

**INFLUENCE OF PRINCIPALS' BUDGETARY PRACTICES ON FINANCIAL
PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN MURANG'A EAST
SUB-COUNTY, MURANG'A COUNTY, KENYA**

MUNIU PETER KURIA



**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE AWARD OF MASTER OF EDUCATION DEGREE IN EDUCATION
ADMINISTRATION, MANAGEMENT AND PLANNING OF**

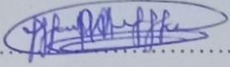
MOUNT KENYA UNIVERSITY

OCTOBER, 2024

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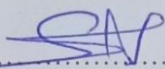
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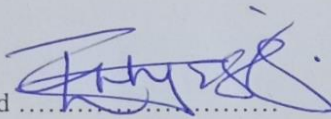
Signed.....

Date.....14/10/2024

Dr. Mary Mugwe Chui

School of Education

Mount Kenya University

Signed.....

Date.....14/10/2024

Dr. Emily Nyabisi

School of Education

Mount Kenya University

DEDICATION

The study is sincerely dedicated to parents and colleagues like Francis Muriu and Alfayo Muturi and my brothers and sisters.



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I recognize as well grant my warmest thank you to my supervisors Dr. Mary Mugwe and Dr. Emily Nyabisi who shaped this dissertation including making it attainable. The guidance together with advice given took me along all levels of developing my dissertation. Also, panelists for allowing my defense be a delightful occasion. In addition, special thanks to my wife Poulina Njeri for constant assistance and compassion when undertaking my research as well as thesis writing. Your prayers for me are what maintained me so far. Finally, to all participants who took part in the study, receive much appreciation for the information you provided that enabled me to develop this dissertation. May the Almighty God bless you all.



ABSTRACT

This study assessed the influence of principals' budgetary practices on financial performance of public secondary schools. Principals' budgetary practices were characterized by stakeholders' involvement, budget preparation, budget monitoring and evaluation and budget reporting; while financial performance was measured by reduced expenses, increased revenue, limited liabilities as well as level of employees' satisfaction. Mixed methodology and descriptive design were employed. The study location was secondary public schools in Murang'a East Sub-County. A target population of 986 respondents that is 31 Principals, 1 County Finance Auditor, 31 bursars' or accounts clerks, 300 Board of Management members and 623 teachers was used. By use of Yamane's formulae, a sample of 295 respondents comprising of 9 Principals, 1 County Finance Auditor, 9 bursars' or accounts clerks, 90 Board of Management members and 186 teachers was obtained. Questionnaires, Interview schedules and document analysis guides were used as data collection tools. Testing for validity of instruments was done by vetting by experts and reliability tested using test-retest technique using Pearson product moment correlation coefficient (r) formulae and adjusted to increase their reliability coefficients to 0.70. Piloting in two public secondary schools in Kirinyaga Central Sub-County was conducted to check validity and reliability of tools. Both descriptive as well as inferential statistics were used for analysis. Analysis for qualitative data was done thematically then presented in form of narration while quantitative data analysis was done using percentages, frequency tables and use of chi-square to test hypotheses using Statistical Packages for Social Science Version 23 and results interpreted by use of percentages along with frequency tables. The study found that most public secondary schools in Murang'a East Sub-County rarely adhere to stake-holders' involvement, budget preparation, budget monitoring and evaluation and budget reporting practices geared towards improving financial performance. Therefore, the study proposes that schools must adhere to well-laid budgetary practices procedures and consider factors such as strategic planning, finance availability and sources of finance. Principals should headhunt skilled personnel to be members of Board of Management in the budgeting committee and consider stake-holders' involvement, budget preparation, budget monitoring and evaluation and budget reporting. In addition, schools should conduct continuous evaluation of attainment of budgetary plans while constantly providing budget reports after implementation. However, the Ministry of Education ought to make sure that there is timely and efficient disbursement of school funds to allow time for productive scrutiny of school budgets.

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LIST OF ABBREVIATIONS AND ACRONYMS

AICPA	American Institute of Certified Public Accounts
ANOVA	Analysis of Variance
BOM	Board of Management.
CEB	County Education Board
GOK	Government of Kenya.
KESI	Kenya Education Staff Institute.
KCSE	Kenya Certificate of Secondary Education.
MOE	Ministry of Education
NFP	Not for Profit.
OECD	Organization for Economic Cooperation and Development.
PTA	Parent Teachers Association
QAO	Quality Assurance Officer.
SASA	South African School Act.
SGB	School Governing Body.
SHRM	Strategic Human Resource Management.
SRS	Simple Random Sampling.
TSC	Teachers Service Commission.
UNDP	United Nations Development Program

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This section explores and presents background of the study, statement of the problem, purpose of the study, Objectives, hypotheses, Justification, Significance, Scope, Delimitations, Limitations, assumptions of the study and Operational definitions of terms.

1.1 Background of the study

Financial Budgeting is an important factor in effective running of a school. A lot of funds are used in operations of schools hence to make better use of those resources depends upon transparency as well as answerabilities from individuals responsible. Budgeting of finances is based on the fact that quality education is fundamental for individuals to successfully pursue their individual goals as well as be equipped with necessary knowledge, skills as well as attitudes to contribute to social as well as political development. Consequently, benefits derived from investing in education have resulted in governments investing in education. For instance, in advanced nations, tertiary education is normally funded partially and occasionally wholly by the government as is the case in Britain (Nesdale, 2002), United States of America (World Bank, 2005) and Japan (Perez, Utsumi and Nakamura, 2010). However, the situation in most African countries is different. In South Africa, school expenditures are subsidized by allocation from government funds in order to make these school budgets complete and for seamless operation, tuition fees are required. In addition, the South African School Act (SASA) stipulates that majority of parents in secondary schools can decide whether or not tuition fees for students are imposed including amounts payable. According to circular 13 of 2000, the government of South Africa, School Governing Body (SGB), headteachers and

members of finance board shall keep records of money received and spent. They must also ensure that school funds are utilized in accordance with directives as may be issued by the head of department (Veriava,2012).

In Murang'a County, just like other parts of the world, school principals are charged with the responsibility of ensuring school finances are well administered. In accordance with Education Act 2010, the school principal is a significant chief accountant for the school and answerable to authorities such as Board of Management (BOM) for use and control of school finances (Kenyan constitution cap 211, 2010). Several concerns on financial management by principals in secondary schools has continued to be raised as principals have consistently been accused of misappropriation of finances as well as misuse of funds. Consequently, principals have come to bear setbacks from public outcry and from various educational stakeholders in poorly managed schools and this dissatisfaction with how principals have budgeted for funds have resulted to school upheavals and disasters in these institutions. A report by an educational task force on students' unrest and discipline further indicated that school managers lacked skills in management on areas such as planning, budgeting, expenses control, procurement procedures, book keeping and human resource management (Chepkonga ,2006).

Budgetary practices refer to steps and procedures a school employs in constructing its budget. An excellent budgeting process engages important stakeholders who are culpable for holding a budget and authorizing school policies in executing the budget. Credit Counseling Society (2021) defines budgeting practices as a plan to spend your income by prioritizing your expense together with focusing your money on things that are most crucial. In keeping with this spending plan, a budget allows you to evaluate in good time whether you will have

enough money to meet your needs. Manisha (2021) defines budgetary practices as the process where principals receive top management's forecast and making projections for coming year, along with a schedule stating when budgets should be done. Forecasts and aims provided by top management represent guidelines within which preparation of budgets in departments are done.

The definition of budgetary practices adopted for this study was derived from Elizabeth (2009). Budgetary practices are steps and procedures a school employs while constructing its budget. In this study budgetary practices were characterized by stakeholders' involvement, budget preparation, budget monitoring and evaluation and budget reporting. A fair indicator of an institution's ability to use resources from point of application to generate income is its financial performance. On the other hand, financial performance for economic institutions concern itself with solutions to analytical questions of how do institutions plan, source, organize, utilize, along with allocate resources available in order to achieve targeted programs. The definition of financial performance adopted for this study was derived from the Corporate Finance Institute Team (2022). In keeping with this definition, financial performance is a thorough assessment of a school total performance in areas like liabilities, assets, expenses, income and total profitability attributed to the school. Therefore, financial performance is a thorough assessment of a school's total achievement in areas like liabilities, assets, expenses, income and total profitability attributed to school. In this study financial performance was characterized by reduced expenses, increased revenue, limited liabilities and level of employees' satisfaction.

Stakeholders' involvement refers to engagement of members without whose support the organization would cease to exist (Jeffrey, 2019). Therefore, Stakeholder involvement is an

important aspect of budgetary practices because participatory and performance-based budgeting should be more frequently used especially at school level since such strategies increase ownership and link budgets more closely to priorities. Stakeholders' engagement should therefore be given sufficient attention. Comprehensive involvement of all stakeholders into the system of consolidated financial performance in relation to budgetary practices means that stakeholders should participate in all phases of budgetary process but this is not the case in Kenyan secondary schools as evidenced by frequent misappropriations of funds, student unrest and public outcry (Kasoa, 2008). School budget preparation is a mechanism of adapting an account of foreseen earnings together with recommended expenses for a certain duration.

Budget preparation prevails as an essential aspect of budgetary practices since it allows you to design a spending plan by prioritizing things you are in need of and those necessary as much as one is concerned. Furthermore, following an expense plan goes a long way by keeping you away from debt as an alternative and assists you to devise your way out of debt (Credit Counseling Society, 2021). In consonance with this, Kasoa (2008) argued that scrutiny of budget reports for secondary schools were not updated in the whole country. This is a clear indication that budget preparation is not strictly adhered to by principals in secondary schools and therefore necessary to assess financial performance in secondary public schools as a consequence of principal budgetary practices. Budget monitoring and evaluation are critical process in management of finances that normally enhance productive use of resources in order to achieve financial goals (Abdikadir, Mary and Kimamo, 2019) Budget monitoring and evaluation is essential in that it assists schools in identification of resources misappropriation, provide opportunity to correct discrepancy and prevent it from occurring in future. However, principals being accused for misuse of funds as well as

embezzlement of funds (Kasoa, 2008) is a clear indicator of inadequate budget monitoring and evaluation of finance allocations and hence need to assess impact of budget monitoring and evaluation on financial success in secondary public schools. Budget reports are documents that present a single school's various budgets at any given time. Reporting is an essential aspect of budgetary practices because it helps plan for expenditures (Complete Controller, 2020). According to Abdikadir, Mary and Kimamo (2019), principals should continually administer budget reports after implementation as it is crucial considering financial competency and forthcoming payments attributed to different budgetary plans. Therefore, there is need to evaluate the impact of reporting on principals' budgetary practices on financial performance in Secondary Schools.

1.2 Statement of the problem

A key concern for the general public and the government at large is to provide and ensure accessibility to better quality education to all learners, leading to higher proportions of funds being allocated to the ministry of education. It is emphasized that it is the government's mandatory obligation to enhance financial achievement in public secondary schools by providing and ensuring productive use of resources; and in this regard, 21% of the total government revenue in Kenya was directly channeled to the ministry of education in the financial year 2012-2013 (Coopers, 2012; Muricho and Chang'ach, 2013). However, there is still a serious challenge of financial performance in Kenyan public secondary schools because there are unprecedented high fees charged to students despite the National Government funding the Ministry of Education with billions of shillings. According to the Ministry of Education fee guidelines (2020), for free day public high school each learner receives an allocation of ksh 22,244, but some parents continue to cite lack of funds to transit their pupils to high schools due to hiking charges. Also, on issues concerning ability to achieve

educational obligations, poor financial judgements have been made, contrary to the expectations of the Kenyan education system as well as the applicability of cost-based provision of education. In addition, it has been noted that institutions generally seldom adhere to set budget formulation procedures (Magak,2013; Samantha and Wario, 2020; Glennerster and Mbiti,2011; Adan, 2017). In Kiharu constituency, Murang'a East Sub- County, school projects have not been brought into completion as planned. For example, in the financial year 2015-2016 only 2 projects were completed out of the planned 6. Furthermore, in the financial year 2017-2018, only 4 projects were completed out of 13. There also exists situations of misappropriation of resources despite existence of budgeting regulations and procedures from Ministry of Education (Beatrice, 2019). What all this means is that financial performance in public secondary schools is still a complex problem; and what the authors above seem to be pointing to is the existing need to evaluate the influence of secondary school principals' budgetary strategies on financial performance.

1.3 Purpose of the study

The purpose of this study was to assess the influence of principals' budgetary practices on financial performance of public secondary schools in Murang'a East Sub-County, Kenya.

1.4 Objectives of the study

1. To assess the influence of stakeholders' involvement on financial performance in public secondary schools in Murang'a East Sub- County.
2. To assess the influence of budget preparation on financial performance in public secondary schools in Murang'a East Sub- County.
3. To assess the influence of budget monitoring and evaluation on financial performance in public secondary schools in Murang'a East Sub- County.

4. To assess the influence of budget reporting on financial performance in public secondary schools in Murang'a East Sub- County.

1.5 Research hypothesis

Ho1 There is no statistically significant influence of stakeholders' involvement on financial performance of public secondary schools in Murang'a East Sub- County.

Ho2 There is no statistically significant influence of budget preparation on financial performance of public secondary schools in Murang'a East Sub- County.

Ho3 There is no statistically significant influence of budget monitoring and evaluation on financial performance of public secondary schools in Murang'a East Sub- County.

Ho4 There is no statistically significant influence of budget reporting on financial performance of public secondary schools in Murang'a East Sub- County.

1.6 Justification of the study

Effective monetary performance for government secondary schools requires prudence as well as efficiency of school principals in utilization of school finances. In addition, studies show that there is gross violation of set financial budgetary practices by school principals whose end results are wastages of school resources, poor allocation of finances, poor physical facilities; eventually resulting into increasing financial charges. Therefore, this research was of great benefit in mitigating many shortcomings affecting public secondary schools in promoting financial performance against risks of mismanagement and misuse of public resources by school managers. The research was closely related to the specialization area in education administration, management and planning as TSC and Ministry of Education considers the principal as the auditing officer and financial manager who oversees the schools' expenditures and income. Also, this research was likely to contribute a lot to the

scholastic purposes on available literature on financial performance practices; and its outcomes and recommendations would bridge several missing links in utilization of funds for efficient financial performance in public secondary schools.

1.7 Significance of the study

This research generated information of great importance for management, planning and policy execution at ministry of education level. The information provided through this study would also be equally important for institutionalization of a framework for budgetary practices for change on financial management of public secondary schools and the entire education system. The findings of the research would also benefit school managers of public secondary schools in Kenya as well as policy makers to improve on policies that guide financial performance in public schools, so that they don't rely on personal experiences or personal judgments and traditions in their financial performance practices; but that their decisions, methods, and actions be based on knowledge of issues on financial management of secondary schools supported by research. Consequently, the collected data would aid principals to improve internal efficiency by helping in turning schools into centers of academic excellence. In addition, this study forms a bedrock for further studies on financial management of educational organizations in general, leading into generation of new concepts for effective administration of public secondary schools and other educational establishments. Moreover, this research would be of great benefit to school principals as they will be able to improve financial performance in their work.

1.8 Scope of the study

This research gauged the influence of principals' budgetary practices on financial performance of public high schools only. It was conducted in Murang'a East Sub- County

exclusively focusing on nine selected schools from thirty-one schools from Municipality zone, Gikindu zone, Gaturi zone and Kimathi zone. The main respondents were County Finance Auditor, bursars' or accounts clerks, members of Board of Management, teachers and Principals. Teachers' and members of BOM questionnaires as well as County finance Auditor's, bursars' or accounts clerks' interviews guide and document analysis techniques from Principals were used to gather data. The research was carried out between the month of April 2023 and May 2023. The specific objective of the study was to evaluate the influence of stakeholders' participation, budget preparation, budget evaluation and monitoring and reporting on financial performance of selected schools.

1.9 Limitations of the study

1. Attitudes exhibited by respondents could not be possible to control as some wished to give answers socially acceptable with the aim of pleasing the researcher. However, to overcome this, participants were encouraged not to indicate their identities on tools for gathering information.
2. Given that administrative tasks are sensitive, lack of openness was foreseen as the study required Principals to evaluate their financial performance; but the researcher informed respondents on the expectations of the research.

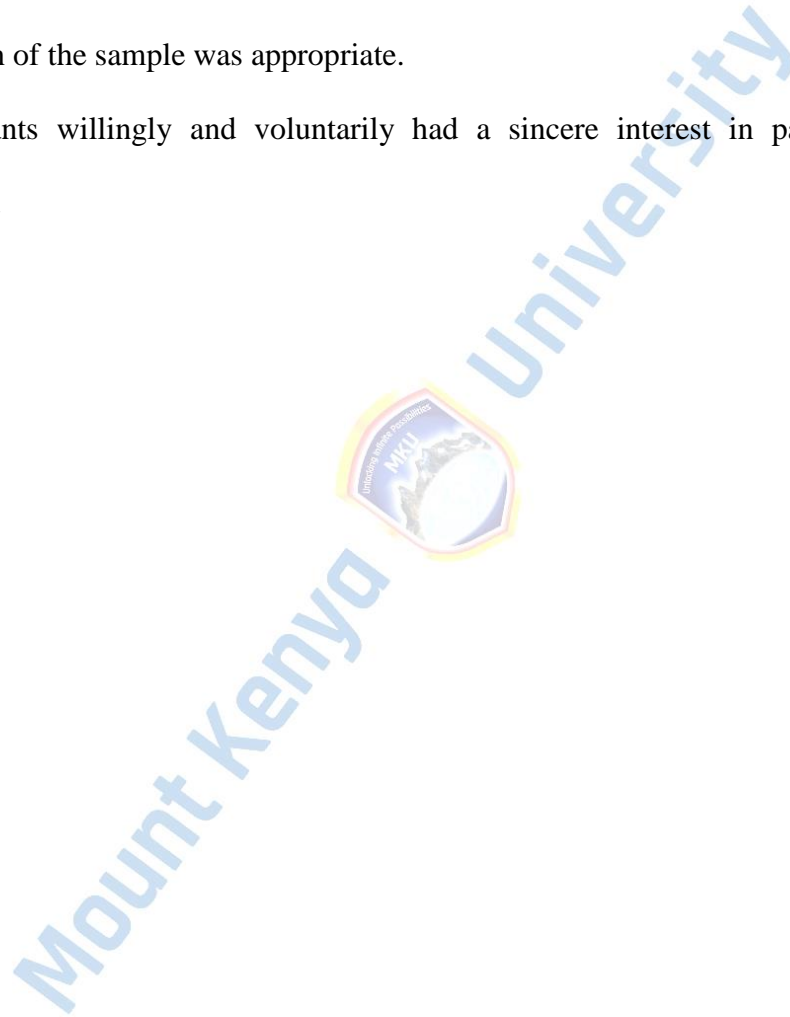
1.10 Delimitations of the study

Only public secondary schools were taken into consideration as private schools were excluded because they do not benefit from government financial allocations from the Ministry of Education in Kenya. The study targeted County Finance Auditor, Principals, bursars or accounts clerk as they are financial accountants and BOM Members as they aid on financial governance and teachers as they are critical stakeholders for the success of secondary schools.

The study mainly focused on Principals' budgetary practices regarding secondary school financial performance and other management-related topics were left out.

1.11 Assumptions of the study

1. The interviewees answered questions honestly and forthrightly.
2. Respondents had all experienced management of school finances, hence assuring that inclusion of the sample was appropriate.
3. Participants willingly and voluntarily had a sincere interest in participating in research.



1.12 Operational definition of terms

Budget: A plan for upcoming year as related to anticipated revenues and expenditures.

Budgetary practices: The steps and procedures a school or organization employs in constructing its budget.

Financial performance: Is a thorough assessment of a school's total attainment in areas like liabilities, assets, expenses, income and total profitability attributed to school.

Stakeholders' involvement: Engagement of members without whose support an organization would cease to exist.

Budget preparation: It is a systematic way of planning as well as allocating finances in order to meet operational and educational objectives of the school.

Budget monitoring and evaluation: refers to a progressive activity of tracking or analyzing financial activities of a school to ensure financial resources have been utilized accordingly and productively.

Budget reporting: Preparation of documents that present a single school's various budgets at any given time.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Related literature on Principals' budgetary practices as a tool for financial performance was looked at in this section. The review was based on the objectives of the study which mainly centered on stakeholders' involvement, budget preparation, budget evaluation and monitoring and reporting on financial performance of public secondary schools. The review also included the theoretical framework, conceptual framework, research gaps as well as summary of the literature review.

2.1.1 Principals' Budgetary Practices

Positive budget development may be achieved through embracing budgeting practices such as stakeholders' involvement, budget preparation, budget monitoring and evaluation along with budget reporting. This is because budgeting is a crucial part of financial performance in a school and is considered the bedrock for financial planning. Therefore, an organized budgeting mechanism can bring better programs as well as financial management choices resulting in enhanced financial performance in secondary schools. Budgeting is sharply joined to financial performance including planning hence depicting school budgets as a legal requirement as bound in Education Act Cap 211 (Kenyan constitution, 2010). A clear budget development enhances economic decision along with programs that can lead to improved institutional success. Therefore, funds deficits require budget allotment decisions to focus on efficacy of expenses of public finances (Breul and Moravitz, 2007). Therefore, it is a pre-requisite for principals to develop a strategy in mobilization of resources by involving relevant stakeholders in financial planning for a sustainable source of revenue as preparation

and approval for school budgets is a way of turning general objectives of institutions into a desired action plan.

In Kenya, at the end of the year public schools are supposed to prepare a budget; where school run from 1st January to 31st December calendar year. Principals are charged with the responsibility of calling for annual general meeting to collect views of stakeholders like BOMs and teachers. However, most of school's fixed expenditures such as salaries, electricity cost, repairs and maintenance, sports and supplies are due at the beginning of a school calendar year. Prudent financial administration of finances is unrealistic in a situation where school principals are unknowledgeable on financial performance as well as management cost. Therefore, the government, through ministry for education, must ensure principals in public secondary schools are given skillful training to enable them overcome challenges of financial performance in relation to efficient service delivery. Therefore, through established procedures approved by BOM in writing, the school determines its priorities on expenditure. The school principal has to formulate a budget for attaining as well as absorbing resources. The budget development starts with budget making process where the principal marshals for resources together with usage of funds raised maximally in line with guidelines and rules as shown in figure 1.

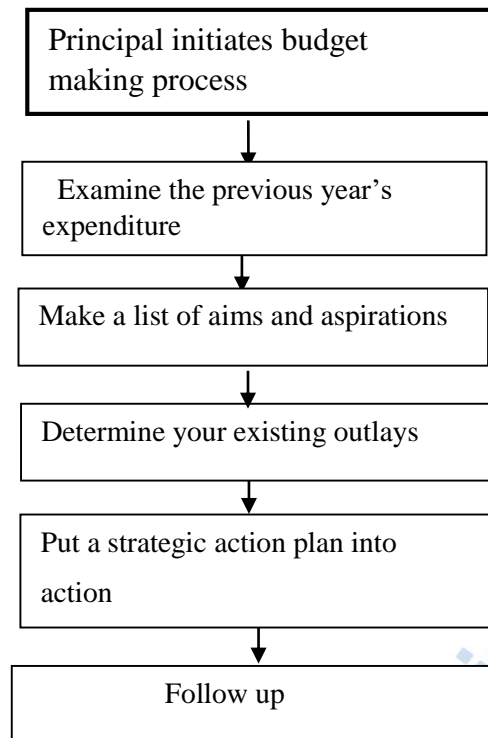


Figure 1: *Budget Making Process*

Source: (Computer Transition Service, 2021)

2.1.2 Financial Performance

Financial performance is a thorough assessment of a school total attainment in areas like liabilities, assets, expenses, income and total profitability attributed to the school (Kenton, 2022). Cognizant of these assertions, information on financial performance practices is cardinal and is directed towards the achievement of public secondary schools' financial goals such as financial planning, control, analysis, accounting, capital budgeting and working capital management (Moughalu, 2016). Financial operating systems bring knowledge to Principals in measurement of financial achievements. Therefore, it is a crucial accounting practice for school heads to provide thorough as well as proper financial advice required to make better financial choices. However, the main issues leading to achievement or failing of most secondary schools are classified as domestic or foreign factors. Foreign factors include opportunities of attracting financing, competition, economic conditions, technology,

government rules and factors from environment. On the other hand, domestic factors include manpower, skills in management and operating systems. Therefore, financial performance is part and parcel for growth of secondary schools as well as secondary school Principals. What this means is that in the context of Principals, accounting information is beneficial as it assists Principals to handle their short-lived challenges in demanding areas such as costing, cash flow along with expenditure through pre-requisite knowledge. This enables monitoring and evaluation; and school principals are able to work in influential and competitive surroundings which aid them to combine operational initiatives with long-term strategic plans (Chandra, 2008). However, poor documents keeping, and lack of accounting data make it challenging for financial institutions to assess uncertainties as well as potential risks or returns; thus, making the institutions reluctant to grant schools whose principals' have reckless financial administration essential financial facilities.



2.2 Principals' stakeholders' involvement and financial performance

A stakeholder in school management is any individual interested in the welfare and achievements of a school together with its learners. In addition, a stakeholder can be viewed as institutions representing specific categories of people such as teacher unions, parent-teacher associations, together with institutions representing Principals (Great schools Partnership, 2014). In a word, stakeholders have individual as well as professional and communal concern over the school and its learners. Msila (2014) echoes that stakeholders are those people who share authorized interest and who contribute to the success of a school. Therefore, a stakeholder is a person, a collection of people or an institution that affects and is interested in a certain system such as a school; and who directly affects decision making and can improve the learning environment of school for greater benefits through proper financial performance (Studybay, 2021).

In research carried out in Korea to assess the influence of stakeholders' involvement on job satisfaction for principals, Lopez (2009) acknowledges a high positive correlation for stakeholders' involvement and performance in the job of Korean principals. Lopez in addition, shows that financial planning on stakeholders' participation in school budgets turns out as a motivation and seal of approval to educators as well as other staff in the school; while Tilale, (2011) in research conducted in South Africa on assessment of productiveness of financial practices in institutions in Lejweputswa Education District proposes that the school fraternity has to ensure persons with suitable competencies are nominated to School Governing Bodies. However, a person with appropriate financial management abilities who could be co-opted to chair finance committee and suitable individuals with necessary competencies in financial managements who are parents should be headhunted to serve on SGB. Thus, Tilale, (2011) affirms that stakeholders are an integral part of financial budgeting and developing a budget is a process that involves multiple steps; one of them being involving stakeholders. Moreover, research conducted in Homabay sub-county Kenya proposed that it was necessary to mobilize all principals to adhere to school guidelines because it was found that some principals ignored stakeholders completely as principals failed to follow set guidelines on engagement of stakeholders in schools budgeting. For example, it was found that there were frequent active meeting forums for engagement of stakeholders through BOM meetings and annual and sometimes termly parent meetings in most public schools. However, principals had the most influential power since on most occasions, such meetings were held as a formality. Therefore, it is necessary to enlighten BOM on their active roles as oversight authorities in the financial management of the school (Odongo, Thinguri and Mugwe, 2020).

In Murang'a County, the situation is not different as according to the Ministry of Education (2010), Principals at the beginning of each academic year should provide a budget calendar.

The budget calendar should comprise a plan indicating various responsibilities assigned to different stakeholders, duration when each aspect is due, time of presentation of the tentative budget and adoption of the budget. However, the Principal should not work alone and must engage with other stakeholders. What all of this means for public secondary schools is that stakeholders' involvement and financial performance is a complex challenge with numerous variables. This points to the need to involve stakeholders in principals' budgetary practices to improve the financial performance of the school.

2.3 Principals' budgetary preparation and financial performance

A process of budgeting where planning has been done well and also well joined to other school functions creates improved programs and financial choices, thus enhancing school administration activities (National Advisory Council on state and Local Budgeting, 2009). Also, budget development needs educational managers and administrators to make use of suitable models for productive and efficient financial planning (Akinsolu, 2008). However, Undie (2013) observes that school budgeting nowadays entails the determination of yearly school requirements in form of curriculum or projects and the monetary estimations of such school needs, together with forecasts in the sources of earnings to satisfy the already determined school needs.

A study conducted in Estonia reveals that school managers are culpable in as much as preparing budgets, but nationally majority of local governments function in accordance with well outlined budget calendars providing managers with maximum allocations estimates for the next academic year. However, these amounts are amended with time when students' enrolment turns out clearer (Organization for Economic Co-operation and Development, 2017). However, Municipality school budgets are examined by recommending bodies or

democratically elected boards comprising teachers, parent assembly as well as outside high-level advisors while Ministry for Education and Research award approval for budgets in public schools (Organization for Economic Co-operation and Development, 2017). In South-East State Nigeria, research was conducted to determine the influence of budget preparation and application by secondary school principals (Chukwuemeka, 2019). It was found that principals' budget preparations improve school management. Also, administration based on secondary schools is tightened when principals work together with teachers for realization of educational aims and objectives by joining all hands-on deck in budget planning, preparation and implementation. However, a study carried out in Lurambi sub-county, Kakamega County situation is different as it revealed that principals did not involve all stakeholders in budget preparation as budgeting was the effort of only the principal together with the bursar (Rose, Benson and Danstan, 2015). All this means that financial performance in public schools through enhancing budget preparation is a complex challenge with numerous variables. This points to a need to address enlightenment of principals on their responsibility to fully engage stakeholders in budget preparation to decrease alienation and increase stakeholders' ability and voice in budget preparation.

2.4 Principals' budgetary monitoring and evaluation and financial performance

Monitoring and evaluation are customs and logistics set up to make sure the resources of a school are well safeguarded and dependable as concerns financial reporting (Suleiman, 2008). Additionally, monitoring and evaluation are detailed internal controls which are embedded within organizations, and they consist of prevention and monitoring controls. Prevention controls restrict an intended activity from occurring while monitoring controls aim at identifying activities that have occurred but were not planned (United Nations Development Program, 2021). Therefore, monitoring and evaluation is a necessary governance and

management function in all schools but with separation of ownership and management (Findex Group Limited, (2021). Monitoring and evaluating operation of institution funds is necessary for answerability as well as development goals for monitoring and evaluation prepare data on what prepared budget literally give above aims for use of school assets as dispatched in budget appropriation (Organization for Economic Co-operation and Development, 2017).

Wakida (2015) research carried out in Florida to assess Internal Controls on Financial Management argues that internal monitoring and evaluation in financial performance is critical as things can get worse and graft can and does occur. This therefore makes it necessary for all school to create protective measures for ensuring schools sufficiently attain financial obligations (American Institute for Certified Public Accounts, 2007). Nevertheless, this can also be achieved through executing adequately monitoring and evaluation practices on a framework with components such as hazard judgement, control environment, control activities, and communication. In Denmark, it is noted that school boards of management have a responsibility in monitoring and evaluating school budgets because it is their duty to set guidelines along with future goals for institutions to follow up on school budget policies (Organization for Economic Co-operation and Development, 2017).

In research carried out in South Africa to determine the effectiveness of internal control systems in evaluating financial resources at the Gauteng Department of Education, Emanuel (2013) contends that evaluation is an essential means of verifying the financial resources within the department. The department can only obtain a sophisticated certified audit results if its monitoring and evaluation processes are strengthened (Emmanuel, 2013). As a result, evaluation and monitoring are crucial tools that can support effective and remarkable resource management in schools. Munge, Kimani and Ngugi (2016) in Kenya, carried out a study to

assess determinants of financial administration in Nakuru County's public secondary schools. The study observed situations of powerful financial controls in monitoring and evaluation; meaning finances were well utilized by involvement of board of management and teachers due to availability of control measures put in place in schools. However, it was still noted that there was unpreparedness in financial conversations across departments together with stakeholders' engagement to the point of allocation of financial resources and disbursement.

2.5 Principals' budgetary reporting and financial performance

Good financial governance in budgeting is a schools' process for appropriating financial assets with considerations to government guidelines, executing budgets and giving feedback on financial results (Organization for Economic Co-operation and Development, 2020). Therefore, a budget report is a document school managers use where previously estimated budget projections are outlined over certain period of time (Indeed Career guide, 2021). The rationale for budget report is to compare estimated budgets with real results that the school achieved during the designated duration. According to the Ministry of Education (2013), in order to attain effective educational goals, it is compulsory for principals to assure liability and carefulness in adoption of school resources.

In research conducted on the evolving position of headteachers in South Africa's public primary schools, the findings show that school headteachers were answerable to the Ministry of Education, school boards as well as parents; and financial performance of schools emphasized on transparency and sharing of information among all relevant stakeholders (Sayed, 2012). In addition, the research revealed that budget final reports on school earnings and payments were recommended to BOMs for endorsement. However, in Kisumu East Kenya, Magak (2013) argues that budget development lacks any space for stakeholders'

consultations which is a way for denying institutions quality products hence adversely impacting students' academic performance. On problems encountered by new principals in school administration of public secondary schools in Bondo District, Mito and Simatwa (2012) reveal that principals have the responsibility of ensuring that all people involved in school budgeting are consulted to attain school goals through productive financial administration practices. However, poor budgeting was the main setback that derailed efficient administration of schools' finances as a result of some vote heads' overuse or underuse, which led to financial wastage (Mito and Simatwa, 2012). However, Kenya Education Act (Republic of Kenya, 2012) requires every school board of management to keep proper financial records as prescribed by the minister for education for the sole purpose of accounting. Also, it gives BOMs authority to govern and policy institution property such as land and belongings (Wanjala, Wamocha and Sang, 2020).

2.6 Theoretical framework

This research was guided by Financial Prudential Theory by Koller (2004) and Agency theory by Jensen and Meckling (1976).

2.6.1 Financial Prudential Theory

The study was informed by Koller's (2004) financial prudential theory which is also known as finance management theory. Koller proposes that maximization of involvement of stakeholder's value is one of the greatest critical aims of any non-profit making institution, hence only those budgets benefiting all stakeholders financially has to be acknowledged. This argument is in agreement with this theory in that lack of externalities as well as influence from outside institutions should always maximize its resources as well as work within acceptable limits. In addition, according to the principle, organizations should look out for

the interests of all parties involved in the environment, not just stakeholders. Therefore, in order to assure judicious utilization of resources and answerability, school principals plan and conduct budget preparation for their institution's financial management. Concerning education, this theory addresses costs associated with education, sources of income intended to balance costs and prudent use of income to meet educational objectives. Nonetheless, two fundamental presumptions are made in order to achieve value creation as the exclusive goal for an association; externalities and monopolies must not exist.

If a school does not take its stakeholders' involvement into account, it cannot increase value for money. Managers should acknowledge that maximizing long-term corporate value requires significant tradeoffs between many stakeholders. Understanding stakeholders and shareholders theory more thoroughly clarifies that maximizing long term value is a schools' primary goal, which addresses issues arising from the numerous purposes that schools must consider (Jensen 2001). The purpose of using this theory in a school setting was to support the idea that management of finances needs an understanding within social and cultural framework in which this field of study plays a fundamental or credible role in the provision of financial information about schools.

2.6.2 Agency theory

The research was also guided by Agency theory (Jensen and Meckling, 1976). The theory postulates that an organization connection remains where principal employ bursar to carry out specific duties or services on behalf of principal. In keeping with the agency theory, rivalry emanates between the principal and the agent. This results from two people's divergent interests when receiving payment; on one hand the agent finds it difficult to minimize the amount of labor that needs to be done. However, the principal wants as little money as

possible to be paid but organizational problems are observed to rise from the conflicts of interests between these two persons. These organizational discrepancies are likely serious and mostly occur in public schools. For instance, financial administration in public secondary schools, parents along with government as well as other financiers are the principals while principal together with bursar are agents. Government via TSC and parents through BOM employ services of principal along with bursar accordingly. Principal together with bursar are assigned with judicious management of resources allocated to schools and paid salaries as well as allowances for carrying out their services. In a school context, budgeting processes require that budgetary requisitions are monitored and evaluated with thoroughness, beginning from principal which involve preparing of new budgets for each year and budget reporting. The principal ought to table requisitions for the resources in a manner that ensures that funds are allocated on criteria of cost-benefit analysis or cost effectiveness analysis that aims at guaranteeing worth for funds spent. Nonetheless, efficient oversight and the execution of budget reporting should guarantee that public funds are managed effectively to prevent theft and wastage. Discrepancies among parents or government and principal or bursar yields creation of performance contracts to arbitrate organizational associations. The aforementioned is in concession with government of Kenya appeal as well as a condition for all employees with public schools to sign performance contracts.

2.7 Conceptual framework

The following figure is a conceptual framework for principals' budgetary procedures for delivering complete financial performance. It shows the association between the independent, dependent and intervening variables.

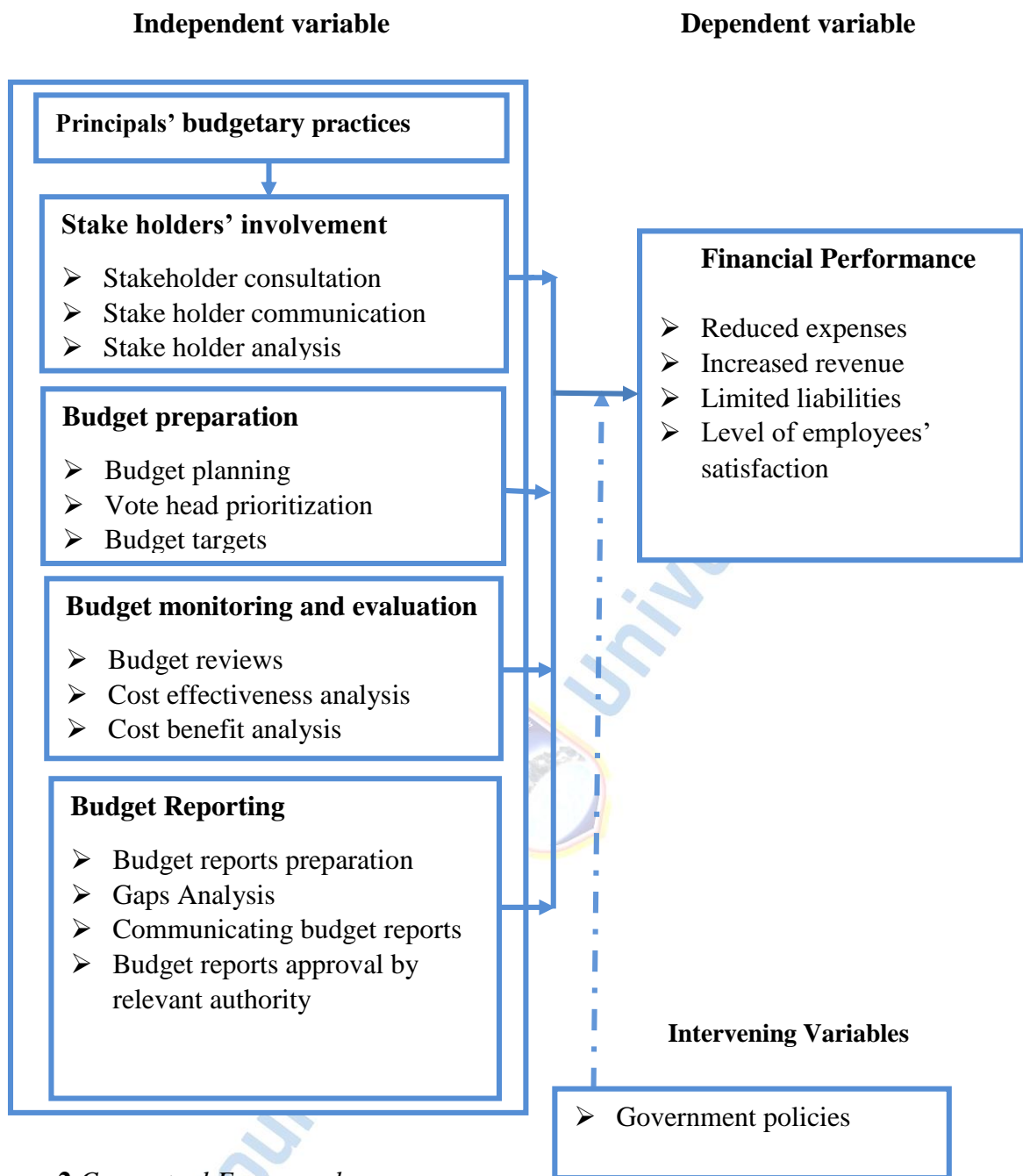


Figure 2 *Conceptual Framework*

The ability of the school to provide an atmosphere conducive to financial performance in secondary public schools is greatly enhanced by the principal. However, the ability of the principals to fulfill their duty of guaranteeing financial performance is based on the availability of stakeholders' involvement methods such as consultation, communication and analysis. In addition, increasing school revenue while reducing expenses calls for budget

preparation practices such as budget planning, vote head prioritization or even setting budget targets in order to improve the level of employees' satisfaction together with reduction of the school's liabilities. Clearly, budget monitoring and evaluation strategies such as budget reviews, cost effectiveness analysis and cost benefit analysis are vital in ensuring that the school's liabilities are brought into their minimal levels due to proper utilization of available resources; hence making school employees to be comfortable with their institution. Moreover, preparation of budgets reports and their approval by relevant authorities ensures there is accountability in the use of finance while gaps analysis together with communicating budgets reports helps to pinpoint strengths and weakness in the budget development practices. Therefore, when developing policies and interventions that enable principals to support financial success, it is critical to acknowledge the interplay and cumulative impact of these issues.

2.8 Research Gaps

Literature reviewed proposed that organizational management creates a tradition that affects the quality financial performance in institutions. Yet, research on the impact of principals' budgeting decisions on public secondary school's financial success was still lacking. Studies reviewed revealed that financial administration practices of principals on secondary schools influence prudent financial management but it was not clear on areas that need proper management where current changes in education sector has taken place. Mpaniy (2017) on the effect of internal audit on budgeting process in Rwanda found that government failed to examine audit reports but this fails to relate to financial performance. Thus, the study's present focus was on evaluating how budgetary policies affect financial performance. Serem (2013) suggested that there is a slight favorable impact of budgetary restriction on the performance of non-governmental organizations in Kenya. Nevertheless, research attempting

to determine the influence of principals' budgetary policies on financial performance in Murang'a East Sub-County is not focused on public secondary schools.

With regards to considerations of literature reviewed, urgency on vote head allocation is an important consideration but there exists biasness in estimates for capital projects. In view of local research on how financial administration techniques affect the financial performance of economic activities in public high schools in Mombasa County by Kabaillah (2018) and Kinyanzii, Ombuki and Kalii (2019) the findings dealt with efficacy of financial management on achievement of government Schools in Kathiani Sub- County. However, Muricho and Chang'ach (2013) note that it is a compulsory government responsibility to ensure proper use of finances with the purpose of strengthening financial productivity of institutions. However, these studies did not address the practices that should be put in place for efficient financial performance. Therefore, an analytical review of previous studies displays considerable notional, circumstantial and technical differences but still up for debate is how budgetary procedures affect secondary public schools' financial performance which formed the foundation for this research.

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.0 Introduction

This section presents an explanation of the research method used to select, develop as well as scrutinize data around the subject matter. It includes a description of the design, sampling techniques, study location, instrumentation, piloting of research instruments, testing for dependability, credibility, reliability, validity as well as procedures for data collection and data analysis techniques.

3.1 Research methodology

Mixed methods technique was used in this research, combining quantitative information as well as qualitative data where questionnaires, interview schedules and document analysis guides were primary methods used to gather information. Quantitative data was gathered through questionnaires and qualitative data was gathered through document analysis and interview schedules. The purpose of mixed methods approach was particularly useful in identifying discrepancies between the data obtained from both quantitative and qualitative data sources. Additionally, it ensured that the study results were based on respondents' knowledge and provided the study a voice (Wisdom and Creswell, 2013).

3.2 Research design

Descriptive design was used in the study as it explains the situation as it is on influence of principals' budgetary practices on financial performance in Murang'a East Sub-County public secondary schools without any manipulation. Qualitative data and quantitative data were collected at the same time then the findings compared from qualitative and quantitative data then the analysis completed separately. The rationale for this layout was to adopt

qualitative and quantitative information to more precisely assess and understand the influence among variables of interest; as depicted in figure 3.

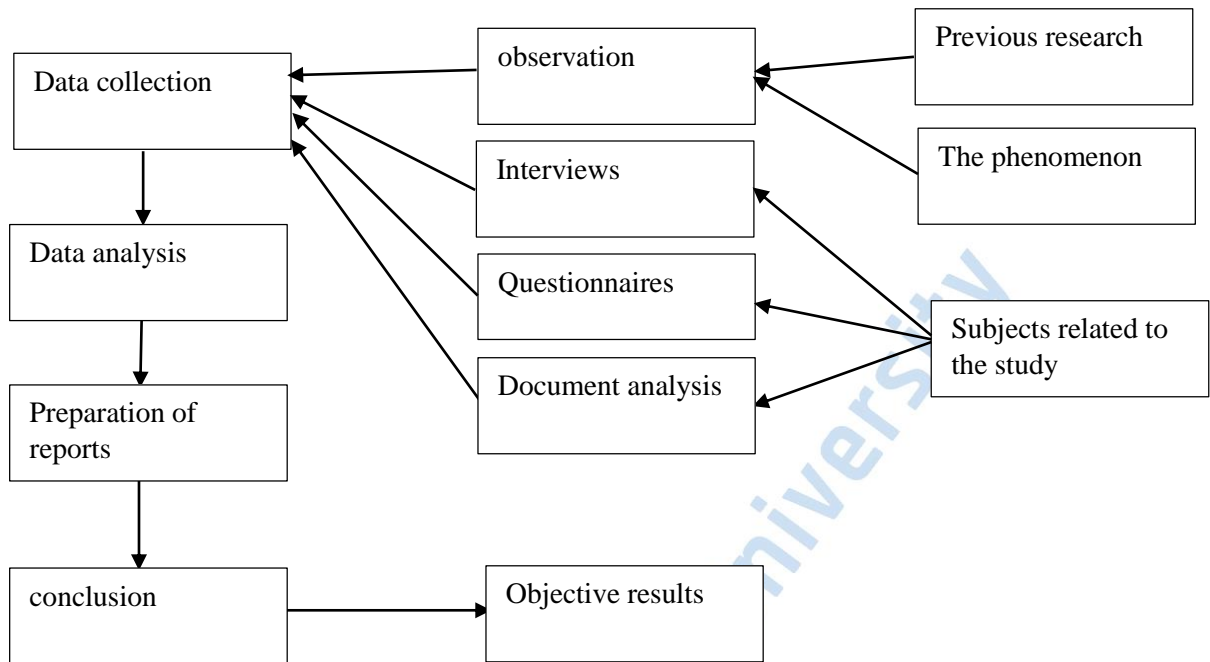


Figure 3 Descriptive Design
Source (Research Gate, 2023)

Figure 3 above demonstrates how descriptive design was applied during the study whereby both qualitative and quantitative data was gathered separately, analyzed separately but conclusions drawn together.

3.3 Location of the study

Selected sampled public secondary schools in Kenya’s Murang’a County, specifically Murang’a East Sub-County, formed the location of the study which was necessary as according to Beatrice (2019), in Kiharu constituency Murang’a East Sub- County school projects were not brought into completion as planned. For example, in the financial year 2015-2016 only 2 projects were completed out of 6. Furthermore, in the financial year 2017-2018 only 4 projects were completed out of 13; and there exist situations of misappropriation of

funds despite existence of budgeting regulations and procedures from the ministry for education. However, not much had been carried out to assess the influence of stakeholders' involvement, budget preparation, budget monitoring and evaluation among budget reporting practices on financial performance in public secondary schools in the area. The Sub-County has a geographical area that is characterized by varying altitudes ranging from 914 meters above sea level in the Eastern parts to 3,353 meters above sea level along the slopes of the Aberdare Mountains in the west. According to the 2019 census the area had a total population of 1,056,640 people where 523,940 were males and 532,669 females; with a population density of 419 people per square kilometer and a population growth rate of 1.3% per annum (KNBS, 2019).

3.4 Target population

The targeted respondents were all 31 public secondary schools, consisting of 31 Principals, 623 teachers, 300 members of BOM and 31 Accounts clerks or Bursars in Murang'a East Sub- County secondary public schools, and 1 County finance auditor. A total of 986 participants targeted was chosen as illustrated in table 1 below because it was found that it would be adequate to provide necessary data, reliability of data and also it was accessible.

Table 1: *Target Population*

Category	Target population
Principals	31
County Finance Auditor	1
Teachers	623
Members of BOM	300
Bursars or Accounts clerk	31
Total	986

Source Education Office 2023 Murang'a East Sub- County

3.5 Sampling procedure and sample size

A sample of 9 secondary schools was chosen which is 30% of total 31 public schools; but in order to obtain an adequate sample relevant to the aims of the study, Yamane's formulae was adopted as follows:

$$N = \frac{z^2 Pq}{e^2}$$

Where **N** = desired sample

Z= Standard normal deviation set at 1.96 (95% confidence level)

P= Portion of targeted participants

In this case specific characteristics are participants who are supposed to comply to budgetary practices taken as 0.74229 (74.229%)

$$q = 1 - p$$

e = the study's degree of error (0.05) allowed because the confidence level is set at 5% meaning that a 95% confidence level is reached.

Therefore, desired sample
$$N = \frac{1.96^2 \times \{0.74229 \times (1 - 0.25771)\}}{0.05^2}$$
$$= \frac{(1.96 \times 1.96) \times (0.74229 \times 0.25771)}{0.05 \times 0.05}$$
$$N = 295$$

To create 4 different sampling units, cluster sampling was adopted grounded on zone counts in Murang'a East Sub-County. From each zone, 2 principals and 2 bursars or accounts clerks were chosen using simple random sampling techniques for Gikindu, Gatari and Kimathi zone and 3 Principals and bursars or accounts clerks from Municipality zone due to the high concentration of public secondary schools in municipality zone compared to the other three zones. At the same time, from each zone, 46 teachers were selected for Gikindu, Gatari and Kimathi zone and 48 teachers for Municipality zone. 22 BOMs were selected by use of

simple random sampling from Gikindu, Gaturi and Kimathi zone and 24 BOM members from Municipality zone. The County Financial Auditor was also considered for the research. This gave a total sample size of 9 Principals, 9 bursars or accounts clerks, 186 teachers, 90 BOMs and the County Financial Auditor as illustrated in the sample size grid below.

Table 2: Sample Size Grid

Respondent Categories	Target Population	Sample size	Techniques for Sampling
Principals	31	9	Purposive sampling
County Finance Auditor	1	1	Purposive sampling
Teachers	623	186	Simple random
Members of BOM	300	90	Simple random
Bursars or accounts clerk	31	9	Purposive sampling
Total	986	295	

Source; Researcher, 2024

3.6 Research Instruments

The instruments used for gathering data were questionnaires, interview discussion guides and document analysis guides. The time, purpose and nature of information gathered all had a significant impact on the tools that were chosen. The study's main objective was to evaluate influence of principals' budgetary practices on financial performance of Kenya's public secondary schools. However, the primary focus of the research was on attitudes, feelings, perceptions, opinions and perspectives of participants.

3.6.1 Interview schedule guide

For bursars or account clerks and county finance auditor, interviews helped to collect the required data. Guiding questions were used to discover most notably what the participants

were thinking; their views, opinions, perceptions and feelings (O' Leary, 2014). The rationale for interviews was that they aid in understanding as well as exploring respondents' opinions, behavior as well as various experiences (Carol, 2023).

3.6.2 Questionnaires for teachers and BOM members

Closed-ended questionnaires gathered quantitative information from teachers and members of BOM. The questionnaires contained five areas. First, general information, second stakeholders' involvement on financial performance, third budget preparation practices on financial performance, fourth budget monitoring and evaluation on financial performance while fifth on budget reporting practices on financial performance. The questionnaire had closed as well as open-ended items. The perception of participants towards principals' budgetary practices was measured using an option-based five-point Likert scale; where the responses of participants ranged from strongly disagree to strongly agree.

3.6.3 Document analysis guide

Document analysis guide was used as part of mixed-method research to bring together quantitative and qualitative information creating a synergistic relationship enabling more efficient use of data from principals. The document analysis guide contained 5 areas. First, general information, second stakeholders' involvement on financial performance, third budget preparation practices on financial performance, fourth budget monitoring and evaluation on financial performance while fifth on budget reporting practices on financial performance. For each area, guiding questions were used to evaluate the kind of document to be analyzed; then each area thematically analyzed findings. The rationale for document analysis was that it is time saving compared to other instruments and cost saving (Indeed editorial team, 2023)

3.7.0 Piloting of research instruments

Piloting for research tools was done in 2 schools in Kirinyaga Central Sub-County comprising of 2 principals, 10 members of BOM and 20 teachers which was outside the study area but in an area of similar characteristics to Murang'a East. The pilot study was done to find out logistical challenges that could occur during the main study, and determine what resources such as funds, time and staff were needed for the planned research. The pilot study also aided in developing and testing the adequacy of the research instruments with regard to the objectives of the research.

3.7.1 Testing for validity

To test for validity, the research tools were provided to experts in Mount Kenya University and supervisors to check out applicability of each element of the instruments to the aims of the study.

3.7.2 Testing for reliability

To test for reliability of the tools, the study instruments were piloted in two schools, adjusted to increase their reliability coefficients to at least 0.70. The main objective for pre-testing the instruments was to enhance accuracy of meaning as well as the lucidity of each element of the research tools. The tools were administered to chosen secondary schools of similar traits to that of the population targeted; and again, administered to the same respondents after a fortnight. Using the Pearson product moment correlation coefficient (r), the two sets of data were correlated where a reliability index, $r = 0.69$, was obtained, hence indicating a high internal reliability.

3.7.3 Testing for dependability

Dependability was controlled by having each qualitative data collected being reported in detail to achieve similar results on repeat of enquiry. This ensured that outcomes were also backed by collected data.

3.7.4 Testing for credibility

Credibility was established through triangulation together with member checking technique. Triangulation involved using several methods in collection of data, making use of different sources of data within the same method, and using multiple theoretical perspectives for analysis of collected data. Member checking technique control of credibility involved sharing data interpretations as well as conclusions with research participants. These allowed participants in the study to be clear on what their aim were, and where need be, correct mistakes and contribute extra information.

3.8 Data collection procedures

Qualitative and quantitative research information was collected from principals, County Finance Auditor, Teachers, BOMs and Bursars or accounts clerks from Murang'a East Sub-County public secondary schools using questionnaires, interview discussion schedules and document analysis guide as demonstrated in table 3.

Table 3 *Data Collection Procedures*

Research hypothesis	Questionnaire questions	Interview questions	Document analysis
Ho1 There is no significance influence of stakeholders' involvement on financial performance of public secondary schools in Murang'a East Sub-County.	Teachers, BOM members Section B, Q1and2	County Finance Auditor, Bursars/ accounts clerks Section B, Q 1and2	Principals Section B, Q1and2
Ho2 There is no significance influence of budget preparation on financial performance of public secondary schools in Murang'a East Sub-County.	Teachers, BOM members Section C, Q1and2	County Finance Auditor, Bursas /accounts clerks Section C, Q1and2	Principals Section C, Q1and2
Ho3 There is no significance influence of budget monitoring and evaluation on financial performance of public secondary schools in Murang'a East Sub-County.	Teachers, BOM members Section D, Q1and2	County Finance Auditor, Bursas /accounts clerks Section D, Q1and2	Principals Section D, Q1and2
Ho4 There is no significance influence of budget reporting on financial performance of public secondary schools in Murang'a East Sub-County.	Teachers, BOM members Section E, Q1and2	County Finance Auditor, Bursas /accounts clerks Section E, Q1and2	Principals Section E, Q1and2

Source; Researcher, 2024

3.9 Data Analysis procedures

Relevant collected information was split down into categories that gave back distinct as well as particular logic. Frequencies of responses obtained and answers to close-ended questions were given codes and tags. Qualitative data was thematically analyzed then presented in narrative form. Quantitative data analysis was done using Statistical Packages for Social Science (SPSS Version 23) and presented using descriptive statistics like percentages and

tables of frequencies. Chi-square (X^2) test of goodness-of-fit was used as the inferential statistic for testing hypothesis. The rationale for this analysis was that information sought was of type 'one variable-many-levels'; and there were fundamentally explicit frequencies of narration of viewpoint, beliefs, idea, emotions and perspective of participants on the influence of Principals' budgetary practices on financial performance of public secondary schools. The Chi-square test was most appropriate on account of it facilitated in finding out whether there were significant discrepancies in frequencies of other answers. Information from open ended questionnaire items, interviews and document analysis was categorized under large themes and turned into frequency counts. All information was examined at a significance level of 95% or $\alpha = 0.05$ and degree of freedom based on each case as was driven. This value ($\alpha = 0.05$) was selected on account of the sample size was realized from figures calculated on basis of 0.95 level of confidence (Willis, Yuko and Onen, 2008). In order to obtain value of the chi-square calculated the following formulae was used:

$$x^2 = \sum \frac{(O - E)^2}{E}$$

Where $x^2 = Chi - square$

$O = Observations$

$E = Expected$

If chi-square value computed lied in the critical region that is, if chi-square computed is greater than chi-square table, the null hypothesis was rejected; and if it did not lie in critical region hence chi-square computed was less than chi-square table, the null hypotheses was accepted.

Table 4 *Data Analysis Procedures*

Research hypotheses	Independent variable	Dependent variable	Quantitative analysis	Qualitative analysis
Ho1 There is no significance influence of stakeholders' involvement on financial performance of public secondary schools in Murang'a East Sub-County.	stakeholders' involvement budgetary practice	Financial performance	Percentages Frequencies Chi-square analysis	Thematic analysis
Ho2 There is no significance influence of budget preparation on financial performance of public secondary schools in Murang'a East Sub-County.	Budget preparation budgetary practices	Financial performance	Percentages Frequencies Chi-square analysis	Thematic analysis
Ho3 There is no significance influence of budget monitoring and evaluation budgetary practice on financial performance of public secondary schools in Murang'a East Sub-County.	Budget evaluation budgetary practice	Financial performance	Percentages Frequencies Chi-square analysis	Thematic analysis
Ho4 There is no significance influence of budget reporting on financial performance of public secondary schools in Murang'a East Sub-County.	Budget reporting budgetary practice	Financial performance	Percentages Frequencies Chi-square analysis	Thematic analysis

Source; Researcher, 2024

3.10 Ethical considerations

The main ethical considerations were:

(i) Confidentiality of the participants and their privacy

Obtaining reliable and valid information entailed gaining access to specific files and documents which itself was a violation of privacy rights along with confidentiality of

participants. However, participants decided whether or not to respond to elements they were uncomfortable with.

(ii) Informed consent

Obtaining valid responses entailed candid interviews, which is an infringement on right of privacy of participants but interviewees were provided with the necessary information on the importance of the study, procedures to be followed, and expected duration for participation.

(iii) Anonymity

All participants in the research had the privilege to stay undisclosed and a person's identity was not disclosed in the analysis of data.

(iv) Access to Study area

To access the study area, the researcher sought permission from the necessary authorities such as County Director of Education Murang'a County, Murang'a County Commissioner, County Government of Murang'a and made formal introduction; as well as presented Self introductory letter, Introduction letter provided by school of postgraduate studies of Mount Kenya university as well research license from National Commission for Science, Technology and Innovation (NACOSTI).

(v) Decorum

A high degree of proper and polite behavior in terms of speech, code of dressing, orderliness and adequate conduct before, during and after interacting with participants was observed.

(vi) Results communication

The researcher made sure that data was free from any form of malpractice as well as ensured findings were correctly presented.

(vii) Voluntary participation

All respondents were well informed that they had the freedom of participation and no negative results for refusal to participate.

CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

The findings of the study are presented in this section. The findings are outlined in consonance with the four research objectives and hypotheses. The general respondents' information is also presented on account of it could be relevant in representing the thematic data.

4.1 Response rate

Research tools were governed to teachers, BOM members, Bursars or accounts clerk, Principals and County finance auditor where tools governed fortunately suffused and restituted giving a response rate of 90.12 % as shown in table below.

Table 5: *Results on Response Restitute Rate*

Participant classification	Participants sampled	Participants responded	Response rate
Teachers	186	172	92.47%
BOM Members	90	78	86.67%
Bursars or account clerks	9	8	88.89%
Principals	9	7	77.78%
County finance auditor	1	1	100%
Total	295	266	90.12%

Source; Researcher, 2024

The above statistics indicate that the questionnaire for teachers had a percentage return rate of 92.47% (172). The principals were 77.78% (7), BOM members were 86.67% (78), Bursars or account clerks were 88.89% (8) and County Financial auditor were 100% (1); hence giving a total response rate of 90.12% (266 Respondents). This attests to the authenticity of the

questionnaire return rate being adequate permitting universality of outcomes to the population that was targeted (Creswell, 2009).

4.2 Respondents’ general information

The general demographic information of participants in terms of gender as well as level of education of the respondents was also captured by research tools and reported as indicated below.

4.2.1 Gender of respondents

Data on dispersion of participants by gender was picked then outcomes tabulated as illustrated in table 6 below.

Table 6 Results on Respondents’ Gender

Key: BOMs-Board of Management members CFA-County Finance auditor; F-Frequency, %- Percentage.

Gender	Principal		Teachers		Bursars or	Accounts clerks		BOMs		CFA	
	f	%	f	%		f	%	f	%	f	%
Male	4	57.14	100	58.14	5	62.5	55	70.5	1	100	
Female	3	42.86	72	41.86	3	37.5	23	29.5	0	0	
Total	7	100	172	100	8	100	78	100	1	100	

Source; Researcher, 2024

Table 6 shows that 57.14 % (4) of principals who participated in research were male whereas 42.86% (3) were female. In the same vein, a fair majority of 58.14% (100) of teachers were male with 41.86% (72) being female. There was a fair majority of male bursars or account clerk at 62.5% (5) while females were 37.5% (3). At same time, majority of members of school BOM at 70.5% (50) were male whereas female members of school BOM constituted 29.5% (23). The County Financial auditor was male. These demographics reveal that there

was adequate gender parity in participants at all levels of the study. Adherence to budgeting process to assure accountable financial performance in secondary schools’ concerns not only male stakeholders but also female stakeholders, that is, principals, teachers, bursars or account clerks, members of school BOM and County Financial auditor.

4.2.2 Respondents’ Level of Education

The research tools also captured data for respondents on their level of education because this factor would affect participants’ ability to give acceptable information pertaining to the objectives of the study. The outcomes were as demonstrated in table below.

Table 7 Results on Respondents’ Level of Education

Key: BOMs-Board of Management members CFA-County Finance auditor; F-Frequency TRS- Teachers, %- Percentage

Category	Principal		TRS		Bursars or Account clerks		BOMs		CFA	
	f	%	f	%	f	%	f	%	f	%
Certificate	0	0	0	0	0	0	18	23.07	0	0
Diploma	0	0	16	9.30	3	37.5	30	38.46	0	0
Degree	5	71.43	142	82.56	5	62.5	22	28.21	1	100
Post graduate	2	28.57	14	8.14	0	0	8	10.26	0	0
Total	7	100	172	100	8	100	78	100	1	100

Source; Researcher, 2024

Table 7 indicates that 71.43% (5) of principals had Bachelors whereas 28.57% (2) had postgraduate qualifications. A fair majority 82.56% (142) of teachers had Bachelors’ Degrees, 9.30% (16) had Diplomas whereas a paltry 8.14% (14) had postgraduate qualifications. Slightly more than half 62.5% (5) of Bursars or Accounts clerks had Bachelors’ Degrees but 37.5% (3) had Diplomas, 23.07% (18) of BOM members had certificates, 38.46% (30) Diplomas, 28.21% (22) Degrees whereas 10.26% (8) had

postgraduate qualifications. The County Financial Auditor had a degree. This data reveals that participants met minimum qualifications to be competent enough to provide adequate reliable information to questions for the research.

4.3 Report on Influence of Principals stakeholders' involvement on financial performance in public secondary schools

The first objective of the study was to determine the frequency with which principals engage stakeholders and the extent to which participation strategies affect public secondary schools' financial performance. Teachers' data was gathered and findings were tallied as shown in table 8:

Table 8 Results of Frequencies of Principals' Stakeholders Involvement Practices During Budget Development

KEY F- Frequency, %- Percentage

Stakeholders' involvement Practices		Very Often	Often	Rarely	Not Often
		4	3	2	1
Stakeholders' consultation in principals' budgetary practices	F %	63 25.20	77 30.80	68 27.20	42 16.80
Stakeholders' communication in principals' budgetary practices	F %	48 19.20	143 57.20	34 13.60	25 10.00
Stakeholders' analysis in principals' budgetary practices	F %	47 18.80	108 43.20	48 19.20	47 18.80

Source; Researcher, 2024

Table 8 indicates that a quarter, that is 25.20% (63), of teachers and BOM members indicated that principals very often consult stakeholders in involvement of stakeholders during budgetary practices while 30.80% (77) indicated they often consult stakeholders. However, 27.20% (68) of teachers and BOM members reported that schools rarely consult stakeholders during budgetary practices whereas a paltry 16.80% (42) revealed that principals did not often involve stakeholders. In the same vein, slightly less than a quarter 19.20% (48) of teachers and BOM members noted that secondary school administration very often communicates to

stakeholders for budgetary practices, slightly more than half 57.20% (143) reported that they often do, 13.60% (34) indicated that they rarely do whereas 10.00% (25) show that they do not often communicate to stakeholders during budgetary practices. On the contrary, only 18.80% (47) of teachers and BOM members reported that schools very often analyze stakeholders during budgetary practices, 43.20% (108) of them indicated that they often analyze stakeholders but a fair minority at 19.20% (48) noted that schools rarely analyze stakeholders during budgetary practices, whereas 18.80% (47) reported that schools do not often analyze stakeholders. These findings attest to the requirements of National Advisory Council on State and Local Budgeting (2019) that budgeting practices that engage all stakeholders and integrates their preferences together with wants can positively affect keeping excellent ties with public and improving instructors' perceptions of school administration in general. Nonetheless, Hartman (2013) suggested that budget planning and stakeholder participation ensure that realistic revenue and spending projections are incorporated into school budgets. These results confirm that spending and instructional plans are included in the financial process for schools. Therefore, better school programs or financial management decisions can enhance institutional operations at any institution whose budget making process is well planned as well as integrated with other school operations for improved financial management and planning.

Table 9 Results of Teachers' and Members of BOM Opinions on Influence of Principals' Stakeholders' Involvement Practices on Financial Performance in Public Secondary Schools

Key SA – Strongly Agree, **A-** Agree, **U-** Undecided, **D-** Disagree, **SD-** Strongly Disagree, **F-** Frequency, **%-** Percentage

Test Items	Ratings					
	SA	A	U	D	SD	
Consultation of stakeholders is often done in stakeholders' involvement to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	45	72	47	41	44
	%	18.07	28.92	18.88	16.47	17.67
Stakeholder communication during stakeholders' involvement has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	32	56	73	40	47
	%	12.90	22.58	29.44	16.13	18.95
Stakeholder Analysis of my school during stakeholder involvement has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction.	F	33	61	55	60	40
	%	13.25	24.50	22.09	24.10	16.06

Source; Researcher, 2024

Table 9 reveals that 18.07% (45) of teachers and BOM members strongly agreed with the opinion that stakeholders are often consulted during budgetary practices which has affected reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as did 28.92% (72) who agreed. However, 18.88% (47) of teachers and BOM members were undecided, 16.47% (41) disagreed whereas 17.67% (44) strongly disagreed. However, these results are disagreeing with outcomes of a research conducted in Korea to assess influence between stakeholders' participation on job satisfaction among school managers where Lopez (2009) found that there is a strong positive correlation between stakeholders' participation and job performance of Korean Managers. Lopez, (2009) further denoted that planning and involvement of stakeholders in budget making process provides an avenue of giving encouragements as well as a sense of mandate to teachers together with other employees in schools to administer productive practices as well as attain needed level

of performance of financial resources. Therefore, the findings confirm that involvement of stakeholders is essential to advancement and success of a school whether they have financial ambition, or personal or professional concerns.

In addition, these results further ascertain that, in preparation of a budget, the school principal ought to seek for participation of all stakeholders such as members of board of management, teachers, members of PTA, parents and other school workers. The study further established that 12.90% (32) of teachers and BOM members strongly agreed with the view that stakeholder communication during stakeholders' involvement has reinforced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools. A proportion of 22.58% (56) also agreed. However, 29.44% (73) remained undecided, 16.13% (40) disagreed whereas those who strongly disagreed were 18.95% (47).

These outcomes differ with the results of a study conducted in Nigeria in which Amuseghan (2010) suggests that a schools' attainment of intended educational goals as well as objectives lean to a great extent on productive planning and management of school revenue by school administrators. These outcomes affirm the fact that educational planning is the first procedure to be put into deliberation in budget preparation. In other words, an educational plan emerges from educational policies which are outlined by the ministry of education. The study also revealed that 13.25% (33) of teachers and BOM members strongly agreed with the view that stakeholder analysis during stakeholder involvement has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools, 24.50% (61) of sampled teachers and BOM members agreed. However, 22.09% (55) were undecided, 24.10% (60) disagreed as 16.06% (40) strongly disagreed. These findings lend belief to claims of Hartman (2013) that budgeting practices that engage all educational

stakeholders as well as integrates stakeholders' preferences and concerns can positively influence preservation of better relationships principals and other stakeholders in a school as well as improving students and teacher's general overview of school management.

4.3.1 Report on Inferential findings on influence of principals' stakeholders' involvement practices on financial performance in Public Secondary Schools

In order to confirm whether there is existence of a relationship between secondary school financial performance and stakeholder involvement practices, data was categorized into groups that produced clear and specific answers. The frequencies of these answers were then used to test hypotheses using Statistical Packages for Social Science (SPSS Version 23) using Chi-square test of goodness-of-fit as demonstrated in Table 10:

Table 10 Results of Frequencies of Teachers and Members of BOM Opinions on Influence of Stakeholders' Involvement Practices on Financial Performance

Test Items	Frequencies				
	SA	A	U	D	SD
Consultation of stakeholders is often done in stakeholders' involvement to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	45	72	47	41	44
Stakeholder communication during stakeholders' involvement has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	32	56	73	40	47
Stakeholder Analysis of my school during stakeholder involvement has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction.	33	61	55	60	40

Source; Researcher, 2024

Table 10 illustrates that schools which occasionally cling to stakeholder involvement practices enlist slightest cases of financial looting and higher productivity. Though, schools which rarely adhere to stakeholder involvement practices enlist low financial uptake rate evidenced by lower frequencies of adherence. Moreover, these results authenticate the

assertions of Ministry of Education (2015) and chapter 12 of the Constitution of Kenya 2010 that provides that there shall be openness and liability including public participation in public financial matters. Consequently, these results were subjected to chi-square test and results tabulated as in Table 11 below:

Table 11 Results on Teachers and BOM Members Frequencies of Stakeholders' Involvement Practices on Financial Performance

Key SA – Strongly Agree, A- Agree, U- Undecided, D- Disagree, SD- Strongly Disagree

Frequencies	SA	A	U	D	SD	TOTAL
Consultation of stakeholders'	45	72	47	41	44	249
Stakeholders' communication	32	56	73	40	47	248
Stakeholders' analysis	33	61	55	60	40	249
TOTAL	110	189	175	141	131	746

Source; Researcher, 2024

The null hypothesis **H₀₁** was that there is no significant influence of Principals' stakeholders' involvement on financial performance of public secondary in schools in Murang'a East Sub-County, Kenya while the alternative hypothesis **H_{A1}** was, there is a significant influence of Principals' stakeholders' involvement on financial performance of public secondary schools in Murang'a East Sub- County, Kenya.

Table 12 Report on Chi-square Analysis of Differences Between Frequencies of Adopting Stakeholders' Involvement Practices on Financial Performance

Observed	Expected (E)	Observed-Expected (O-E)	$\frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}}$
45	36.71581769	8.284182306	1.86915833
72	63.0844504	8.91554959598	1.260009783
47	58.41152815	-11.41152815	2.229405373
41	47.06300268	-6.063002681	0.781080666
44	43.72520107	0.274798927	0.001727023519
32	36.56836461	-4.568364611	0.570710652
56	62.8310992	-6.831099196	0.742688204
73	58.1769437	14.8230563	3.776805451
40	46.87399464	-6.873994638	1.008060069
47	43.54959786	3.450402145	0.273372787
33	36.71581768	-3.715817694	0.376058658
61	63.0844504	-2.084450402	0.068874872
55	58.41152815	-3.41152815	0.199250468
60	47.06300268	12.93699732	3.556209551
40	43.72520107	-3.725201072	0.31737128
$\chi^2 = \sum \frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}} =$			17.02431825

Source; Researcher, 2024

From the Chi-square Statistics in Table 12, the processed data, which is the population parameter, had a significance of 95% or $\alpha = 0.05$ and the degree of freedom was 8 based on the number of rows as well as columns. This shows that the data is ideal for making a conclusion on population's parameter as this value $\alpha = 0.05$ was selected on account of sample size, and was realized from figures calculated on the basis of 0.95 level of confidence (Willis, Yuko and Onen, 2008). These results show that chi-square calculated 17.02431825 is greater than chi-square table value 15.51. Additionally, it shows that there is considerable difference between the frequency of adopting stakeholder involvement and financial performance, with

the results being statistically significant. Thus, the null research hypothesis H_0 , was rejected and H_A accepted. These outcomes agreed with conclusions of a study done in Nigeria by Amuseghan (2010) which yielded a p-value of $0.037 < 0.05$ in an ANOVA analysis on influence of stakeholder's participation on financial performance. These results therefore corroborate the idea that a budget's main goal is to allow educational institutions to accurately predict their anticipated revenue and expenses, to have an in-depth overview of all services, justify for revenue spent to attain educational objectives and achieving the purposes of an institution.

4.3.2 Thematic Analysis of Qualitative Findings on influence of principals' stakeholders' involvement practices on financial performance in Public Secondary Schools

The County Financial Auditor was interviewed together with bursars or accounts clerks. They supported the propositions made by teachers and members of BOM. One Bursar interviewee noted:

During budget preparation, we plan the process. This pertains involving stakeholders, for example BOM members, departmental requisitions from teachers and PTA members who aid in identifying the institution's preferences before administering any budget.

In consonance with the quantitative findings, these arguments further agree with the requirements of the National Advisory Council on State and Local Budgeting (2019) that budgeting practices that engage all stakeholders as well as integrate their preferences as well as wants may have a positive effect in attaining better relations with the public and promoting students together with teacher's general overview of school management.

The interviewees responses and document analysis results agreed with Hartman (2013) who proposes that budget planning and stakeholders' involvement assures that realistic expenses as well as income projections are integrated in the budget. The interviewees and document

analysis moreover differed with the view that stakeholders are rarely involved in budget development which has impacted reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools. One of the interviewees noted:

We often communicate to our stakeholders via WhatsApp together with text messages in our school during budget development which has enhanced financial viability and transparency in our secondary schools.

However, principals complied with propositions of Lopez (2009) that the involvement of stakeholders and managers' job performance are highly positively correlated. Moreover, as in quantitative outcomes, these observations further concur to the reality that stakeholders' communication in the budgeting process is crucial for the betterment and achievement of an institution regardless of whether they have public financial interest, personal or professional concerns.

These arguments however point out that, in budget preparation, the principal has to seek involvement of all stakeholders including BOM members, parents, teachers as well other school workers including the bursar or accounts clerk. Besides, an educational plan evolves from educational policies which are outlined by ministry of education. In School estimates, income and expenses should be listed according to revenue sources and expense account categorization of accounting system. In consonance with quantitative results, these views additionally attest to the fact that, the role of a budget is to enable a school to obtain correct projections of intended revenue along with expenses, to have an adequate view of all services, account for expenditure to attain educational objectives while achieving the purposes of a school. Thus, any institutional budget that is well-thought-out and distinguished by unified control provides appropriate programs in addition to financial choices that enhance the operations of the organization.

4.4 Influence of Principals' Budget preparation practices and financial performance in Public Secondary Schools

The second objective on budget preparation was to evaluate how frequently secondary schools follow budget preparation procedures and how these procedures affect financial performance of public secondary education resources. Teachers' and BOM members' data was gathered, compiled and summarized with the results tabulated in Table 13:

Table 13 Results on Frequency of Adhering to Budget Preparation Practices

KEY F- Frequency, %- Percentage

Budget Practices	preparation	F	Very Often	Often	Rarely	Not Often
			4	3	2	1
Budget planning		F	82	100	34	34
		%	32.80	40.00	13.60	13.60
Vote-head prioritization		F	64	137	20	29
		%	25.60	54.80	8.00	11.60
Budget targets		F	58	125	29	38
		%	23.20	50.00	11.60	15.20

Source; Researcher, 2024

Table 13 shows that 32.80% (82) of teachers and BOM members revealed that schools very often carryout budget planning, 40.00% (100) show often, 13.60% (34) indicated they rarely do whereas 13.60% (34) not often. Slightly above a quarter 25.60% (64) of teachers and BOM members revealed that schools very often do vote head prioritization, 54.80% (137) often implement vote head prioritization, 8.00% (20) shown that schools rarely do whereas 11.60% (29) indicated not often. In the same vein, slightly less than a quarter 23.20% (58) of teachers and BOM members indicated that schools very often set budget targets, 50.00% (125) often, 11.60% (29) indicated rarely whereas 15.20% (38) shown not often. These findings agree with arguments of Robinson and Last (2009) that act of allocating public finances has to be guided by maximization of an appropriate social welfare function.

These results demonstrate that schools must seek funding that maximizes overall performance when allocating and executing budgets. Additionally, decentralized duties are involved in budget allocation and execution in schools to lessen the impact of disagreements between different stakeholders.

Table 14 Results on Teachers’ and BOM Members Views on Influence of Budget Preparation Practices on Financial Performance in Public Secondary Schools

Key SA – Strongly Agree, A- Agree, U- Undecided, D- Disagree, SD- Strongly Disagree, F- Frequency, %- Percentage

Test Items		Ratings				
		SA	A	U	D	SD
Budget planning is often done in budget preparation to enhance reduced expenses, increased revenue, limited liabilities and employee’s satisfaction in my school.	F	43	70	46	39	47
	%	17.55	28.57	18.78	15.92	19.18
Vote-head prioritization during budget preparation has enhanced reduced expenses, increased revenue, limited liabilities and employee’s satisfaction in my school.	F	30	55	73	42	48
	%	12.10	22.18	29.44	16.94	19.35
Budget targets of my school during budget preparation has enhanced reduced expenses, increased revenue, limited liabilities and employee’s satisfaction.	F	35	63	57	60	40
	%	13.73	24.71	22.35	23.53	15.69

Source; Researcher, 2024

Table 14 reveals that 17.55% (43) of sampled teachers and BOM members strongly agreed with the opinion that budget planning is often done in budget preparation to enhance reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction in secondary schools. On the other hand, 28.57% (70) agreed. Moreover, 18.78% (46) were undecided, 15.92% (39) disagreed whereas 19.18% (47) strongly disagreed. These results

corroborate with claims made by Breul and Moratiz (2017) that decisions on budget allocation must take the efficiency of using public funds into account due to resource scarcity. This means that in order to ensure successful planning, performance evaluations and cost estimations, schools must ensure the efficient use of finances through budget allocation. These results therefore suggest that the process of allocating public expenditure ought to be directed by the maximum of suitable social welfare function. Schools should therefore seek for a combination of funding sources when allocating and executing budgets in order to maximize their overall performance. Additionally, decentralized duties are involved in budget distribution and implementation in schools to reduce the likelihood of disagreements among diverse parties.

The study also revealed that 12.10% (30) of sampled teachers and BOM members strongly agreed with preposition that vote-head prioritization during budget preparation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as 22.18% (55) agreed. However, 29.44% (73) were undecided, 16.94% (42) disagreed whereas 19.35% (48) strongly disagreed. Also, it was observed that 13.73% (35) of sampled teachers and BOM members strongly agreed with the preposition that budget targets during budget preparation have enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as 24.71% (63) agreed. However, 22.35% (57) were undecided, 23.53% (60) disagreed whereas 15.69% (40) strongly disagreed.

These results support the claims made by Allan (2009) that decentralizing budgets allocation and implementation encourages better school performance by allowing participation from many departments. This ensures that the authorized budgets are supported by all relevant

parties and ensures that it will be successfully implemented. As a result, when school managers foster a culture of budget planning, student performance soras and they are thoroughly satisfied. These results provide support for Mulwa's (2008) claims that creating a budget entail creating, developing and carrying out the work of coordination, administration and control of budget; and are necessary for the programs to be successfully completed. In keeping with, Mulwa (2008) in budget control, there must be a centralized administration, coordination and control of budget if the programs are to be attained effectively. Therefore, the findings demonstrate how crucial budget preparation is to the successful execution of financial strategies. At that point, the principal is allowed to transmit the budget to the ministry of education or another appropriate entity which should then accept the budget estimates, provided that the Board of Management and Parents' Association are pleased with final budget estimate.



4.4.1 Report on Inferential Findings on Influence of Principals' Budget Preparation Practices on Financial performance in Public Secondary Schools

Data on frequency of adherence to budget preparation practices, including budget planning, vote head prioritization and budget targets was gathered in order to test possibility of difference between budget preparation practices and financial performance in secondary schools. The results were then tabulated and are displaced in Table 15:

Table 15 Results on Frequencies of Teachers and BOM Members on Adherence to Budget Preparation Practices on Financial Performance

Key SA – Strongly Agree, **A**- Agree, **U**- Undecided, **D**- Disagree, **SD**- Strongly Disagree

Test Items	Frequencies				
	SA	A	U	D	SD
Budget planning is often done in budget preparation to enhance reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction in my school.	43	70	46	39	47
Vote-head prioritization during budget preparation has enhanced reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction in my school.	30	55	73	42	48
Budget targets of my school during budget preparation has enhanced reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction.	35	63	57	60	40

Source; Researcher, 2024

Table 15 demonstrates that low frequencies are recorded for tools when budget preparation is never followed through on or carried out well. Conversely, schools who prepare their budgets prior to implementing them report exceptional financial efficiency. Overall, findings support the claims made by Breul and Moravitz (2017) that judgments about budget preparation must take into account the productivity of using public funds due to resource constraints. This emphasizes the necessity for schools to provide excellent planning, performance assessment and cost measurement in order ensure the efficient use of funds through budget preparation. These results were subjected to chi-square test of goodness-of-fit and results tabulated as shown in Table 16.

Table 16 Results on Teachers and BOM Members Frequencies of Budget Preparation Practices on Financial Performance

Key SA – Strongly Agree, A- Agree, U- Undecided, D- Disagree, SD- Strongly Disagree						
Frequencies	SA	A	U	D	SD	TOTAL
Budget planning	43	70	46	39	47	245
Vote-head prioritization	30	55	73	42	48	248
Budget targets	35	63	57	60	40	255
TOTAL	108	188	176	141	135	748

Source; Researcher, 2024

The null hypothesis H₀₂ was that there is no significant influence of principals' budget preparation on financial performance of public secondary schools in Murang'a East Sub-County, Kenya while the alternative hypothesis H_{A2} was that there is significant influence of principals' budget preparation on financial performance of public secondary schools in Murang'a East Sub- County, Kenya.

Table 17 Report on Chi-square Analysis of Difference Between Frequencies of Adopting Budget Preparation Practices on Financial Performance

Observed (O)	Expected (E)	Observed-Expected (O-E)	$\frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}}$
43	35.37433155	7.625668449	1.643870478
70	61.57754011	8.422459893	1.152008192
46	57.64705882	-11.64705882	2.353181273
39	46.18315508	-7.18315508	1.117241055
47	44.21791444	2.782085561	0.175042178
30	35.80748663	-5.807486631	0.941895233
55	62.3315508	-7.331550802	0.86235039
73	58.35294118	14.64705882	3.676529886
42	46.7486631	-4.748663102	0.482362483
48	44.75935829	3.240641711	0.234627106
35	36.81818182	-1.818181818	0.089786756
63	64.09090909	-1.090909091	0.018568665
57	60	-3	0.15
60	48.06818182	11.93181818	2.961798839
40	46.02272727	-6.022727273	0.788159371

$$\chi^2 = \sum \frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}} = 16.647421905$$

Source; Researcher, 2024

From the Chi-square Statistics in table 17, data which was processed, which is population parameter, had a significance level of 95% or $\alpha = 0.05$ and degree of freedom was 8 based on number of rows as well as columns. This demonstrates that the analyzed data was ideal for making an objective conclusion on population's parameter as this value $\alpha = 0.05$ was selected on account of sample size, and was realized from figures calculated on basis of 0.95 level of confidence (Willis, Yuko and Onen, 2008). These results show that the chi-square calculated 16.647421905 is greater than chi-square table value 15.51, thus demonstrating that the data processed was perfect for drawing a judgment on the population parameter. Additionally, it shows that there is a significant difference between financial performance and adherence to budget preparation techniques with the results being statistically significant. Thus, the null research hypothesis, H_{02} , was rejected and H_{A2} accepted. These outcomes were in line with conclusions of research carried out by Okumbe (1998) which gave a p-value of $0.008 < 0.05$ in an ANOVA analysis. These results also highlight the difficulties faced by school principals when preparing budgets and deciding their finances. This is because current financial management training programs and resources are largely insufficient at preparing aspiring principals for the duties involved in financial management, including budget preparation and approval.

4.4.2 Thematic Analysis of Qualitative Findings on Influence of Budget preparation Practices on Financial performance in Public Secondary Schools

Qualitative information was obtained from financial documents analysis together with interviews conducted. During interviews, principals who were interviewed however denied the perception that they rarely apportion resources for executing budget plans. One principal respondent noted:

In my school, I make sure enough finances are apportioned for every vote in budget. This action has promoted reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school, transparency along with compliance to financial policy regulations.

These observations further validate arguments put a cross by Breul and Moravitz (2017) that insufficiency of revenue requires budget allotment decisions to focus on productiveness of utilizing public finances. Therefore, the process of apportioning school finances has to be done through the virtue of maximization of a suitable social welfare function. However, documents analyzed together with the interviewees agreed with the view that implementing vote head prioritization has not enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools. These arguments however differed with Allan (2009) viewpoints that decentralizing vote head allotments and implementation facilitates different departments to be involved in process hence serves as a boost of bettering school performance. Further, one of the interviewees noted:

BOM always set budget targets in the school budget plans and this move has often enhanced reduced expenses increased revenue, limited liabilities and employee's level of satisfaction, transparency and adherence ministry of education finance policy regulations.

These arguments are coherent with the propositions made by Mulwa (2008) that budget administration involves budget control, development as well as implementation of work programs. These views ascertain that budget approval is essential for implementation of budget targets. This implies that when BOM and PTA are contented with the final budget targets, the principal is permitted to forward the budget to the relevant body or Ministry of Education which in turn approves the budget estimates.

4.5 Report on Influence of Principals' budget monitoring and evaluation practices and financial performance

The research third objective was to evaluate how public secondary schools' financial performance is impacted by the principals' monitoring and assessment procedures. Teachers and BOM members provided information and the findings were calculated and displayed in Table 18

Table 18 Results on Frequency of Conducting Budget Monitoring and Evaluation Practices
Key F- Frequency, %- Percentage

Monitoring and evaluation Practices		Very Often 4	Often 3	Rarely 2	Not Often 1
Budget reviews	F	74	107	48	21
	%	29.60	42.80	19.20	8.40
Cost effectiveness analysis	F	43	145	38	24
	%	17.20	58.00	15.20	9.60
Cost benefit analysis	F	48	120	58	24
	%	19.20	48.00	23.20	9.60

Source; Researcher, 2024

Table 18 indicates 29.60% (74) of teachers and BOM members illustrated that most secondary schools very often carry out budget reviews for monitoring and evaluation of budgetary practices, 42.80% (107) revealed that schools often do budget reviews, 19.20% (48) reported rarely, while fair minority of 8.40% (21) indicated schools do not often carry out budget reviews for monitoring and evaluation of budgetary practices. However, 17.20% (43) of the teachers and BOM members reported that secondary schools very often carry out cost effectiveness analysis to obtain feedback from monitoring and evaluation, a fair majority 58.00% (145) reported that schools often do, 15.20% (38) revealed that schools rarely do, whereas 9.60% (24) show that schools do not often do cost effectiveness analysis. On cost benefit analysis 19.20% (48) of teachers and BOM members reported that schools very often

carry out cost benefit analysis, a fair majority 48.00% (120) reported that schools often do, 23.20% (58) reported that schools rarely conduct whereas 9.60% (24) believed that schools do not often do.

These results corroborate claims made by Hansen and Mowen (2011) that use of budget in application and utilization of budgets ensures that finances are well utilized based on priorities or demands of the schools' operations. Therefore, these results demonstrate the notion that budget control guarantees that companies may effectively accomplish their goals. Stated differently, budget monitoring and assessment gives schools administrators a way to make sure funds are used effectively to meet predetermined performance requirements.

Table 19 Results on Teachers' and BOM Members Views on Influence of Budget Monitoring and Evaluation Practices on Financial Performance in Public Secondary Schools

Key SA – Strongly Agree, **A-** Agree, **U-** Undecided, **D-** Disagree, **SD-** Strongly Disagree, **F-**Frequency, **%-** Percentage

Test Items		Ratings				
		SA	A	U	D	SD
Budget reviews is often done in monitoring and evaluation to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	45	114	40	20	24
	%	18.52	46.91	16.46	8.23	9.88
Cost effectiveness analysis during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	44	92	40	34	36
	%	17.32	36.22	15.75	16.55	14.17
Cost benefit analysis of my school during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction.	F	25	90	58	34	43
	%	10.00	36.00	23.20	13.60	17.20

Source; Researcher, 2024

Table 19 illustrates that a fair minority 18.52% (45) of teachers and BOM members strongly agreed with propositions that budget reviews is often done in monitoring and evaluation to

enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary public schools. Moreover, 46.92% (114) agreed, 16.46% (40) were undecided, 8.23% (20) disagreed whereas 9.88% (24) strongly disagreed. The study also revealed that 17.32% (44) of the sampled teachers and BOM members strongly agreed with the propositions that cost effectiveness analysis during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as did 36.22% (92) agreed. However, 15.75% (40) of the sampled teachers and BOM members were undecided, 16.55% (34) disagreed whereas 14.17% (36) strongly disagreed.

These findings are in support of the arguments by Kung (2013) that through monitoring and evaluation, budget control provides a school with the necessary information necessary for its operations and performance in financial management. These findings ascertain that use of monitoring and evaluation as a control mechanism makes sure that finances are used according to an established set of objectives and priorities. That is, budget control ensures that schools are facilitated to achieve their objectives in a manner that is efficient.

It was also observed that 10.00% (25) of the sampled teachers and BOM members strongly agreed with the propositions that cost benefit analysis during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as did 36.00% (90) who agreed. However, 23.20% (58) were undecided, 13.60% (34) disagreed whereas 17.20% (43) strongly disagreed. These findings affirm arguments of Anderson (2013) that monitoring the budget is a school management function that encompasses frequently re-examining accounting records then reporting procedures, considering regularly carrying out bank reconciliation as well preparing trial

balances monthly. This attest that checking of programs against goals achieved is an approach of Performance Based Budgeting (PBB) which is of strategic important because of rise and fall of resources due to universal financial instability.

These findings are consistent with arguments of Breul and Moravitz (2017) that budget control systems are there to ascertain that those mandated to spend the money are kept in check. Breul and Moravitz (2017) argued that profound follow up of budget can be used to compare budget plan with the actual results and school managers determine and perhaps conduct amendments. These prepositions are denotive of the fact that at the end of a planning period, the budget enables managers rate performance, identify troublesome areas, obstructs and dispense solutions to these predicaments. This denotes the fact that budget monitoring and evaluation ought to be a recurrent as well continuing part of management responsibilities reason being it facilitates in describing the procedure of operations among giving a means via which to test the performance once the errand has been accomplished.

4.5.1 Report on Inferential findings on influence of principals' budget monitoring and evaluation practices on financial performance in public secondary schools

To validate the potential disparity between how often schools carry out budget monitoring and evaluation on financial performance, data was gathered on frequency of compliance to budget monitoring and evaluation practices; budget reviews, cost effectiveness analysis, cost benefit analysis and results are illustrated in Table 20:

Table 20 Results of Frequency of Budget Monitoring and Evaluation Practices

Key SA – Strongly Agree, **A**- Agree, **U**- Undecided, **D**- Disagree, **SD**- Strongly Disagree

Test Items	Frequencies				
	SA	A	U	D	SD
Budget reviews is often done in monitoring and evaluation to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	45	114	40	20	24
Cost effectiveness analysis during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	44	92	40	34	36
Cost benefit analysis of my school during monitoring and evaluation has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction.	25	90	58	34	43

Source; Researcher, 2024

Table 20 illustrates that in schools where there is regular monitoring and evaluation of budgeting process, a high financial performance is observed and few incidences of embezzlement or fraud are reported. These data affirm the prepositions of Breul and Moravitz (2017) that budget control systems are there to ensure that those mandated to spend the funds are audited. Breul and Moravitz (2017) further argued that outright follow up of budget can be used for comparison between budget plan with actual outcome and school managers ascertain and perhaps make modifications. These data were subjected to chi-square and results demonstrated in Table 21.

Table 21 Results on Teachers and BOM Members Frequencies of Monitoring and Evaluation Practices on Financial Performance

Key SA – Strongly Agree, A- Agree, U- Undecided, D- Disagree, SD- Strongly Disagree						
Frequencies	SA	A	U	D	SD	TOTAL
Budget reviews	45	114	40	20	24	243
Cost effectiveness analysis	44	92	40	42	36	254
Cost benefit analysis	25	90	58	34	43	250
TOTAL	114	296	138	96	103	747

Source; Researcher, 2024

The null hypothesis H_03 was that there is no significant influence of principals' budget monitoring and evaluation on financial performance of public secondary schools in Murang'a East Sub- County, Kenya while the alternative hypothesis H_{A3} was that there is significant influence of principals' budget monitoring and evaluation on financial performance of public secondary schools in Murang'a East Sub- County, Kenya.

Table 22 Report on Chi-square Analysis of Difference Between Frequency of Compliance of Budget Monitoring and Evaluation Practices on Financial Performance

Observed	Expected (E)	Observed-Expected (O-E)	$\frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}}$
45	37.08433735	7.915662651	1.689600507
114	96.28915663	17.71084337	3.257625095
40	44.89156627	-4.891566265	0.533004805
20	31.22891566	-11.22891566	4.037557638
24	33.5060241	-9.506024096	2.696962607
44	38.76305221	5.236947791	0.707519676
92	100.647925	-8.647925033	0.743051656
40	46.92369478	-6.923694779	1.021606453
42	32.64257028	9.357429719	2.682432486
36	35.0227577	0.977242302	0.027268055
25	38.15261044	-13.15261044	4.534189389
90	99.06291834	-9.06291834	0.829134556
58	46.18473896	11.81526104	3.022651999
34	32.12851406	1.871485944	0.109014056
43	34.47121821	8.528781794	2.110169662

$$\chi^2 = \sum \frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}} = 28.00178864$$

Source; Researcher, 2024

From the Chi-square Statistics in above Table 22, the processed data, which is the population parameters, had a significant level of 95% or $\alpha = 0.05$ and degree of freedom 8 based on number of rows as well as columns. This shows that the data was suitable for making a conclusion on the population's parameter as this value $\alpha = 0.05$ was selected on account of the sample size, and was realized from figures calculated on the basis of 0.95 level of confidence (Willis, Yuko and Onen, 2008). These results show that the chi-square calculated 28.00178864 is greater than chi-square table value 15.51 showing that data was perfect for drawing a conclusion about the population's parameter. Additionally, it indicates that there is a statistically significant difference between monitoring and review procedures. Thus, the research hypothesis, H_{03} , was rejected and H_{A3} accepted. These outcomes agreed with research findings of a study by Breul and Moravitz (2017) which generated a p-value of $0.016 < 0.05$ in an ANOVA analysis. These findings further point that budget monitoring and evaluation practices ascertain that those given mandate to spend money are made liable. That is, strict follow up of budget can be used for comparison between budget plan with actual outcome and school managers rate and even likely carry out amendments.

4.5.2 Thematic Analysis of Qualitative Findings on Influence of Budget Monitoring and evaluation Practices on Financial performance in Public Secondary Schools

During document analysis along with interviews, the principals, County Financial Auditor and bursars or accounts clerks however, disagreed with propositions that financial monitoring and evaluation are not often carried out in secondary schools. One principal noted:

In my school, monitoring and evaluation of our monetary sales and purchases as well as budget plans are evaluated on a monthly via trial balances, quarterly, semi-annually also annually basis. In some instances, it is done constantly. This has facilitated our school to attain reduced expenses, increase revenue, limit liabilities as well enhance employee's level of satisfaction as our workers receive their salaries timely.

Moreover, one of the bursars indicated that:

Monitoring has aided cost effectiveness, cost benefit analysis and budget gap analysis as we comply to financial policy regulations by the ministry of education as well guidelines on implementation of Internal Public Sector Accounting Standards (IPSAS) by public secondary schools in Kenya.

These prepositions are also in agreement with arguments put across by Kung (2013) that via monitoring and evaluation, budget regulation gives a school important information useful to its businesses and performance. In consonance with qualitative results, these arguments also attest to the fact that use of monitoring and evaluation as a regulatory mechanism ensures that money is used according to purpose it was budgeted for. The interviewees along with documents analyzed also assented that budget monitoring and evaluation practices embraced assure that institutions are capable of attaining their objectives in an efficient manner. These arguments further confirm that monitoring budget is a school management obligation that encompasses continuous auditing accounting records as well as reporting procedures, considering occasionally carrying out bank reconciliation and preparing trial balances monthly. In addition, this points the fact of evaluations of budgeting process which is a strategic priority due to rise and fall of resources due to all-round financial shakiness. In keeping with quantitative results, these arguments ascertain to the fact that, at the end of a period the budget enables principals to evaluate performance, identify challenging areas, bottlenecks and come up with solutions to these challenges. Besides, budget monitoring and evaluation ought to be a habitual as well as a continuous part of administrative obligations for it assists in creating the course of operations apart from giving a means via which to evaluate performance once the work is done.

4.6 Report on Influence of Budget Reporting Practices on Financial performance in Public Secondary Schools

The frequency with which schools generate reports and the ways in which these practices impact secondary schools' financial performance was evaluated in the study. Teachers and BOM members provided data which was categorized into distinct levels of occurrence and findings tabulated as seen in Table 23.

Table 23 Results on Frequency of Budget Reporting Practices

Key F- Frequency, %- Percentage

Budget reporting Practices			Very Often	Often	Rarely	Not Often
			4	3	2	1
Budget reports preparation	F		68	114	50	18
	%		27.20	45.60	20.00	7.20
Communicating budget reports	F		58	110	44	38
	%		23.20	44.00	17.60	15.20
Gaps analysis	F		42	109	61	38
	%		16.80	43.60	24.40	15.20
Budget reports approval by relevant authority	F		75	123	28	24
	%		30.00	49.20	11.20	9.60

Source; Researcher, 2024

Table 23 illustrates that 27.20% (68) of teachers and BOM members indicated that secondary schools very often prepare budget reports, 45.60% (114) reported that schools often do, 20.00% (50) show that schools rarely prepare budget reports whereas 7.20% (18) indicated that schools do not often prepare budget reports. However, on communicating budget reports 23.20% (58) of teachers and BOM members indicated very often, 44.00% (110) were of the opinion that schools often do, 17.60% (44) demonstrated that schools rarely do whereas 15.20% (38) reported that schools do not often do. On gap analysis 16.80% (42) of teachers and BOM members reported very often, 43.60% (109) shown that schools often do, 24.40% (61) reported rarely whereas 15.20% (38) indicated that schools do not often do. In addition,

for budget reports approval by relevant authorities 30.00% (75) of teachers and BOM members indicated very often, 49.20% (123) often, 11.20% (28) indicated rarely whereas a minority of 9.60% (24) reported not often.

These findings support Okumbe's (2007) claims that efficient budget implementation oversight and reporting are necessary to guarantee that public funds are managed to reduce waste and embezzlement. Okumbe (2007) argued that, in preparation of the budget, principal has to look for engagement of BOM, parents, teachers as well other school workers. This suggest that, by incorporating participation of these members, the principal make sure an in-depth view of budget as well a sense of collaboration that supports to much-needed *esprit de corps*. In addition, teachers and BOM members when asked on principals budgetary reporting findings were as illustrated in table 24.

Table 24 Results on Teachers' and BOM Members Views on Influence of Budget Reporting Practices on Financial Performance in Public Secondary Schools

Key SA – Strongly Agree, **A-** Agree, **U-** Undecided, **D-** Disagree, **SD-** Strongly Disagree, **F-Frequency, %-** Percentage

Test Items		Ratings				
		SA	A	U	D	SD
Budget reports preparation is often done in budget reporting practices to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	44	112	42	18	26
	%	18.18	46.28	17.36	7.44	10.74
Communicating budget reports during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in my school.	F	46	88	40	43	40
	%	17.90	34.24	15.56	16.73	15.56
Gaps analysis of my school during budget reporting practices has enhanced reduced expenses, increased	F	30	86	60	40	44

revenue, limited liabilities and employee's level of satisfaction.	%	11.54	33.08	23.31	15.38	16.92
Budget reports approval by relevant authorities of my school during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction.	F	41	92	60	23	32
	%	16.53	37.10	24.19	9.27	12.90

Source; Researcher, 2024

Table 24 reveals 18.18% (44) of sampled teachers and BOM members strongly agreed with the opinion that budget reports preparation is often done in budget reporting practices to enhance reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in public secondary schools. In addition, 46.28% (112) agreed, a proportion of 17.36% (42) of the sampled teachers and BOM members were undecided, 7.44% (18) disagreed whereas 10.74% (26) strongly disagreed. Also, observations further demonstrate that 17.90% (46) of sampled teachers and BOM members strongly agreed with the view that communicating budget reports during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee satisfaction in secondary schools as did 34.24% (88) agreed. However, 15.56% (40) of sampled teachers and BOM members were undecided, 16.73% (43) disagreed whereas 15.56% (40) strongly disagreed. These results provide support for Okumbe's (2007) preposition that effective supervision and accounting of budget implementation has to ensure that public funds are used productively to minimize fraud and negligence. Therefore, outcomes concurred that, in preparation of budget, principal ought to look for participation of BOM, parents, teachers as well as other school stakeholders. Consequently, by engaging participation of these members, principal assures a detailed opinion of budget and a feeling of partnership from educational stakeholders in a

school. Similarly, 11.54% (30) of sampled teachers and BOM members strongly agreed that gaps analysis during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools, 33.08% (86) agreed. However, 23.31% (60) were undecided, 15.38% (40) disagreed whereas 16.92% (44) strongly disagreed. Moreover, 16.53% (41) of sampled teachers and BOM members strongly agreed with the assertions that relevant authority approval of school budget reports has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction in secondary schools as did 37.10% (92) who agreed. However, 24.19% (60) were undecided, 9.27% (23) disagreed whereas 12.90% (32) strongly disagreed.

These results agreed with prepositions of Ministry of Education (2015) that to start, the process is commenced by the budget committee from the school who take part in budget development every financial year, then the budget is presented to the school BOM for review by the school committee whereby members of BOM study the budget and make important recommendation or amendment and finally make an approval of the budget. In keeping with the requirements of the Ministry of Education (2007), the budget document is finally surrendered to the County Education Board (CEB) for approval. The CEB has a mandate to approve or disapprove the budget document. If approved, implementation commences immediately but if disapproved, the school budget committee is needed to make adjustments. These results confirm that budget reporting is very essential component of budget development for it is the one that make sure there is productiveness of the whole budget cycle, where all stakeholders ought to be engaged in its development.

4.6.1 Report on Inferential Findings on Influence of Budget Reporting Practices on Financial Performance in Public Secondary Schools

To validate the likelihood of variance between budget reporting budgetary practices and financial performance, data was gathered on frequency of compliance to budget reporting practices; budget reports preparation, communicating budget reports, gaps analysis, budget reports approval by relevant authorities and results consolidated as illustrated in Table 25:

Table 25 *Results of Frequencies of Adherence to Budget Reporting Practices*

Key SA – Strongly Agree, **A-** Agree, **U-** Undecided, **D-** Disagree, **SD-** Strongly Disagree

Test Items	Frequencies				
	SA	A	U	D	SD
Budget reports preparation is often done in budget reporting practices to enhance reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction in my school.	44	112	42	18	26
Communicating budget reports during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction in my school.	46	88	40	43	40
Gaps analysis of my school during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction.	30	86	60	40	44
Budget reports approval by relevant authorities of my school during budget reporting practices has enhanced reduced expenses, increased revenue, limited liabilities and employee’s level of satisfaction.	41	92	60	23	32

Source; Researcher, 2024

Table 25 suggests that schools that create regular basis for financial reports enroll students with significant financial efficacy. These findings support Okumbe’s (2007) claims that effective monitoring and reporting of budget implementation are necessary to ensure that public monies are managed carefully to reduce theft and wastage. These results support the idea that administrators should enlist the help of BOM members, teachers, parents and other school employees when creating the budget. These results were subjected to chi-square and results were as illustrated in Table 26:

Table 26 Results on Teachers and BOM Members Frequencies of Reporting Practices on Financial Performance

Key SA – Strongly Agree, A- Agree, U- Undecided, D- Disagree, SD- Strongly Disagree

Frequencies	SA	A	U	D	SD	TOTAL
Budget reports preparation	44	112	42	18	26	242
Communicating budget reports	46	88	40	43	40	257
Gaps analysis	30	86	60	40	44	260
Budget reports approval by relevant authorities	41	92	60	23	32	248
TOTAL	161	378	202	124	142	1007

Source; Researcher, 2024

The null hypothesis H_04 was that there is no significant influence of principals’ budget reporting on financial performance of public secondary schools in Murang’a East Sub-County, Kenya while the alternative hypothesis H_A4 was there is significant influence of principals’ budget reporting on financial performance of public secondary schools in Murang’a East Sub- County, Kenya.

Table 27 Report on Chi-square Analysis of Difference Between Frequencies of Compliance to Budget Reporting Practices on Financial Performance

Observed	Expected (E)	Observed-Expected (O-E)	$\frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}}$
44	38.69116187	5.308838133	0.728428947
112	90.84011917	21.15988083	4.928885618
42	48.54419067	-6.544190665	0.882215376
18	29.79940417	-11.79940417	4.672104784
26	34.12512413	-8.125124131	1.934575883
46	41.08937438	4.910625621	0.586872989
88	96.47070506	-8.470705065	0.743778582
40	51.5531218	-11.5531281	2.589072165
43	31.64647468	11.35352532	4.073203684
40	36.24031778	3.759682224	0.390041017
30	41.56901688	-11.56901688	3.219757446
86	97.59682224	-11.59682224	1.377978126
60	52.15491559	7.845084409	1.180048873
40	32.01588878	7.984111221	1.991074883
44	36.6633565	7.336643496	1.468123569
41	39.65044687	1.349553128	0.045933748
92	93.09235353	-1.092353525	0.012817768
60	49.74776564	10.25223436	2.112824727
23	30.53823237	-7.538232373	1.860780501
32	34.97120159	-2.971201589	0.25243739
$\chi^2 = \sum \frac{(\text{Observed} - \text{Expected})^2}{\text{Expected}} =$			35.050956076

Source; Researcher, 2024

From the Chi-square Statistics in Table 27, the processed data, which is the population parameters, had a significance level of 95% or $\alpha = 0.05$ and the degree of freedom was 12 based on number of rows as well as columns. This shows that the data was ideal for making a conclusion on population's parameter as this value $\alpha = 0.05$ was selected on account of sample size; and was realized from figures calculated on basis of 0.95 level of confidence (Willis, Yuko and Onen, 2008). These results show that the chi-square calculated 35.050956076 is greater than chi-square table value 21.03 which illustrates that the data

was ideal for making an objective conclusion on population's parameter. It also denotes that findings were statistically significant and that there is significant difference between compliance to budget reporting practices and financial performance. Therefore, the research null hypothesis, H_04 , was rejected and the alternative hypothesis H_{A4} accepted. Consequently, these findings were consistent with findings of research carried out by Okumbe (2007) which gave a p-value of $0.013 < 0.05$ in an ANOVA analysis. These results emphasize the need for efficient oversight and reporting of budget execution in order to minimize corruption and misuse of monies. Thus, these results confirms that administrators need to enlist the help of BOM members, parents, teachers and other employees when preparing the budget.

4.6.2 Thematic Analysis of Qualitative Findings on Influence of Budget Reporting Practices on Financial performance in Public Secondary Schools

The principals, County Financial Auditor and bursas or accounts clerks also gave response in favor of the opinion that budget reporting has enhanced reduced expenses, increased revenue, limited liabilities and employee's level of satisfaction. In keeping with quantitative outcomes, these prepositions additionally agree with arguments put forward by Okumbe (2007) that adequate auditing together with reporting of budget implementation must assure that public money is administered effectively to reduce looting as well as losses. These results thus sheds light that, in preparation of budget, principal has to ensure engagement of BOM members, PTA members, teachers among other school workers. One of the principal interviewees observed that:

We usually look for endorsement of school budget reports from County Education Board which is the relevant authority for ratification of budgets in public secondary schools. Nevertheless, it has not intensified reduced expenses, increased revenue, limited liabilities and employee level of satisfaction but compliance to financial policy regulations.

These propositions are also coherent with proclamations of Ministry of Education (2015) that in order to commence, the process is launched by school budget committee who take part in development of budget every year, school committee then hand over the budget to BOM for scrutiny whereby BOM members scrutinize the budget making important suggestions or modifications prior to final formalization. These suggestions also allude that budget reporting is very crucial component of budget development process because it is the one that make sure productiveness of whole budget course, where all stakeholders ought to be involved in the stage.

4.7 Report on Financial performance of public secondary school in Murang'a East Sub-County Murang'a County Kenya.

The study sought to assess the extent to which principals' budgetary practices has influenced reduced expenses, increased revenue, limited liabilities and employees' level of satisfaction. Information gathered from teachers and members of BOM is tabulated in table 28

Table 28 Results on Frequencies of Financial Performance of Public Secondary Schools in Murang'a East Sub-County

Key SA – Strongly Agree, **A**- Agree, **U**- Undecided, **D**- Disagree, **SD**- Strongly Disagree, **F**- Frequency, **%**- Percentage.

Financial performance		SA	A	U	D	SD
Reduced expenses are effectively considered in budget allocations in my school	F	72	101	41	18	18
	%	28.80	40.40	16.40	7.20	7.20
My school has developed increased revenue in its budget practices	F	55	59	64	45	27
	%	22.00	23.60	25.60	18.00	10.80
There are limited liabilities in my school enhanced by budget practices	F	45	97	50	27	31
	%	18.00	38.00	20.00	10.80	12.40
My school budgetary practices have enhanced level of employees' satisfaction	F	36	68	41	41	64
	%	14.40	27.20	16.40	16.40	25.60

Source; Researcher, 2024

Table 28 shows that on reduced expenses 28.80% (72) of the members of the BOM together with teachers strongly agreed that has been achieved through budgetary practices. On the other hand, 40.40% (101) which was a simple majority of teachers and BOM members agreed whereas 16.40% (41) were undecided where 7.20% (18) disagreed and 7.20% (18) strongly disagreed. However, on increased revenue due to principals' budgetary practices 22.00% (55) strongly agreed, 23.60% (59) agreed, 25.60% (64) were undecided, 18.00% (45) disagreed and 10.80% (27) strongly disagreed with the view that principals' budgetary practices have enhanced increased revenue in secondary schools. Further, members of the BOM among with teachers observed that for limited liabilities 18.00% (45) strongly agreed with the argument that it has yielded as a result of budgetary practices but 38.00% (97) agreed whereas 20.00% (50) were undecided and 10.80% (27) disagreed as 12.40% (31) strongly disagreed. Moreover, pertaining to level of employees' satisfaction 14.40% (36) of the teachers and BOM members strongly agreed with the proposition that have been achieved through budgetary practices, 27.20% (68) agreed, 16.40% (41) were undecided, 16.40% (41) disagreed, where only 25.60% (64) strongly disagreed. Therefore, these arguments agree that financial performance is a thorough assessment of a school total achievement in areas like liabilities, assets, expenses, income and total profitability attributed to school (Kenton,2022).

4.7.1 Thematic analysis for qualitative data on financial performance of public secondary schools in Murang'a East Sub- County Murang'a County Kenya.

One of the respondents just like in quantitative data observed that:

In order to achieve financial performance, the principal has to involve teachers when making decisions concerning financial management as well put into consideration of all the stakeholders in schools as the administration tend to dominate anything to do with finances especially the school principal together with bursars. They do everything on their own and make decisions on behalf of the school without involving any other person.

These observations contradict requirements of National Advisory Council on State and Local Budgeting (2019) that budgeting practices that engage all stakeholders and integrates their priorities together with their needs can have a positive impact in maintaining good relationships with public as well strengthening students and teacher's general outlook of school administration. Moreover, one of the interviewees argued that:

There is need for close monitoring of finances and their usage by the Ministry of Education, school heads to be occasionally trained on financial management in order to enable them start up income generating projects to supplement capitation from government of the day through ministry of education and for the politicians to avoid influencing or interfering financial decisions making in public schools

These prepositions affirm the Organization for Economic Co-operation and Development (2017) assertions that monitoring and evaluating operation of school finances is important for liability as a consequence development goals for it prepare data on what prepared budget literally give above objectives for use of school assets as dispatched in budget appropriation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This section highlights a summary discussion on the study results, conclusions, recommendations along with recommendations for further research as examined in conjunction with the objectives of research.

5.1 Summary of research findings

Below is a comprehensive highlight of the study outcomes grounded on objectives of research which embodied assessing influence of stakeholders' involvement, budget preparation, monitoring and evaluation and reporting budgetary practices on financial performance in public secondary schools.

5.1.1 Stakeholders' involvement practices and financial performance in Secondary Schools

In consonance with the study outcomes, it is noticeable during budget development, majority of principals do not adequately involve stakeholders for example PTA members and teachers' representatives who aid in diagnosing institution prerogatives ahead of making all budget arrangements. Findings indicate that budgeting practices that involve stakeholders as well as putting into considerations their priorities can have a definite influence in keeping up favorable rapport with school community along with enhancing learners and teachers' general impression of school budget administration. Specifically, stakeholders' engagement guarantees that rational expenses and income projections are included in budget. Stakeholders' involvement in budgeting is important for improvement and accomplishment of schools regardless of communal, individual or occupational financial dealings. In

secondary schools, becoming aware of favorable academic goals as well as objectives rely upon to a great extent on adequate planning together with competent management of school money by principals. Therefore, a school budget that is prudent as well as unified with other activities of a school for instance management and planning functions gives improved agenda as well as financial choices causing enhanced institutional operations.

5.1.2 Budget preparation practices and financial performance in secondary schools

Study findings indicated that conforming to budget preparation practices impact financial performance in public secondary schools. In addition, determinants taken into consideration at the time of budget development comprise availability of expert work force, capital as well as sources of finance. Budget preparation ensure that methods of appropriating public finances is managed by maximization of suitable strategies in assigning and developing budgets. Therefore, school principals should ensure productive spending by way of budget preparation through safeguarding adequate planning, performance measurements as well as cost calculation. Moreover, school principals rarely acknowledge opportunities of competent people when preparing budgets to build up cost recovery along with appropriate expense rates evaluation. Budget planning helps to align school financial resources to schools' goals of education by clearly defining how money is allocated towards enhancement of students' learning. School budget targets also help in financial stability of a school by way of forecasting revenue as well as expenses. In addition, participation of teachers, parents or even school community members in the process of preparing a school budget facilitates budget reflecting the needs and priorities of a school fostering a feeling of ownership as well as commitment towards the school educational goals. In summary, budgeting is a valuable financial instrument which make sure programs are carried out as well as enacted in accordance with budget plans therefore, using a budget as a measure, school assure

curriculum are discharged in consonance with goals and objectives, ensuring school financial stability, enhancement of accountability, decision making facilitation and compliance with regulations governing school finances utilization.

5.1.3 Budget monitoring and evaluation and financial performance in secondary schools

The study found that monitoring and evaluation of finances are not adequately carried out in secondary schools which has disabled institutions to attain reduced expenses, increase on school revenue by limiting of school liabilities as well enhance level of employees' satisfaction. Research outcomes shows by way of monitoring and evaluation of budget, the government equips schools with important data appropriate to its programs. Therefore, adoption of monitoring and evaluation as a management tool ascertain finances are utilized in accordance with set objectives. What this means is that budget monitoring and evaluation strategies used make sure institutions are enabled to attain their goals efficiently. Pursuant to the research results, it is clear that monitoring and evaluating budgets is an institutional management activity taking into consideration frequent reviews of accounting documents together with feedback from bank reconciliation and preparing of trial balances monthly. At the close of the academic year, the budget enables principals to evaluate financial performance, single out challenging areas and impediments, then come up with answers to aforementioned difficulties. What all this indicates is that budget monitoring and evaluation has to be a habitual as well as continuous management practice, as it enables finding out way of working and creating a way along which evaluation of performance is done immediately when a job has been accomplished. In summary, monitoring and evaluation of school budgets in secondary schools' aid in ensuring that financial resources are always used as intended and in compliance with policies or regulations put in place to govern budget development in public secondary schools, provides a medium for schools identifying their inefficiencies or

areas of improvements and ultimately contributing to overall school success not only in financial administration but also in schools' goals of education.

5.1.4 Budget reporting practices and financial performance in public secondary schools

The research results also extrapolated that development of institutions budget reports has exceptionally enhanced reduced expenses, increased revenue, limited liabilities as well enhance level of employees' satisfaction. This is suggestive that impressive budget reports assure public resources are utilized productively to lessen misuse and wastages. In addition, the study findings point to the need of principals looking for involvement of BOMs, parents, teachers among other institution employees for productive budget reporting. What all aforementioned means is that in order to start budget development, the process is commenced by institution's budget departmental committee taking part in development of budget each period after which they present it to BOM for analysis during which they go through budget where they make important suggestions together with modifications, before ultimate endorsement. Therefore, budget reporting is a crucial factor of budget development because it makes sure of the productiveness of the whole budget process where all stakeholders are engaged. In summary, public secondary schools are often subjected to strict financial regulations and reporting requirements; hence preparation of budget reports ensures school are in line with the regulations avoiding potential issues in law. Secondly, budget reporting facilitates gaps analysis by identifying discrepancies between what was budgeted for and the actual expenses of running the school in a specific financial year in the school through benchmarking or performance evaluation where gaps are identified for improvement. Thirdly, communicating budget reports ensures that all school stakeholders are well informed, engaged as well as able to make contributions to financial health of the school. Fourth, budgets reports approval by relevant authority is a prerequisite for proper audits. Ensuring approval of budgets

helps principals to prepare for school audits by verifying that all financial practices carried out in the school meets required guidelines or standards.

5.2 Conclusions

Observations made from the research results indicate that:

1. At the time of budget development, majority of principals do not adequately organize the budget preparation practice. This is because they almost never engage stakeholders including BOMs together with teachers' representatives before making the school budget.
2. Majority of secondary schools seldom follow budget preparation practices to strengthen financial performance in public secondary schools.
3. Budget monitoring and evaluation is inadequately organized in secondary schools of which has disabled schools to attain reduced expenses, increased revenue, limited liabilities as well enhance level of employees' satisfaction.
4. Budget reports do not often lead to reduced expenses, increased revenue, limited liabilities as well as an increased level of employees' satisfaction.

5.3 Recommendations for practice

The study generated the following recommendations for practice:

- i. Appertaining stakeholders' involvement, schools should fully follow well-laid procedures to engage all individuals involved in budget development, frequently communicate to concerned personnel in budgeting and head-hunt stakeholders with financial management skills to be members of budgeting committee for not only productive use of resources but also answerability for finances. There is also need for the Ministry of Education to furnish key information to Board of Management members, teachers and parents, on governance

of public secondary schools including composition, activities as well as responsibilities of Board of Management in financial management of public secondary schools.

- ii. About budget preparation practices, the Teachers Service Commission should provide necessary skills through training to Principals to be proficient in supervising budget applications, based on accessible capitation.
- iii. Besides instituting budget monitoring and evaluation practices, the Ministry for Education ought to carry out regular evaluation of accomplishment of budget appropriation in schools. This will facilitate principals to figure out in what way to monitor budget shortfalls hence explore other sources of budget capitation.
- iv. On budget reporting practices, the principals must regularly give out budget reports during budget implementation. This can go far in guaranteeing financial performance and future funding of diversified budgetary plans. In keeping with budget reporting, it is also necessary for the Ministry for Education to carry out standardization in public secondary schools as various institutions use different standards and layouts to plan annual financial statements, which jeopardize conformity and understandability of financial statements.

5.3.1 Recommendations for further research

- i. Research can be carried out to find out impact of principals' budgetary training on financial performance in public secondary schools.
- ii. Research can be done to assess how stakeholders' attitudes on budgeting impact financial performance in public secondary schools.
- iii. Research can be carried out on influence of political interference on school management on financial performance in public secondary schools

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APPENDIX I: Self Introductory Letter

Dear participant,

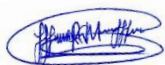
RE: PERMISSION FOR RESEARCH

I am a student at Mount Kenya University undertaking a course in Master of Education in Educational Administration, Management and planning. As part of my research work assessment, I am needed to surrender a research thesis on Influence of principals' budgetary practices on financial performance of public secondary schools in Murang'a East Sub-County, Murang'a County, Kenya. You have been picked to take part in study to enable me achieve this. I therefore kindly appeal to sampled respondents for fully participation in research study. The information you provide will be purely adopted being only scholarly intention and persona's identities unspecified in the article and outcomes but at the time of invitation shall be provided.

Your collaboration will turn out to be of great assistance.

Much obliged.

Yours faithfully,



Muniu Peter Kuria

APPENDIX II: Informed Consent Form

Dear respondent,

Investigator is a student at Mount Kenya University undertaking a degree course in Master of Education in Educational Administration, Management and Planning, carrying out a study on Influence of principals' budgetary practices on financial performance of public secondary schools in Murang'a East Sub- County, Murang'a County, Kenya. I hereby request some of your time for you to respond on questions that will be asked to best of your knowledge for this study. Your privacy as well as confidentiality on your information shall be highly maintained and personal identities will be excluded in any data and information that you provide will only be accessible only by researcher. Also note that research will not benefit you in any way as aid is totally autonomous and for whatever reason you are free to discontinue with integrations. In addition, there no benefits or facilities for participation. Therefore, if willing, please sign below and just for any grievances, kindly channel to;

THE CHAIR,

MKU ERC,

P. O. Box 342-01000,

THIKA

Participant:

-

Code of Participant

Signature

Date

Researcher:

Muniu Peter

-

Name of Researcher

Signature

Date

**APPENDIX III: Questionnaire for Teachers and Members of Board of
Management**

Dear respondent,

Investigator is a student of Mount Kenya University undertaking a degree course in Master of Education in Education Administration, Management and Planning executing research on Influence of Principals' Budgetary Practices on Financial Performance in Public Secondary Schools in Murang'a East Sub County, Kenya. Data you supply are going to be confidentially examined as a consequence only purposed considering solemn aim of investigation. Your selection aims at helping in filling this questionnaire. Kindly be genuine in your responses.

SECTION A: The General information of the respondent.

Instruction: Please fill the spaces provided and also tick against your most preferred response.

1. Gender

Male [] Female []

2. Highest level of education achievement

Diploma [] Degree [] Post graduate []

SECTION B: Stakeholders involvement on financial performance in schools.

1. Tick stakeholder involvement practices your school always adopts.

Stakeholder consultation []

Stakeholder communication []

Stakeholder analysis []

Others (specify)

Tick frequency of stakeholder involvement practices your school normally adopts.

Stakeholder involvement Practices	Very Often	Often	Rarely	Not Often
	4	3	2	1
Stakeholder consultation				
Stakeholder communication				
Stakeholder analysis				

2. For each statement below rate magnitude to which you agree on the influence of stakeholders' involvement on financial performance in secondary schools.

Key: SA- Strongly Agree A- Agree U- undecided D-Disagree SD-Strongly Disagree

Test items	SA	A	U	D	SD
	5	4	3	2	1
Consultation of stakeholders is often done in stakeholders' involvement to enhance reduced expenses in my school.					
Stakeholder consultation in stakeholders' involvement has enhanced increased revenue in my school.					
My school consults stakeholders in stakeholders' involvement to enhance limited liabilities.					
Stakeholder consultation in stakeholders' involvement has enhanced level of employees' satisfaction in my school.					
Stakeholder communication during stakeholders' involvement has enhanced reduced expenses in my school.					
Stakeholders' communication during stakeholders' involvement has enhanced increased revenue in my school.					
My school communicates to stakeholders during stakeholders' involvement which has enhanced limited liabilities.					
Stakeholders' communication during stakeholders' involvement has enhanced level of employees' satisfaction in my school.					
Stakeholder Analysis of my school during stakeholder involvement has enhanced reduced expenses.					
Analysis of stakeholders during stakeholders' involvement has enhanced increased revenue in my school.					
Analysis of stakeholders is done during stakeholder's involvement to enhance limited liabilities in my school.					
Analysis of stakeholders in my school during stakeholders' involvement has enhanced level of employees' satisfaction.					

SECTION C: Budget preparation practices on financial performance.

1. Please tick budget preparation practices often adopted by your school.

Budget planning []

Vote head prioritization []

Budget targets []

Others (specify).....

Tick frequency of budget preparation practices normally adopted in your school.

Budget preparation Practices	Very Often	Often	Rarely	Not Often
	4	3	2	1
Budget planning				
Vote-head prioritization				
Budget targets				

2. For each statement rate magnitude to which you agree on the influence of budget preparation practices on financial performance in secondary schools.

Key: SA- strongly Agree A- Agree U- undecided D-Disagree SD-Strongly Disagree

Test items	SA	A	U	D	SD
	5	4	3	2	1
Budget planning in my school is done during budget preparation to achieve reduced expenses.					
Budget planning during budget preparation has enhanced increased revenue in my school.					
My school plans for the budget during budget preparation to enhance limited liabilities.					
Budget planning during budget preparation has enhanced level of employees' satisfaction in my school.					
Vote head prioritization during budget preparation has enhanced reduced expenses in my school.					
Vote head prioritization in budget preparation has enhanced increased revenue in my school.					
My school prioritizes in vote heads during budget preparation which has enhanced limited liabilities.					
Vote head prioritization in budget preparation has enhanced level of employees' satisfaction in my school.					
Budget targets in my school are set during budget preparation to achieve reduced expenses.					
Budget targets during budget preparation has enhanced increased revenue in my school.					

My school sets budget targets during budget preparation which has enhanced limited liabilities.					
Budget targets during budget preparation has enhanced level of employees' satisfaction in my school.					

SECTION D: Budget monitoring and evaluation practices on financial performance.

1. Tick determinants of evaluating school budget plans.

Budget review []

Cost effectiveness analysis []

Cost benefit analysis []

Others (specify).....

Tick frequency of monitoring and evaluation practices your school mostly adopt.

Monitoring/evaluation Practices	Very Often	Often	Rarely	Not Often
	4	3	2	1
Budget reviews				
Cost effectiveness analysis				
Cost benefit analysis				

2. For each statement rate magnitude to which you agree on the influence of budget monitoring/evaluation practices on financial performance.

Key: SA- Strongly Agree A- Agree U- Undecided D-Disagree SD-Strongly Disagree

Test items	SA	A	U	D	SD
	5	4	3	2	1
Budget reviews is done during budget monitoring and evaluation to achieve reduced expenses in my school.					
Budget reviews to enhance financial control during budget monitoring and evaluation enhance increased revenue in my school.					
My school conducts budget reviews during budget monitoring and evaluation to attain limited liabilities.					
Budget reviews to enhance financial control during budget monitoring and evaluation enhance level of employees' satisfaction in my school.					
Cost effectiveness analysis is conducted during budget monitoring and evaluation to obtain reduced expenses in my school.					

Cost effectiveness analysis is conducted during budget monitoring and evaluation to obtain increased revenue in my school.					
Cost effectiveness analysis is conducted during budget monitoring and evaluation to obtain limited liabilities.					
Cost effectiveness analysis is conducted during budget monitoring and evaluation to increase level of employees' satisfaction in my school.					
My school conducts cost benefit analysis during budget monitoring and evaluation to obtain reduced expenses.					
Cost benefit analysis is conducted during budget monitoring and evaluation in my school to get increased revenue.					
My school conducts cost benefit analysis during budget monitoring and evaluation to obtain limited liabilities.					
Cost benefit analysis is conducted during budget monitoring and evaluation in my school to get increased level of employees' satisfaction.					

SECTION E: Budget reporting practices on financial performance.

1. Tick determinants of Budget Reporting Practices adopted by your school during reporting.

Budget reports preparation []

Gaps analysis []

Communicating budget reports []

Budget reports approval by relevant authority []

Others (specify).....

Tick frequency of budget reporting practices regularly adopted in your school.

Budget reporting Practices	Very Often	Often	Rarely	Not Often
	4	3	2	1
Budget reports preparation				
Communicating budget reports				
Gaps analysis				
Budget reports approval by relevant authority				

2. For each statement rate magnitude to which you agree on the influence of budget reporting practices on financial performance in secondary schools.

Key: SA- strongly Agree A- Agree U- undecided D-Disagree SD-Strongly Disagree

Test items	SA	A	U	D	SD
	5	4	3	2	1
Preparation of budget reports during reporting practice has enhanced reduced expenses in my school					
Preparation of budget reports during reporting practice has enhanced increased revenue in my school.					
My school prepares budget reports during reporting to enhance limited liabilities.					
Preparation of budget reports during reporting practice has enhanced level of employees' satisfaction in my school.					
Gaps analysis during budget reporting has enhanced reduced expenses in my school.					
Gaps analysis during budget reporting has enhanced increased revenue in my school.					
Gaps analysis is conducted during budget reporting to obtain limited liabilities.					
Gaps analysis during budget reporting has enhanced level of employees' satisfaction in my school.					
Communicating budget reports is done during reporting to achieve reduced expenses in my school.					
Communicating budget reports to enhance financial control during reporting has enhanced increased revenue in my school.					
My school communicates budget reports during reporting practice to attain limited liabilities.					
Communicating budget reports to enhance financial control during reporting has enhanced level of employees' satisfaction in my school.					
Budget reports approval by relevant authorities in my school is done during reporting to achieve reduced expenses.					
Budget reports approval by relevant authorities in my school is done during reporting to enhance increased revenue.					
Budget reports approval by relevant authorities in my school is done during reporting to achieve limited liabilities.					
Budget reports approval by relevant authorities in my school is done during reporting to enhance level of employees' satisfaction.					

SECTION F: Financial performance of public secondary schools in Murang'a East sub-county, Murang'a County Kenya.

1. Rank to which extent the following factors influence financial performance of public secondary schools in Murang'a East Sub- County, Murang'a County Kenya.

Key: SA- strongly Agree A- Agree U- undecided D-Disagree SD-Strongly Disagree

	SA	A	U	D	SD
Financial performance	5	4	3	2	1
Reduced expenses are effectively as budget allocations in my school					
My school has developed increased revenue in its budget practices					
There are limited liabilities in my school					
My school has enhanced level of employees' satisfaction					

2. In your opinion what should be done to improve financial performance in public secondary schools in Murang'a East sub-county, Murang'a County Kenya.

Thank you,

Muniu Peter Kuria

**APPENDIX IV: Interview Guide for County Finance Auditor, Bursars or
Accounts clerks**

Dear respondent,

Investigator is a student at Mount Kenya University undertaking a degree course in Master of Education in Education Administration, Management and Planning carrying out a study on Influence of Principals' Budgetary Practices on Financial Performance in Public Secondary Schools in Murang'a East Sub County, Kenya. All information you give will be handled with a lot of confidentiality.

SECTION A: The Stakeholders involvement practices on financial performance.

1. How do you involve stakeholders in your school in budgetary practices?
2. How does stakeholders' involvement influence financial performance in secondary schools?

SECTION B: The Budget preparation practices on financial performance.

1. State budget preparation practices often adopted by your institution.
2. Explain how budget preparation practices influence financial performance in your school?

SECTION C: The Budget monitoring and evaluation practices on financial performance.

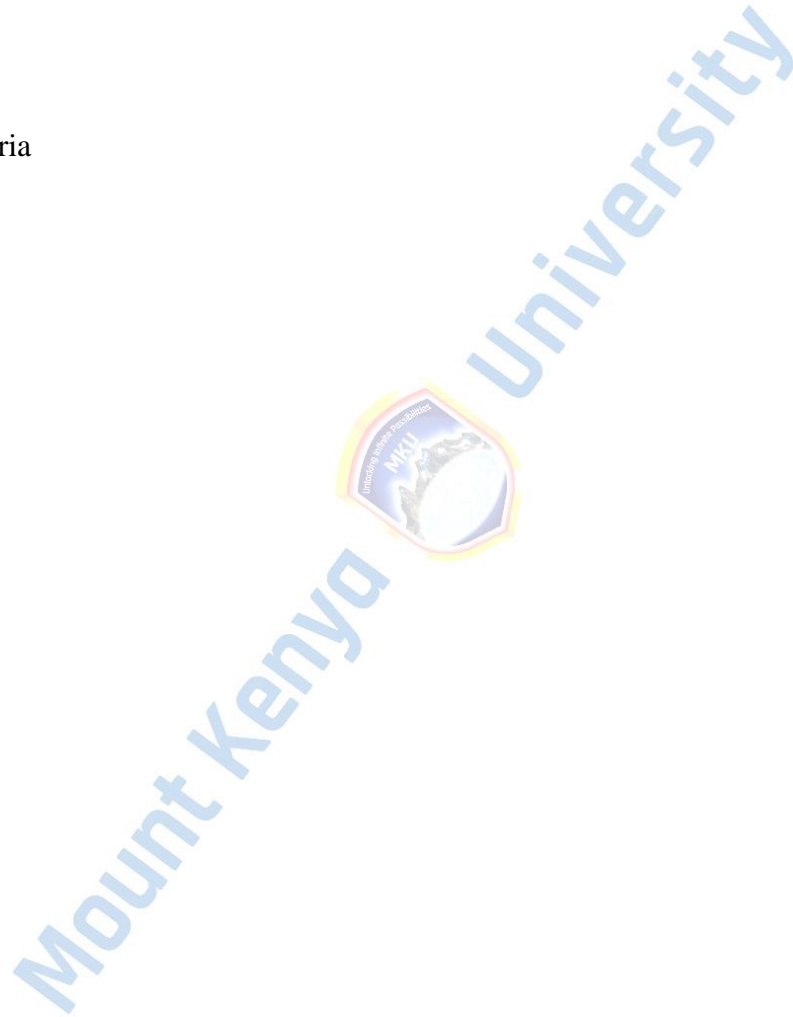
1. State what determines budget monitoring and evaluation practices in your school.
2. How do budget monitoring and evaluation practices influence financial performance in your school?

SECTION D: The Budget reporting practices on financial performance.

1. Which practices are adopted during budget reporting in your school?
2. How do budget reporting practices influence financial performance in your school?

Much obliged.

Muniu Peter Kuria



APPENDIX V: Document Analysis Guide for Principals.

SECTION A: General information.

Investigator is a student at Mount Kenya University undertaking a degree course in Master of Education in Education Administration, Management and Planning carrying out a study on Influence of Principals' Budgetary Practices on Financial Performance in Public Secondary Schools in Murang'a East Sub County, Kenya. All data given will be handled securely.

SECTION B: Stakeholder's involvement and financial performance in schools

1. What are the stakeholders' involvement practices you always adopt in your school?
2. Letters/memo/tools on involvement of stakeholders
 - (i) Stake holder consultation on budget making process.
 - (ii) Communication to stakeholders on budget making process.
 - (iii) Outlining process of analyzing, assessing, prioritizing as well identifying members of budget committee for example power-interest grid.

Thematic analysis

.....

.....

SECTION C: Budget preparation practices on financial performance.

1. State budget preparation practices often adopted by your school?
2. Budget preparation tools/documents on;
 - (i) Budget plans
 - (ii) Vote heads prioritized
 - (iii) Budget targets

Thematic analysis

.....
.....

SECTION D: Budget monitoring and evaluation practices on financial performance.

1. State what determines monitoring and evaluation of budget plans in your school?
2. Monitoring and evaluation documents on
 - (i) Budget reviews
 - (ii) Internal audit report
 - (iii) Cost benefit analysis (foregone projects and projects taken)

Thematic analysis

.....
.....

SECTION E: Budget reporting practices on financial performance.

1. Which practices are adopted during budget reporting in your school?
2. Budget reporting tools/documents
 - (i) Prepared budget reports
 - (ii) Communication on budget reports
 - (iii) Approved budget reports by relevant authority

Thematic analysis

.....
.....

Much obliged.

Muniu Peter Kuria

**APPENDIX VI: Introduction Letter from School of Post Graduate Studies of
Mount Kenya University**



DIRECTORATE OF GRADUATE STUDIES

MED/2019/41148

10th March, 2023

*National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki, Upper Kabete
P.O Box 30623- 00100
NAIROBI, KENYA*

Dear Sir / Madam,

RE: PETER KURIA MUNIU – REGISTRATION NO. MED/2019/41148

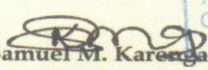
The purpose of this letter is to introduce the above named student who is pursuing **Master of Education Degree** in the **Department of Educational Management and Curriculum Studies** in the **School of Education**.

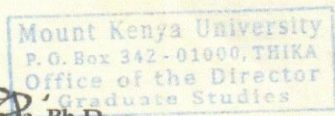
The title of the research is *“Influence of Principals’ Budgetary Practices on Financial Performance of Public Secondary Schools in Murang’a East Sub-County, Murang’a County, Kenya.”*

It has been cleared by the University’s Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **March, 2023 and May, 2023**.

Any assistance accorded to the student will be highly appreciated.

Thank you.


Dr. Samuel M. Karenga, Ph.D
Director, Graduate Studies
Enc.



Main Campus, General Kago Road, P.O. Box 342-01000 Thika. Tel: +254 67 2820 000,

Cell: +254 720 790 796, 0709 153 000

Email: info@mku.ac.ke, Web: www.mku.ac.ke

Chartered and ISO 9001 : 2015 Certified Institution.

Unlocking Infinite Possibilities

**APPENDIX VII: Certificate of Ethical Clearance from Ethical Review
Committee of Mount Kenya University**



REF: **MKU/ISERC/2656**

Date: 08 March 2023

TO: **PETER KURIA MUNIU**

REG: **MED/2019/41148**

Dear Sir/Madam,

RE: INFLUENCE OF PRINCIPALS' BUDGETARY PRACTICES ON FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN MURANG'A EAST SUB-COUNTY, MURANG'A COUNTY, KENYA.

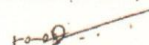
This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **1710**. The approval period is **08/03/2023 - 07/03/2024**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.




Yours sincerely,



Dr. Peter G. Kirira
Chairman, Mount Kenya University ISERC

The Chairman
Mount Kenya University
Ethics Review Committee
P. O. Box 342 - 0100, Thika

APPENDIX VIII: Research License from NACOSTI Front Page

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 514199	Date of Issue: 04/April/2023
RESEARCH LICENSE	
	
<p>This is to Certify that Mr.. Peter Kuria Muniu of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Muranga on the topic: INFLUENCE OF PRINCIPALS' BUDGETARY PRACTICES ON FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN MURANG'A EAST SUB-COUNTY, MURANG'A COUNTY, KENYA. for the period ending : 04/April/2024.</p>	
License No: NACOSTI/P/23/24669	
514199	
Applicant Identification Number	Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code
	
<p>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</p>	
See overleaf for conditions	

APPENDIX IX: Research License from NACOSTI Back Page

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
Off Waiyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi, KENYA
Telephone: 020 4007000, 0713788787, 0735404245
E-mail: dg@nacosti.go.ke
Website: www.nacosti.go.ke

**APPENDIX X: Research Authorization Letter from Murang'a County
Government**

MURANG'A COUNTY GOVERNMENT



OFFICE OF THE COUNTY SECRETARY/HEAD OF PUBLIC SERVICE

ALL CORRESPONDENCE TO BE ADDRESSED:
THE COUNTY SECRETARY

P.O Box 52—10200,
Murang'a,
Kenya
Telephone 060-2030271

E-mail: countysecretary@muranga.go.ke
Web: muranga.go.ke

Ref: **MCG/CS/ADM/1 (227)**

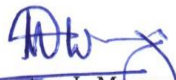
5th April 2023

Peter Kuria Muniu
NACOSTI/P/23/24669


**REF: AUTHORITY TO CONDUCT RESEARCH IN MURANG'A
COUNTY**

Reference is made to a Research License Ref. 514199 dated 4th April 2023 to conduct research on "Influence of Principals' budgetary Practices on Financial Performance of Public Secondary Schools in Murang'a East Sub County Murang'a County".

The County Government of Murang'a authorizes you to conduct the research. Ensure you visit respective Sub County Administrator to inform him of your presence.


Newton I. Mwangi
COUNTY SECRETARY/HEAD OF PUBLIC SERVICE

Copy to: Sub County Administrator
KAHURO SUB COUNTY



**APPENDIX XI: Research Authorization Letter from County Director of
Education Murang'a County**



REPUBLIC OF KENYA
MINISTRY OF EDUCATION
State Department of Early Learning and Basic Education

Email: cdemuranga@gmail.com
Telephone: 060 2030227
When replying please quote

COUNTY DIRECTOR OF EDUCATION
P.O BOX 118 – 10200
MURANG'A

REF: MGA/CTY/EDU/RESEARCH/GEN/64/VOL.IV/20 6th April, 2023

MUNIU PETER
REG NO.MED/2019/41148
C/O MT KENYA UNIVERSITY
P.O. BOX 342
THIKA

RE: RESEARCH AUTHORIZATION

The County Education office is in receipt of your letter dated 5th April, 2023, and a copy of authority from NACOSTI Ref No.514199 license number NACOSTI/P/23/24669 dated 4th April, 2023 requesting for authority to carry out research on ***“Influence of Principals’ budgetary practices on Financial Performance of Public Secondary Schools in Murang’a East Sub County, Murang’a County, Kenya”***.

Permission is hereby granted to carry out the research in **Murang’a East Sub County** for a period ending **4th April, 2024** as requested.

You are kindly advised to deposit a copy of the final research report to this office.

AK
Anne Kiilu
County Director of Education



APPENDIX XII: Research Authorization Letter from County Commissioner

Murang'a County



REPUBLIC OF KENYA
OFFICE OF THE PRESIDENT
MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION

Telephone: 060-2030467/ 2030364/78
Email: ccmuranga@gmail.com

COUNTY COMMISSIONER
MURANG'A COUNTY
P.O. BOX 7 - 10200
MURANG'A.

When replying please quote:

REF.NO.PUB.24/11/VOL.IV/181

5TH April, 2023

Deputy County Commissioner
MURANG'A EAST SUB-COUNTY.

RE: RESEARCH AUTHORIZATION – PETER KURIA MUNIU

In reference to **NACOSTI/P/23/24669** vide **RESEARCH LICENCE** dated **4TH APRIL, 2023** from the National Commission for Science, Technology and Innovation regarding the above subject, **Peter Kuria Muniu** Is hereby authorized to carry out research on **“Influence of Principals’ Budgetary Practices On Financial Performance Of Public Secondary Schools in Murang’a East Sub-County, Murang’a County”** for the period ending **4TH April, 2024.**

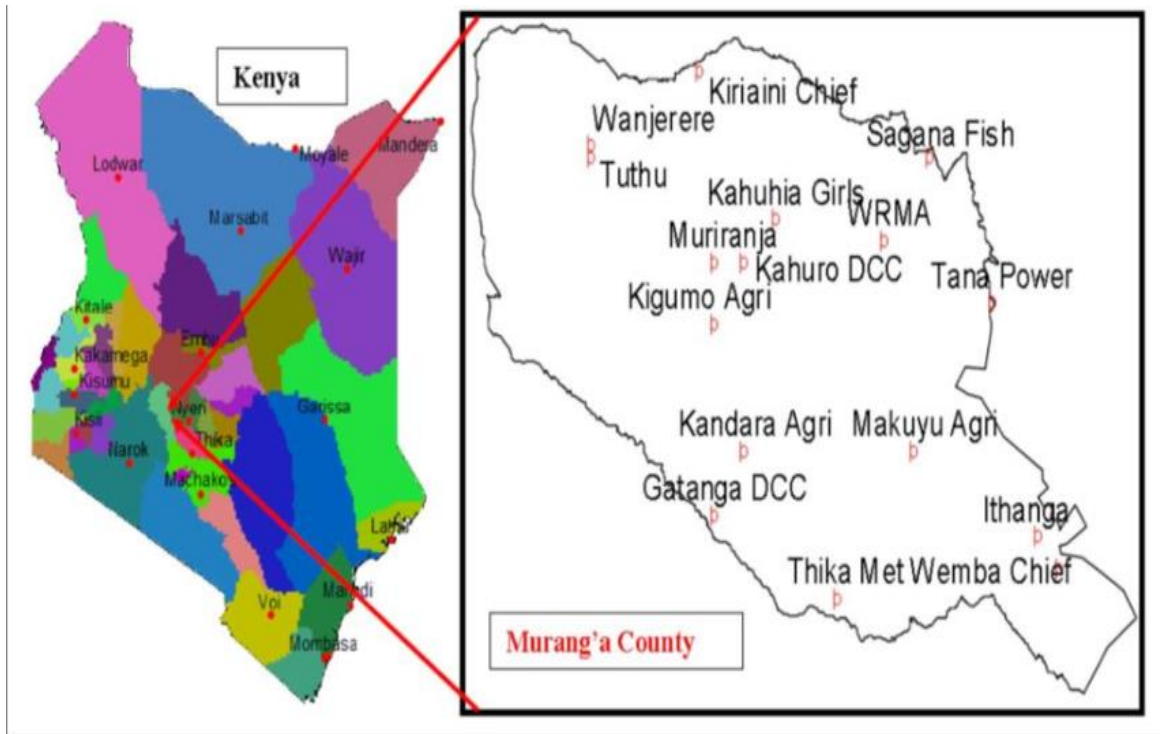
Please accord him the necessary support.

A handwritten signature in blue ink, appearing to read 'David K. Kasyoka'.

COUNTY COMMISSIONER
MURANG'A COUNTY
P. O. Box 7 - 10200,
MURANG'A

David K. Kasyoka
For: **COUNTY COMMISSIONER**
MURANG'A COUNTY

APPENDIX XIII: Independent Electro and Boundary Commission map of Kenya showing Murang'a County



Mount Kenya

**APENDIX XIV: Independent Electro and Boundary Commission map of
Murang'a East sub-county**



MOUNTAIN

APENDIX XV; Chi-square Distribution Table

Percentage Points of the Chi-Square Distribution

Degrees of Freedom	Probability of a larger value of χ^2								
	0.99	0.95	0.90	0.75	0.50	0.25	0.10	0.05	0.01
1	0.000	0.004	0.016	0.102	0.455	1.32	2.71	3.84	6.63
2	0.020	0.103	0.211	0.575	1.386	2.77	4.61	5.99	9.21
3	0.115	0.352	0.584	1.212	2.366	4.11	6.25	7.81	11.34
4	0.297	0.711	1.064	1.923	3.357	5.39	7.78	9.49	13.28
5	0.554	1.145	1.610	2.675	4.351	6.63	9.24	11.07	15.09
6	0.872	1.635	2.204	3.455	5.348	7.84	10.64	12.59	16.81
7	1.239	2.167	2.833	4.255	6.346	9.04	12.02	14.07	18.48
8	1.647	2.733	3.490	5.071	7.344	10.22	13.36	15.51	20.09
9	2.088	3.325	4.168	5.899	8.343	11.39	14.68	16.92	21.67
10	2.558	3.940	4.865	6.737	9.342	12.55	15.99	18.31	23.21
11	3.053	4.575	5.578	7.584	10.341	13.70	17.28	19.68	24.72
12	3.571	5.226	6.304	8.438	11.340	14.85	18.55	21.03	26.22
13	4.107	5.892	7.042	9.299	12.340	15.98	19.81	22.36	27.69
14	4.660	6.571	7.790	10.165	13.339	17.12	21.06	23.68	29.14
15	5.229	7.261	8.547	11.037	14.339	18.25	22.31	25.00	30.58
16	5.812	7.962	9.312	11.912	15.338	19.37	23.54	26.30	32.00
17	6.408	8.672	10.085	12.792	16.338	20.49	24.77	27.59	33.41
18	7.015	9.390	10.865	13.675	17.338	21.60	25.99	28.87	34.80
19	7.633	10.117	11.651	14.562	18.338	22.72	27.20	30.14	36.19
20	8.260	10.851	12.443	15.452	19.337	23.83	28.41	31.41	37.57
22	9.542	12.338	14.041	17.240	21.337	26.04	30.81	33.92	40.29
24	10.856	13.848	15.659	19.037	23.337	28.24	33.20	36.42	42.98
26	12.198	15.379	17.292	20.843	25.336	30.43	35.56	38.89	45.64
28	13.565	16.928	18.939	22.657	27.336	32.62	37.92	41.34	48.28
30	14.953	18.493	20.599	24.478	29.336	34.80	40.26	43.77	50.89
40	22.164	26.509	29.051	33.660	39.335	45.62	51.80	55.76	63.69
50	27.707	34.764	37.689	42.942	49.335	56.33	63.17	67.50	76.15
60	37.485	43.188	46.459	52.294	59.335	66.98	74.40	79.08	88.38

Table 3: Chi-Square Distribution Table.

APPENDIX VI; Turn it in Similarity Report



MUNIU PETER KURIA

INFLUENCE OF PRINCIPALS' BUDGETARY PRACTICES ON FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOL...

- Research Work
- Masters: 2024
- Mount Kenya University

Document Details

Submission ID
trn:oid::1:3025742046

Submission Date
Sep 30, 2024, 5:21 PM GMT+3

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138 Pages
26,974 Words
162,334 Characters







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Matches with neither in-text citation nor quotation marks
-  **47 Missing Quotations 2%**
Matches that are still very similar to source material
-  **15 Missing Citation 1%**
Matches that have quotation marks, but no in-text citation
-  **0 Cited and Quoted 0%**
Matches with in-text citation present, but no quotation marks

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- 4%  Publications
- 10%  Submitted works (Student Papers)

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Matches with neither in-text citation nor quotation marks
- **47 Missing Quotations 2%**
Matches that are still very similar to source material
- **15 Missing Citation 1%**
Matches that have quotation marks, but no in-text citation
- **0 Cited and Quoted 0%**
Matches with in-text citation present, but no quotation marks

Top Sources

- 18% ■ Internet sources
- 4% ■ Publications
- 10% ■ Submitted works (Student Papers)

Top Sources

The sources with the highest number of matches within the submission. Overlapping sources will not be displayed.

1	Student papers	
	Mount Kenya University	4%
2	Internet	
	www.ijern.com	2%
3	Internet	
	www.iprjb.org	2%
4	Internet	
	www.iiste.org	1%
5	Student papers	
	Columbia College of Missouri	1%
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	erepository.uonbi.ac.ke:8080	1%
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	Kenyatta University	1%
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	erepository.mku.ac.ke	1%

67	Publication	Jerusalem Yibeltal Yizengaw, Melkamsew Asmamaw Agegnehu, "Practices and ch...	0%
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