIC SECONDARY SCHOOLS IN BUNGOMA
EAST SUB-COUNTY, KENYA**

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ABSTRACT: *Finance is a key resource that determines performance of any organization. Principals are managers of this resource in secondary schools. The study investigated the relationship between principals' financial management practices and students' academic achievement in public secondary schools in Bungoma East Sub-County. Embedded mixed method research design was adopted for the study. The target population was all principals, deputy principals and heads of department in public secondary schools in the Sub-County. Stratified random sampling was used to select the study sample. In total, 180 respondents, comprising of 33 principals, 33 deputy principals and 114 heads of department, were picked from 33 sampled schools. Data was collected using questionnaire, interview schedule and document analysis guide. A pilot study was carried out in three schools from the neighbouring Sub-County before the main study to establish validity and reliability of the research tools. Both descriptive and inferential statistics were used in data analysis. Descriptive statistics involved the use of frequencies, percentages and means while inferential statistics involved the use of Spearman's Rank order correlation. The study established a strong positive relationship between principals' financial management practices and academic achievement in public secondary schools. Therefore, principals who had high scores on financial management practices recorded high academic mean scores in their schools. Financial managerial practices play a pivotal role in infrastructural and academic development of an educational institution. It was thus recommended that school principals should ensure that school financial resources were properly managed to ensure there was proper development of schools' infrastructures hence improvement of academic performance.*

KEYWORDS: academic achievement, financial management practices

INTRODUCTION

Principals' financial management practices involve activities that include sourcing of funds, budgeting, procurement, auditing, reporting and accounting. Therefore, these activities ensure that financial resources are used prudently in schools to promote academic achievement. Financial resources are used mainly to procure basic teaching and learning materials and for daily operations

of the school that support learning programmes. Financial resources are always scarce, meaning that school principals should optimally use them to enhance infrastructural development and promote students' academic performance.

LITERATURE REVIEW

Allis (2004) argues that no organization has ever succeeded without financial resources. Therefore, it is important for organizations to utilize their finances effectively in order to enhance their core operations. Despite the importance of financial resources, however, Rosen and Gayer (2010), in their study, found that these resources are prone to mismanagement and misappropriation by those in charge, hence negatively affecting organizational performance.

Crouch and Wrinkler (2008), in their work on governance, management and financing education, argue that most countries have decentralized financial management in their schools. This centralization has helped to promote accountability and positively affected academic achievement in schools. In Pakistan, Ahmed, Babar and Kashif (2010) found that prudent financial management practices had positively influenced academic performance among institutions they surveyed. In those institutions, financial resources were used to procure basic learning materials to support teaching and learning, thereby impacting positively on academic achievement.

In Nigeria, a study conducted by Ogbonnaya (2000), on foundation of education finance in Onitsha, argues that the main purpose of financial management is to ensure that funds were sourced and utilized effectively. He argues that, financial resources being scarce, it is the duty of educational administrators to use available resources optimally and prudently to promote positive academic achievement. In a similar study conducted in Enugu state, Mgbodile (2000) found that lack of adequate training of heads and negligence by school financial clerks contributed to poor performance of Nigerian educational institutions.

According to Bua and Adzongo (2004), the poor state of schools in Benue state, Nigeria, was a result of financial mismanagement and inability to generate revenue internally. Further, Wentzel, Barry and Caldwell (2004) found that management of funds was a challenge to most school heads in Nigeria. According to Caldwell *et al.*, school principals and school committees had failed to manage funds properly due to inadequate training and this had negatively affecting performance.

In Kenya, a study by Munge, Kimani and Ngugi (2016), on factors influencing financial management in public secondary schools in Nakuru County, revealed that sources of funds in public secondary schools included government funding, fees, grants, donations, bursary schemes, income-generating projects among others. These funds were used to support daily operations and other development activities, which positively promoted academic achievement in the schools. Study findings further revealed that the Kenya government influenced financial management in public schools through financial regulations such as imprest management policy, financial auditing, credit management policy and inventory management policy.

A study by Magak (2013), which sought to find out financial challenges head teachers were facing in financial management in public secondary schools in Kisumu East, adopted descriptive research

design to obtain data from 30 deputy principals, 41 bursars and 1 government auditor. The study identified such challenges as inadequate and irregular auditing, lack of accounting, supportive documents and inability to prepare end year financial statements hence led to financial mismanagement which negatively affected academic achievement. This reviewed study employed descriptive research design while the current study adopted embedded mixed method of research design. Further, the reviewed study was carried out in public secondary schools in Kisumu East District focusing on financial challenges. The financial management practices examined in the study included budgeting, procurement, reporting and accounting, and auditing.

Budgeting

Schick (1988) argues that a budget serves as a tool for planning and controlling the use of scarce financial resources in order to accomplish educational goals. Therefore, budgets are concerned with the provision of goods and services to stakeholders with no intention of making profit. Budgeting is aimed at guiding expenditure and providing a ceiling for management actions. Further, Bingham (2009) posits that a more efficient budgeting process involves developing a system that allows budget makers and various heads of department to be incorporated into decision-making process through various committees.

In Kenya, Munyiri (2008) observes that, in most Kenyan schools, budget making is normally a hierarchical process that starts at the bottom and ends at the top. The bottom comprises departments while the top consists of the boards of management. Therefore, the school departments have to prepare departmental budgets prior to school central budget committee meetings and compiling the final budget draft. In Kisumu East, however, Magak (2013) found that the budget making process does not have any room for departmental input. This, according to Magak, is a loophole for denying the school quality services and goods hence negatively affecting academic achievement.

Mito and Simatwa (2012) conducted a study on challenges faced by newly appointed principals in management of public secondary schools in Bondo District. The study findings revealed that school principals were charged with the responsibility of planning school budget in order to achieve the objectives of the school through effective financial management practices. However, poor budgeting was one of the major reasons that derailed effective management of schools due to overspending or under spending on some vote heads, which had led to mismanagement of funds hence negatively affected school performance.

Procurement

The Kenya Public Procurement Manuals for Secondary Schools and Colleges (Ministry of Education, 2009) stipulates that expenditure of public money in all public education institutions should be transparent and managed by various committees at all levels of procurement. This is further emphasized in Public Procurement and Disposal Act (PPAD) (Republic of Kenya, 2015), which requires that all goods and services procured in public institutions be tendered. The tendering process is managed by the tender committee whose composition included deputy principal, accounts clerk, heads of departments and store keepers. However, according to a study

by Makuto (2014), the relevant stakeholders are not involved in the procurement process; therefore, lack of transparency in financial matters is affecting learning process in many schools.

The school principal is required by law to give the tender committee members appointment letters to ensure security of tenure. According to PPAD (RoK, 2006), it is the duty of the principal to induct the procurement committee on their new role as, in most cases, some or all of them lack technical knowledge. However, in most cases, the principals lack the capacity to induct members of the tender committee due to lack of adequate training hence, which leads to compromises in the procurement process. According to PPAD, the tender committee is supposed to approve procurement plans of the various departments in the school. The committee is also mandated to identify the supplier for goods and services for the school in a given financial year through competitive bidding. It is also to decide on the most appropriate methods of tendering to be used in the school.

The Kenya Education Management Manual (Ministry of Education, 2011) points out that procurement process, when followed in an institution, promotes prudent utilization of resources resulting into academic achievement. The manual further argues that the process promotes trust and good relationship between school principals and stakeholders, especially the community.

Reporting and Accounting

In South Africa, a study by Kruger (2003), on efficient financial management in Pretoria, established that accounting was an important aspect of managing school funds. A school's bookkeeping can be delegated to a capable member of staff who has the requisite knowledge of accountancy. However, in most cases, the school principal and board of management are responsible and accountable for the management of all the money collected and paid out by the school. Mobegi, Ondigi and Simatwa (2012) conducted study on factors contributing to financial mismanagement and misappropriation of funds in public secondary schools in Gucha District. They found that majority of principals had no financial and accounting skills. Specifically, most of the school heads were incapable of identifying wrong entries in financial records made by bursars. Therefore, the resultant constant loss of funds had negatively affected learning in schools.

In South Africa, Sayed (2012) conducted a study on the changing role of the principals of public primary schools. The findings revealed that school principals were accountable to the Ministry of Education, school boards of management and parents. Financial management emphasized transparency and information sharing among all stakeholders. The school principals ensured that monthly and quarterly statements were kept. Final reports on the income and expenditure for the financial year was submitted to boards of management for approval.

Kahavisa (2003), in a study on financial management in public secondary schools in Kakamega County, found that there were no proper internal auditing mechanisms set up in public secondary schools. Therefore, school funds were often misappropriated and this had negatively affected learning in schools. The Kenya Education Act (Republic of Kenya, 2012) requires every school board to keep proper records of accounts relating to finance, property and any other transactions and prepare such accounts as prescribed by education minister for accounting purpose. It gives the

boards of management power to administer and control school property and buildings, including resources earned by the school.

Auditing

In South Africa, the Department of Education mandates that every public school must have its books audited annually. The purpose of auditing is to ensure that schools record and control their finances (Mestry, 2004). Therefore, the boards of management have to appoint an independent qualified person who is not a member of school staff or governing body to audit the books annually. The auditor checks documents such as minutes of meetings, fees registers and departmental ledgers to perform proper auditing services.

In Kenya, the Education Act (RoK, 2012) points out that the school boards should produce and lay before the auditor all books of accounts and any other documents, together with other information required by the auditor to carry out auditing. Auditing of finance in schools is done at the end of each financial year as prescribed by law. A financial audit report is drawn from weekly or monthly statements and it is presented to the parents during annual general meetings. It is further submitted to the Ministry of Education annually.

According to Kahavisa (2003), however, there is no proper internal auditing systems in public secondary schools in Kakamega County. Therefore, this lack of systems has created loopholes for misappropriation of funds. Ideally, the purpose of auditing is to ensure schools are recording and controlling their finances. Nevertheless, Mutembei (2013), in his study on challenges facing head teachers in day public secondary schools in Imenti South District, Meru County, found that head teachers had inadequate financial management training to facilitate proper auditing of financial records in schools.

Statement of the Problem

The government of Kenya invests significant resources from its budget on the education sector. The funds from the government caters for free tuition of students, supply of teaching/learning materials and putting up of infrastructures to support learning processes. It is often assumed that school administrators will manage these funds prudently since they are trained in management courses offered by Kenya Education Management Institute. Moreover, most of them attend workshops to enhance their management skills. Therefore, it is expected that their managerial capabilities will result in expedient use of funds to support schools' academic performance, However, academic achievement in public secondary schools in Bungoma East Sub-County has continuously remained poor over the last five years. This is shown by the following mean scores obtained from the Sub-County Director of Education, Bungoma East Sub-County: 2014 (4.81), 2015 (4.51), 2016 (3.38), 2017 (3.12) and 2018 (3.37).

Following this trend, very few students from the Sub-County have been qualifying to join universities. In view of this, there was need to carry out a study on possible factors leading to this poor academic achievement in public secondary schools in the Sub-County. A cursory review of related studies on other factors affecting academic achievement showed that there was little information regarding influence of principals' financial management practices on academic achievement in public secondary schools. Therefore, the study sought to establish the extent to

which principals' financial management practices influenced academic achievement in public secondary schools in Bungoma East Sub-County. Subsequently, the study hypothesized that there is no significant relationship between principals' financial management practices and students' academic achievement in public secondary schools in Bungoma East Sub-County.

MATERIALS AND METHODS

The study adopted embedded mixed methods research design and utilized both qualitative and quantitative approaches. The target population was all principals, deputy principals and heads of department in public secondary schools in Bungoma East Sub-County. The sample for the study was selected through proportionate sampling in order to get a representation of schools from each of the three categories of schools as follows: Extra County, County and Sub-County public secondary schools. In each school, the principal, deputy principal and heads of department were selected automatically as respondents. The heads of department were selected through random sampling.

In the entire Sub-County, there were 26 schools, comprising 3 extra-county schools, 4 county schools, and 19 Sub-County schools. Of these schools, all the 3 Extra-County, 4 County schools were purposely selected while 11 out of 19 Sub-County schools were selected via stratified sampling. The sampled schools thus summed up to 18. The target population was 220, comprising 26 principals, 26 deputy principals and 168 HODs. Using stratified sampling, 144 respondents, consisting of 18 principals, 18 deputy principals and 108 HODs, were selected.

Data was collected using interview schedules for school principals, questionnaires for deputy principals and heads of departments and document analysis for each school's KCSE mean scores. The collected data was analysed using descriptive statistics, namely frequencies, percentages, means and standard deviation. Spearman rank order was used to test the hypothesis, to determine whether there was a relationship between principals' financial management practices and academic achievement in public secondary schools.

RESULTS AND DISCUSSION

The objective of the study was to find out the influence of principals' financial management practices on academic achievement in public secondary schools. The deputy principals (DPs) and heads of department were asked to score on a five-point Likert scale the extent to which they agreed or disagreed with the statements. The findings were as summarized in Table 1 below.

Table 1: Deputy Principals' Responses on Principals' Financial Management Practices

Items on Principals' Financial Management	Respondents	SA F(%)	A F(%)	U F(%)	D F(%)	SD F(%)	Mean	Std Dev
The school organizes fund drives to raise financial resources	DPs	4(12.1)	18(54.5)	3(9.1)	8(24.2)	0(0.0)	3.5	1.0
	HODs	16(15.8)	36(35.6)	13(12.9)	26(25.7)	10(9.9)	3.2	1.3
The school involves its alumni in raising financial resources	DPs	0(0.0)	3(9.1)	25(75.8)	4(12.1)	1(3.0)	2.9	0.6
	HODs	2(2.0)	14(13.9)	36(35.6)	31(30.7)	18(17.8)	2.5	1.0
There are income generating projects in the school	DPs	5(15.2)	9(27.3)	9(27.3)	6(18.2)	4(12.1)	3.2	1.3
	HODs	15(14.9)	44(43.6)	22(21.8)	14(13.9)	6(5.9)	3.5	1.1
Principal encourages fees payment through bank	DPs	5(15.2)	24(72.4)	1(3.0)	3(9.1)	0(0.0)	3.9	0.7
	HODs	43(42.6)	45(44.6)	9(8.9)	2(2.0)	2(2.0)	4.2	0.9
The school gets funds from government grants and donations	DPs	4(12.1)	17(51.5)	7(21.2)	3(9.1)	2(6.1)	3.5	1.0
	HODs	39(38.6)	51(50.5)	6(5.9)	4(4.0)	1(1.0)	4.2	0.8
The school gets CDF funds to support projects	DPs	2(6.1)	15(45.5)	7(21.2)	7(21.2)	2(6.1)	3.2	1.1
	HODs	5(5.0)	31(30.7)	24(23.8)	27(26.7)	14(13.9)	2.9	1.1
The school follows tendering guidelines in procurement of goods and services	DPs	3(9.1)	22(66.7)	0(0.0)	8(24.2)	0(0.0)	3.6	1.0
	HODs	34(33.7)	49(48.5)	4(4.0)	12(11.9)	2(2.0)	4.0	1.0
Principal consults HODs before budgeting and procuring department requirements	DPs	0(0.0)	25(69.4)	4(12.1)	4(12.1)	2(6.1)	3.5	0.9
	HODs	36(35.6)	37(36.6)	6(5.9)	17(16.8)	5(5.0)	3.8	1.2
Tendering committee constituted in line with public procurement act of 2015	DPs	1(3.0)	19(57.6)	5(15.2)	8(24.2)	0(0.0)	3.4	0.9
	HODs	19(18.8)	41(40.6)	14(13.9)	15(14.9)	12(11.9)	3.4	1.3
Principal does not interfere with tendering process	DPs	2(6.1)	10(30.3)	2(6.1)	16(48.5)	3(9.1)	2.8	1.2
	HODs	8(7.9)	29(28.7)	20(19.8)	39(38.6)	5(5.0)	3.0	1.1
Principal communicates school financial projects and priorities at the beginning of the year	DPs	0(0.0)	13(39.4)	6(18.2)	12(36.4)	2(6.1)	2.9	1.0
	HODs	26(25.7)	32(31.7)	18(17.8)	22(21.8)	3(3.0)	3.6	1.2
Principal communicates to parents on lunch fee areas	DPs	0(0.0)	32(97.0)	1(3.0)	0(0.0)	0(0.0)	3.9	0.2
	HODs	28(27.7)	57(56.4)	4(4.0)	8(7.9)	4(4.0)	4.0	1.0
Principal monitors departmental expenditure for accountability and auditing purpose	DPs	9(27.3)	22(66.7)	2(6.1)	0(0.0)	0(0.0)	4.2	0.5
	HODs	39(38.6)	44(43.6)	10(9.9)	8(7.9)	0(0.0)	4.1	0.9
Principal involves teachers in fees collection	DPs	10(30.3)	13(39.4)	2(6.1)	8(24.2)	0(0.0)	3.8	1.1
	HODs	40(39.6)	43(42.6)	2(2.0)	16(15.8)	0(0.0)	4.1	1.0
Principal communicates reception of funds from government and other supporting agencies	DPs	0(0.0)	10(30.3)	9(27.3)	13(39.4)	1(3.0)	2.8	0.9
	HODs	26(25.7)	42(41.6)	16(15.8)	15(14.9)	2(2.0)	3.7	1.1
Principal follows Ministry's guidelines in giving teachers subsistence money when on school functions away from school	DPs	0(0.0)	6(18.2)	5(15.2)	21(63.5)	1(3.0)	2.5	0.8
	HODs	7(6.9)	42(41.6)	11(10.9)	29(28.7)	12(11.9)	3.0	1.2
Mean	DPs						3.4	0.9
	HODs						3.57	1.0

The findings in Table 1 show deputy principals' responses on whether schools organized funds drives to raise financial resources. From the findings, 4(12.1%) deputy principals strongly agreed and 18(54.5%) agreed with the statement that schools organized fund drive to raise school funds. However, 3(9.1%) deputy principals were undecided and 8(24.2%) disagreed with the statement. Moreover, 16(15.8%) heads of department strongly agreed and 36(35.6%) heads of department agreed with the statement. However, 13(12.9%) heads of department were undecided, 26(25.7%) heads of department disagreed and 10(9.9%) heads of department strongly disagreed with the statement. The deputy principals' mean rating for this item was 3.5 while the mean for HODs'

response was 3.2. This implied that most deputy principals and HODs agreed, with the statement that schools adopted this method of raising funds to supplement government funds.

On if the school sourced funds through alumni support, 3(9.1%) deputy principals agreed, 25(75.8%) deputy principals were undecided, 4(12.1%) deputy principals disagreed and 1(3.0%) deputy principals strongly disagreed with the statement. On their part, 14(13.9%) heads of department agreed with statement, 36(35.6%) heads of department were undecided, 31(30.7%) heads of department strongly disagreed and 18(17.8%) heads of department strongly disagreed with the statement. The mean ratings for this item were 2.9 for deputy principals and 2.5 for HODs. Therefore, majority of deputy principals were undecided while almost half of the HODs disagreed with the statement, implying that schools hardly relied on this method to raise funds.

Concerning whether principals sourced funds through income generating projects, 5(15.2%) deputy principals strongly agreed, 9(27.3%) deputies agreed, 9(27.3%) deputy principals were undecided while 6(18.2%) deputy principals disagreed and 4(12.1%) strongly disagreed with the statement. On the same statement, 44(43.6%) heads of department agreed, 22(21.8%) heads of department were undecided while 14(13.9%) heads of department disagreed and 6(5.9%) strongly disagreed. The mean rating for the item was 3.2 from the deputies and 3.5 for the HODs. These means implied that most schools adopted the method in sourcing funds.

Regarding whether the principals encouraged fee payment through banks, 5(15.2%) deputy principals strongly agreed, 24(72.4%) deputy principals while only 1(3.0%) deputy principals disagreed and 3(9.1%) strongly disagreed with the statement. In respect to the same statement, 45(44.6%) heads of department agreed, 9(8.9%) heads of department were undecided, 2(2.0%) disagreed and 2(2.0%) strongly disagreed with the statement. The mean response for deputies was 3.9 while the mean for HODs was 4.2. Therefore, most deputy principals and HODs agreed with the statement that principals encouraged fee payment through banks.

Findings on if the schools got funds from government grants and donations showed that 4(12.1%) deputy principals strongly agreed, 17(51.5%) deputy principals agreed, 7(21.2%) deputy principals were undecided, 3(9.1%) deputy principals disagreed and 2(5.6%) deputy principals strongly disagreed with the statement. Concerning the same statement, 39(38.6%) heads of department strongly agreed, 51(50.5%) agreed, 6(5.9%) heads of department were undecided, 4(4.0%) disagreed with statement and 1(1.0%) strongly disagreed. The means was 3.2 for deputy principals and 4.2 for HODs. These means suggested that most deputy principals and almost all the HODs agreed that schools received grants as a way of raising funds. This finding agreed with what Makuto (2014) found, that 85 percent of the schools received ministry's grants. This implied that most schools received financial support from government therefore were able to acquire basic learning materials.

On if the schools benefited from CDF funds to support school projects, 2(6.1%) deputy principals strongly agreed, 15(45.5%) deputy principals agreed, 7(21.2%) deputy principals were undecided, 7(21.1%) deputies disagreed and 2(6.1%) deputy principals strongly disagreed with the statement. On their part, 5(5.0%) heads of department strongly agreed with the statement, 31(30.7%) heads of department agreed, 24(23.8%) heads of department were undecided, 27(26.7%) heads of

department disagreed and 14(13.9%) strongly disagreed with the statement. The mean rating for this item was 3.2 for deputy principals and 2.9 for HODs. Therefore, many deputy principals simply agreed while a good number of HODs disagreed with the statement. It was thus deduced that few schools received funds from CDF for development purpose.

Findings on the statement that schools followed tendering guidelines in procurement of goods and service were as follows: 3(9.1%) deputy principals strongly agreed with the statement, 22(66.7%) deputy principals agreed and 8(24.2%) deputy principals disagreed. Findings from HODs showed that 49(48.5%) agreed with the statement, 4(4.0%) were undecided while 12(11.9%) disagreed with the statement and 2(2.0%) strongly disagreed with the statement. The mean ratings for this statement were 3.6 for deputy principals and 4.0 for HODs. Therefore, most deputy principals and HODs concurred that their principals followed tendering guidelines in procurement of goods and services. This finding showed that schools complied with the Public Procurement and Disposal Act (RoK, 2015) requirement that that all goods and services procured in public institutions should be tendered.

Further, findings on if the principals consulted HODs on budgeting and procuring departmental requirements were as follows: 25(75.8%) deputy principals agreed with the statement, 4(12.1%) were undecided, 4(12.1%) disagreed and 2(6.1%) deputy principals strongly disagreed with the statement. On their part, 36(35.6%) HODs strongly agreed with the statement, 37(36.6%) agreed with the statement, 6(5.9%) were undecided, 17(16.8%) disagreed with the statement and 5(5.0%) strongly disagreed with the statement. The mean scores for the statement were 3.5 for the deputy principals and 3.8 for HODs. As such, majority of the deputy principals and HODs agreed with the statement that principals consulted HODs during procurement of departmental requirements. This finding was in contrast to what Makuto (2014) found in his study, that not all stakeholders were involved in the procuring process hence there was low level of financial transparency in schools. Magak (2013) also found, in his study, that in most public secondary schools the budget making process did not have any room for departmental input.

The findings the view that tendering committees in schools were constituted in line with public procurement Act of 2015 were as follows: 1(3.0%) deputy principal strongly agreed with the statement, 19(57.6%) deputy principals agreed, 5(15.2%) deputy principals were undecided and 8(24.2%) deputy principals disagreed with the statement. As for the HODs, 19(18.8%) strongly agreed with the statement, 41(40.6%) agreed, 14(13.9%) were undecided, 15(14.9%) disagreed with the statement and 12(11.9%) strongly disagreed with the statement. The means for the statement were 3.4 for deputy principals and 3.4 for the HODs as well. Therefore, over half of the deputy principals and HODs affirmed that most principals followed the Public Procurement Act of 2015 when constituting tendering committees. Such adherence to procedure ensured fairness and transparency when sourcing goods and services.

The findings on whether the principals interfered with the tendering process showed that 2(6.1%) deputy principal strongly agreed with the statement, 10(30.3%) deputy principals agreed, 2(6.1%) deputy principals were undecided, 16(48.5%) deputy principals disagreed and 3(9.1%) deputy principal strongly disagreed with the statement. Moreover, 8(7.9%) heads of department strongly agreed with the statement, 29(28.7%) agreed, 20(19.8%) were undecided, 39(38.6%) heads of

department disagreed and 5(5.0%) strongly disagreed with the statement. The mean from the deputy principals was 2.8 while that from the HODs was 3.0. This suggested that many of the deputy principals and HODs disagreed with the statement, implying further that most principals never interfered with the tendering process therefore tendering committee enjoyed the independence of procuring goods and services.

Results on whether the principals communicated school financial projects and priorities at the beginning of the year had 13(39.4%) deputy principals agreeing with the statement, 6(18.2%) deputy principals being undecided, 12(36.4%) deputy principals disagreeing and 2(6.1%) deputy principals strongly disagreeing with the statement. On their part, 26(25.7%) heads of department strongly agreed with the statement, 32(31.7%) agreed, 18(17.8%) heads of department were undecided, 22(21.8%) disagreed with the statement and 3(3.0%) strongly disagreed with the statement. The mean for the statement was 2.9 from the deputy principals and 3.6 from the HODs. Therefore, less than half of the deputy principals disagreed with the statement as over half of the HODs agreed with the statement. The disparity of responses from the deputy principals and HODs suggested that principals at times failed to communicate school financial projects and priorities earlier at the beginning of the year to both groups of respondents.

The statement that the principals communicated to parents on lunch fees had 32(96.9%) deputy principals who agreed while 1(3.0%) deputy principal disagreed with the statement. Of the HODs, 28 (27.7%) strongly agreed with the statement, 57(56.4%) agreed, 4(4.0%) were undecided, 8(7.9%) disagreed and 4(4.0%) strongly disagreed with the statement. The mean ratings for the item was 3.9 for the deputy principals and 4.0 for the HODs. Therefore, majority of the respondents agreed with the statement, implying that most principals' communicated to parents on lunch fee arrears in time to minimize sending students home.

Further, on whether the principals monitored departmental expenditure for accountability and auditing purpose, 9(27.3%) deputy principals strongly agreed with the statement, 22(66.7%) deputy principals agreed and 2(6.1%) deputy principal was undecided. Of the HODs, 39(38.6%) strongly agreed, 44(43.6%) agreed, 10(9.9%) were undecided, 8(7.9%) disagreed and 4(4.0%) strongly disagreed with the statement. The means for the statement were 4.2 from the deputy principals and 4.1 from the HODs, indicating that majority of the respondents agreed with the statement. Therefore, most principals monitored departmental expenditure for accountability purpose on any school money given out. This finding agreed with the view by Munge *et al.* (2016) that there is monitoring of financial expenditure by principals.

The findings on the statement that the principal involved teachers sometimes in fee collection were as follows: 10(30.3%) deputy principals strongly agreed with the statement, 13(39.4%) deputy principals, 2(6.1%) deputy principals were undecided and 8(24.2%) deputy principals disagreed. Among the HODs, 40(39.6%) strongly agreed with the statement, 43(42.6%) agreed with statement, 2(2.0%) were undecided and 16(15.8%) disagreed with the statement. The means for the item were 3.8 for the deputy principals and 4.1 for the HODs, suggesting that most deputy principals agreed with the statement. Therefore, most principals sometimes involved class teachers in fee collection.

On whether principals communicated receiving funds from government and other supporting agencies, 10(30.3%) deputy principals agreed with the statement, 9(27.3%) deputy principals were undecided, 13(39.4%) deputy principals disagreed while 1(3.0%) deputy principal strongly disagreed. Additionally, 26(25.7%) heads of department strongly agreed with the statement, as 42(41.6%) agreed, 16(15.8%) were undecided, 15(14.9%) heads of department disagreed and 2(2.0%) strongly disagreed with the statement. The means were 2.8 for the deputies and 3.7 for the HODs, implying that some deputy principals disagreed with the statement even as many of the HODs agreed. Therefore, most principals did not communicate reception of funds from government and other supporting agencies to deputies and sometimes communicated the same to the HODs.

The findings on 'The principal followed Ministry's guidelines in giving teachers subsistence money when on school functions away from school' had the following findings: 6(18.2%) deputy principals agreed, 5(15.2%) deputy principals were undecided, 21(63.5%) deputy principals disagreed and 1(3.0%) deputy principal strongly disagreed. Of the HODs, 7(6.9%) strongly agreed, 42(41.6%) agreed, 11(10.9%) were undecided, 29(28.7%) disagreed and 12(11.9%) strongly disagreed with the statement. There means were 3.4 for the deputy principals and 3.0 for the HODs. This implied that most of the deputy principals disagreed as some HODs agreed that principals followed the Ministry's guidelines when giving teachers subsistence money on school functions away from school.

The overall mean rating for deputy principals' response on principals' financial management practices was 3.4, which was above average on the Likert scale. Similarly, the overall mean on principals' financial management practices based on HODs' responses was 3.57, which was also above average on Likert scale. This meant that deputy principals and HODs rated most items highly with regard to principals' financial management practices. The standard deviation of 0.9 implied that deputy principals tended to agree with most of the statements describing the principals' management practices. Therefore, most school principals undertook the described financial management practices. These findings agreed with those of Munge *et al.* (2016) who observed that the government of Kenya was keen on financial management in public schools. The government showed this keenness through financial regulations such as imprest management policy, financial auditing, credit management policy and inventory management policy, all of which are aimed at ensuring effective and prudent management of school financial resources.

When principals were asked to state whether they had attended some training on financial management, 33(100%) of them agreed that they had attended training. This finding agreed with that of Makuto (2014) who found that 78 percent of the school heads had attended in-service training which updated their knowledge and skills for efficient management of finance. This was based on the fact that training in financial management was an added advantage when handling financial matters. However, in the current study, majority 20(60.6%) of principals stated that the training was inadequate in preparing them to manage school financial resources. Most of the heads stated financial management was a broad field that required comprehensive training.

Principals' Financial Management Practices and School Academic Achievement

The study also examined the influence of principals' financial practices on school academic achievement. The table below shows categories of schools' KCSE mean scores, number of heads of department and mean rating response of principals on a five point Likert scale by heads of department regarding financial management practices.

Table 2: Influence of Principals' Financial Management Practices on Schools' Performance

KCSE Mean	Grade	Heads of Department	Financial Practices Mean
2.5-3.4	D	12	3.17
3.5-4.4	D+	29	3.55
4.5-5.4	C-	43	3.56
5.5-6.4	C	11	3.91
6.5-7.4	C+	6	4.15
		101	3.67

The study sought to find out the influence of financial management practices on academic performance in secondary schools. In order to explain the influence of principals' financial management practices on academic achievement, school KCSE means were compared with the mean of financial management practices as illustrated in Table 2. Findings of the study showed that schools that recorded low KCSE means had also recorded low means on financial management practices. Therefore, it was deduced that schools that failed to exercise proper financial management practices were prone to experience loss of funds through misappropriation, which in turn adversely compromised the effectiveness of teaching and learning operations. On the other hand, schools that recorded high KCSE means had also recorded high means on the financial management practices. This implied that most of these schools managed their funds prudently through strict involvement of heads of department in budgeting and procurement of goods and services, strict monitoring of financial expenditure and majority attended workshops and trainings on financial management. Therefore, principals' financial management practices influenced schools' academic achievement in KCSE. The current study findings agreed with those of Munge *et al.* (2016) that financial resources and its management were key to organizational performance in public secondary schools in Nakuru County.

In order to test whether the significance of the mean differences between principals financial management practices and schools' academic achievement, the following null hypothesis was proposed: there is no statistically significant relationship between principals' financial management practices and academic achievement in public secondary schools in Bungoma East Sub County. The findings of the hypothesis test were as illustrated in Table 3.

Table 3: Principals Financial Management and Schools' Academic Achievement

Variable	Academic achievement (Mean KCSE)
Financial management practices	Rho =0.301 P=0.081

Spearman correlation coefficient indicated that there was a positive correlation between principals' financial management practices and academic achievement (mean KCSE), though not statistically significant ($Rho=0.301$, $p=0.081$). Since the p-value was greater than 0.05, the null hypothesis was not rejected and it was concluded that principals' financial management practices do not significantly influence academic achievement in public secondary schools in Bungoma East Sub-County.

The above finding disagreed with those of Ahmed *et al.* (2010) who found that prudent management of financial resources among the institutions he surveyed in Pakistan significantly influenced academic achievement of students. Further, Junge, Bosire and Kamau (2014), in their study, found that management of financial resources was significantly related with organizational performance.

CONCLUSION

Based on the findings of the study, it was concluded that financial management practices influence students' academic performance. Principals who register high scores on financial management practices also record high mean scores in KCSE in their schools. Therefore, financial managerial practices play a pivotal role in infrastructural and academic development of an educational institution. As such, effective management of financial resources will result in the development of schools' physical facilities such as classrooms, libraries, laboratories and motivation of human resource, which in turn lead to improvement in academic performance.

RECOMMENDATIONS

Based on the findings and conclusions of the study, it is recommended that school principals should ensure that school financial resources are managed properly. They should ensure the funds are used in the development of schools' critical infrastructure needed to support and improve academic performance. The Ministry of Education, Science and Technology should also closely monitor schools to ensure that financial resources are not mismanaged. For instance, school accounts should be audited regularly to ensure that financial resources are utilized well. The school principals should further be adequately trained in financial management to equip them with the requisite skills for effective use of school finances.

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