

**AN INVESTIGATION OF THE EFFECTS OF PARTICIPATORY BUDGETING ON  
FINANCIAL MANAGEMENT IN PUBLIC SECONDARY SCHOOLS: A CASE OF  
NANDI CENTRAL DISTRICT, KENYA**

**DANIEL CHIRCHIR  
ELD/E/MED/411/01510**

**A Thesis Submitted in Partial Fulfilment for the Award of the Degree of Master of  
Educational Planning, Management and Administration of Mount Kenya University**

**October 2013**

## **ABSTRACT**

Majority of schools face financial problems due to poor budgeting. The purpose of this study was to investigate participatory budgeting and its effect on financial management in public secondary schools in Nandi Central District. The objectives of the study were: to establish the involvement of stakeholders in participatory budgeting process on financial management, to determine stakeholders' competence in participatory budgeting on financial management, to evaluate the effect of participatory budgeting on financial management and to find out challenges experienced in using participatory budgeting as a tool of financial management in secondary schools in Nandi Central District. The study adopted descriptive survey research design and was conducted in public secondary schools in Nandi Central District, Nandi County, Kenya. The target population was 657 comprising of 42 principals, 530 teachers, 42 account clerks, 42 chairman of School Board of Management (BOM) and 1 District Education Officer. Systematic random sampling technique was used to select the sample size. Data was collected by administering questionnaires and interview schedule, then coded in excel worksheet and analyzed using Statistical Package of Social Scientists (SPSS version 18). To analyze data, Descriptive statistics used were frequencies and percentages. While inferential statistics involved use of chi square at 95% confidence interval. Data was presented in form of pie chart, bar graph and tables. The study found out that the education stakeholders in Nandi Central district have the necessary competencies in budgeting process which include budget preparation, implementation as well as monitoring and evaluation enabling effective financial management in secondary schools; majority of the teachers have knowledge of impacts of budgetary activities in their schools and are therefore effective in the implementation of school budgets. It was therefore recommended that there was need for more involvement of all stakeholders in budgeting process as their participation in budgeting could influence positively budgeting as a financial management. It was hoped that the study findings may be of value to school managers and stakeholders in the education sector, as it offers solutions to challenges encountered in adopting participatory budgeting in financial management, thus enhancing financial management in secondary schools.