

**RESEARCH ON CHALLENGES FACING PRINCIPALS IN THE MANAGEMENT OF
SCHOOL FINANCES: A CASE STUDY IN KEROKA SUB COUNTY**

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ABSTRACT

Almost all modern organizations, including schools have the characteristics of the five basic functions performed by all managers which are planning, organizing, commanding, coordinating and controlling. Due to low transition rate of students from primary to secondary school, the government of Kenya launched Free Secondary Education (FSE) initiative strategy in 2008 with an aim of increasing the transition percentage rate through retention and completion without any discrimination financial management in Kenya's public secondary schools is a very sensitive managerial role, since a lot of tax payer's money is invested in education. This study was carried out in Masaba North which is in Nyamira County, Kenya which seek to address financial planning, reports and control challenges that need to be corrected in order to have an improved and sustainable FSE program. The sampling design adopted was simple random sampling. A questionnaire was used as instrument for collecting data from the BOGs and PTAs while interview schedules were administered to the principals, DEO and ZQASOs. Validity of the instruments was done through expert researchers. Reliability was tested through the use of Spearman Brown Prophecy Formula. Target population was 730 with a sample size of 250 participants. Data collected showed that in financial planning; budgeting is often done in either a caress fashion or not done at all with minimal involvement of education stakeholders in the budgetary process, financial reports are poorly prepared while auditing was done in an arbitrary way. Therefore for financial management was successful, then planning and controlling should be interdependently linked. The researcher recommended that there was need for improvement of policy tracking of resources to ensure proper, adequate and accountable utilization of resources budgeted for education in the right manner which could be done through external auditing or outsourcing of the services.