

**INFLUENCE OF PRINCIPALS' FINANCIAL COMPETENCIES ON
FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS
IN THARAKA SOUTH SUB-COUNTY, THARAKA
NITHI COUNTY, KENYA**

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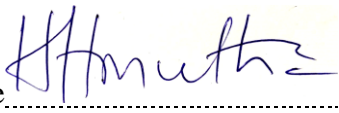
**A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE AWARD OF MASTER OF
EDUCATION DEGREE IN ADMINISTRATION,
LEADERSHIP AND MANAGEMENT OF
MOUNT KENYA UNIVERSITY**

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DECLARATION AND APPROVAL

Declaration by the Student

This research project is my original work and has not been presented in any other university or for any other award.

Signature .....

Date...29th October 2024.....

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Approval by the Supervisor

I confirm that the work in this research project has been carried out by the candidate under my supervision.

Signature .....

Date...30-10-2024.....

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DEDICATION

I dedicate this work to my wife and children for the continued support during my studies.



ACKNOWLEDGEMENTS

I would like to sincerely appreciate the dedicated support of my supervisor, Dr. Ruth Thinguri, who led to the success of this study. My earnest appreciation also goes to all my lecturers for all the efforts they put in to ensure that I was properly mentored and guided throughout my study program. I am also very grateful to Mount Kenya University for according me the chance for my academic pursuit. I extend my gratitude to my colleagues, family and friends and all the people who, in one way or the other, made this study a success. I wholeheartedly thank them all for their steadfast support during my studies. Thank you and God bless you.



ABSTRACT

Financial support plays a crucial role in ensuring the success of various activities within an educational institution. A well-functioning funding system is essential for the smooth operation of a secondary school. It should include efficient administrative structures staffed by competent individuals such as bursars and accounts clerks. Despite efforts by Kenya Education Management Institute (KEMI) to train secondary school principals in financial management skills, some principals still engage in mismanagement of funds. This study aims to examine how the financial competencies of principals influence the financial performance of public secondary schools in Tharaka South Sub-county, Tharaka Nithi County. The objectives were; to examine the influence of principals' financial budgeting, procurement, recording and auditing competencies on financial performance in public secondary schools. The study was guided by the finance management theory and the efficiency theory. The study used mixed methodology and thus, applied concurrent triangulation research design. The target population comprised 28 principals, 140 department heads, 28 bursars, 28 Chairs of BoM and two County/Sub-county Auditors totaling 226 respondents from which a sample size of 144 respondents was determined using Yamane's Formula. Questionnaires were used to collect data from HoDs whereas interviews were applied to gather information from principals, Chairs of BoM, bursars as well as County and Sub-county Auditors. Piloting of instruments was done in Tharaka South Sub-county with 10% of the main sample size, thus 47 participants. Qualitative data were analyzed thematically based on study objectives and presented in narrative form. Quantitative data were analyzed using descriptively using frequencies and percentages and inferentially using regression analysis with the help of Statistical Package for Social Sciences (SPSS) version 25 and presented using tables and charts. The study found that financial performance in many public secondary schools in Tharaka South Sub-county is still characterized by many reported instances of financial misappropriation, wastage, pilferage and overall financial inefficiency. In other words, financial mismanagement is a widespread challenge in public secondary schools. This is attributed to ineffective financial management competencies of principals. These shortcomings are evident in inadequate budgeting, poor procurement practices, insufficient record-keeping, and a lack of proper auditing skills. Thus, the study recommends that the Ministry of Education should undertake targeted financial training and capacity building programmes focusing on budgeting, procurement, financial record-keeping as well as auditing.

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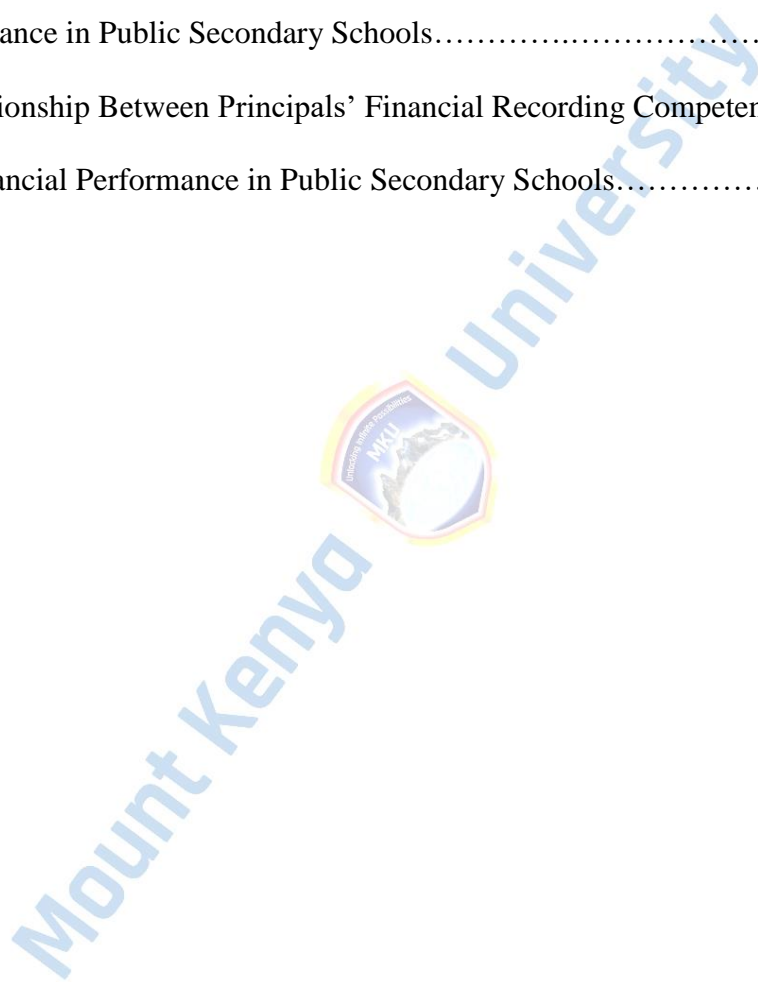
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LIST OF ABBREVIATIONS AND ACRONYMS

AEU	Australian Education Union
AIE	Authority to Incur Expenditure
BOGs	Board of Governors
BOMs	Board of management
ECD	Early Childhood Development
FDSE	Free Day Secondary Education
FM	Financial management
FPE	Free Primary Education
FSE	Free Secondary Education
GDP	Gross Domestic Product
HODs	Head of Departments
IFIs	International Financial Institutions
KEMI	Kenya Education Management Institute
MOEST	Ministry of Education, Science and Technology
PPDA	Public Procurement and Asset Disposal Act
PTAs	Parent Teacher Association
SDC	School Development Committees
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TSC	Teachers Service Commission
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter focuses on the background to the study, statement of research problem, the purpose, objectives, research questions, rationale, significance, scope, limitations, delimitations as well as assumptions of the study. It also provides a list of operational definitions of key terms.

1.1 Background to the Study

A vital component of an administration's efficient operation is financial management. Establishments take a lot of finances to function, therefore in order to get the most out of those endeavors, persons in control must be very transparent and accountable. Burke (2001). Since the educational system in numerous nations consumes a large portion of the budgetary constraints, prudent accounting is essential. Globally, schooling has been receiving a lot of attention due to its influence on progress. As per UNESCO (2000), a country's economy is adversely affected by inadequate levels of schooling.

Butt, Hunjra, and Kashif-ur-Rehman (2010) conducted research on accounting techniques and their impact on company efficiency in Pakistan. The present investigation examined the relationship between organizational performance and financial management techniques. The factors included capital arrangement choices, dividend policies, investment assessment procedures, working capital administration, and financial performance. The collection included 40 firms that were already functioning in Pakistan and listed on the Karachi stock market at the time. Surveys were issued to economists and managers to collect data. Following research, the findings revealed a substantial positive link between financial management techniques and organizational performance in Pakistan's business sector.

A further investigation on the impact of working capital management on business performance was conducted in Turkey by Gamze et al. (2012). They concentrated on the relationship between 'Turkish enterprises' productivity and their operational capital. The factors included days of inventory, days of accounts receivable, days of accounts payable, operational cycle, the transformation of cash cycle, size of the company, and leverage. The information gathered came from panel analysis and secondary data. Data was collected over an 8-year period (2002-2009) from 75 manufacturing enterprises that were selected from the Istanbul stock exchange. The results showed that companies with a brief transformation cycle along with a brief accumulation period of acquired accounts might have high gross operational profit. The firm's worth and profitability are negatively correlated with its management variable, leverage.

In accordance to an investigation done in the Mafeting District of Lesotho by Motsamai, Jacobs and Corene (2011), accounting expertise is not regarded as a requirement for selection for a role of administration in Lesotho. Instead, principals are selected based on their professional and educational credentials, in addition to their experience as educators. In accordance with a South African study, the School Act assigns elected officials the responsibility of overseeing school finances. The Act outlines the duties and obligations of the principals and the educational institution's administration with regard to the management of the financial affairs of the institution (Mestry, 2006). However, Mestry said that a number of principals along with attendees of educational institutions either misunderstand the School Act or merely understand it improperly, which leads to financial mismanagement in several institutions.

Numerous obstacles face Nigerian schooling, which renders it challenging to provide high-quality instruction that can lead to sustained growth. The primary obstacle the educational system faces is insufficient funding from the federal, state, and municipal

governments. This problem has been exacerbated by the imposition of conditional ties by international financial institutions (IFIs). According to statistics, throughout 1997 and 2000, federal spending on educational institutions was less than 10% of total spending, which is less than the 26% of national budgets recommended by UNESCO for schooling. The Ministry of Finance's fiscal year expenditure forecasts for 2012–2013 show that the educational industry in Kenya accounts for the second greatest percentage of governmental expenditures, at roughly 21% (The Daily Nation Newspaper, June 15th 2012). This is also dispersed in the following manner: 50.92% for educators, 8.45% for FDSE, 3.56% for FPE, 0.69% for ECD, as well as 36.38% for other categories, including investigation (The Daily Nation Newspaper, June 15, 2012).

In relation to instructional and educational materials for secondary education—which incorporate testing facilities that are not necessary in the various categories that are discussed here—it is believed that 8.45% is extremely low in comparison to the projected outcome in the FSE. To achieve the established learning goals and objectives, this quantity must be planned for and managed. An investigation was carried out in Tanzania to assess how well learning institutions directors' accounting abilities contributed to secondary-level instruction of excellent standard. The investigation discovered that accounting abilities, including the ability to mobilize learning institutions money, monitor, evaluate, and auditing, were critical for successful fiscal oversight in schools. Additionally, the survey discovered that the majority of instructional institution heads lack the necessary accounting expertise.

Lack of funding for schools as well as inadequate oversight, assessment, and accounting of educational institution budgets were further challenges with financial management. The research makes recommendations for tactics including helping school leaders develop their capacities.

To further improve school heads' money-management abilities, devolution of monetary decision-making, pertinent school purpose and vision, and improved efficient surveillance, assessment, and inspection of reporting on finances are all recommended. The study concluded that having school leaders who are knowledgeable about solutions for school-based financial management is essential. According to the study, recruiting or promoting instructors to the top position in an educational institution should need financial handling abilities, and relevant entities or ministries concerned with instruction should make this request (Amos et al., 2021). The Education Acts enshrined in the constitution are used in Kenyan educational institutions to help with handling resources, both financially and operationally.

Ministerial directives regarding vote headings and allocations of funds are provided to the principals. With regard to the funding accessible, particular institutions may have some latitude in how they discuss matters pertaining to their requirements and objectives; nevertheless, this latitude must remain pursuant to the ministry's guiding guideline (MOEST, 2006). Like any other organization, educational institutions must make certain their company has steady, sufficient funding to function smoothly and sustain it with care to continue to meet its objectives (Wagithumu, Muthee & Thinguri, 2014).

Wagithumu et al. (2014) further emphasized that an educational institution's bookkeeping system must give precise, comprehensive, and up-to-date information of the economic condition of the institution. It is the duty of school administration to provide and preserve accurate and transparent records that fully pinpoint the origin of funding to schools. Accounts documentation, kept in journals of user accounts, must confirm details such as the distribution of resources, the financial operations carried out, and the reason for the transaction in question.

All of the above records ought to be known to the principle, who can then keep an eye on the recordings made by the bursar and school accounting principal and provide guidance as needed. If the aforementioned records are not properly created and kept track of over the duration of their activities, it is a sign of subpar financial administration efficiency (MoEST, 2005). Thus, it follows that the school principal was incompetent in administration. Consistently yet separately, the bursar, the accounting officials, engages with the fundamental. Principals are responsible for making sure that bidding and contracting regulations are followed. They must make sure that educational assets are managed properly and protect school property from theft or unauthorized use (Wagithumu, et al. 2020).

As the educational institution's accountancy official, the head instructor is the one who is granted the Authority to Incur Expenditure (AIE) and may make purchases on behalf of the institution (Wango, 2009). UNESCO (2009) states that principals' financial mismanagement frequently results in a lack of vital assets in schools, which prevents money from being accessible for the purchase of supplies like textbooks, lockers for students, scientific supplies, and other such items. The educational and instructors' effectiveness suffers as a result. The chief educator is authorized to incur expenses (AIE) and carry out acquisitions on the basis of the school's administration as the person in charge of accounting (Wango, 2009).

According to UNESCO (2009), mismanagement of finances by educational leaders regularly leaves institutions without essential resources, making it difficult to raise funds for the acquisition of materials like educational materials, individual lockers, technological equipment, as well as additional items. The outcome is a decline in the efficacy of the instruction and the teachers. Consequently, accounting procedures are an important instrument for ensuring appropriate economic achievement (Horvat, 2017).

Even while principals are expected to oversee accountancy and handle finances, many lack the specialized knowledge necessary to carry out these duties in a way that is financially sustainable (Osioru, 2017). In order to improve their accounting and financial records techniques and, as a result, be able to regulate and manage the procedures developed by the treasurer and record-keeping agent, they must attend an in-benefit program in money-related management.

For instance, school principals in public secondary schools in Tharaka South Sub-county like their Kenyan equivalents, they are highly qualified instructors who have received different in-service managing finances courses and workshops. For example, the Kenya Educational Management Institute has been developing director of instruction ability since 1981. The Ministry of Education stressed the significance of building school leaders' competence for better utilization of resources in a circular (1/99) issued in 1999.

Furthermore, with the implementation of the subsidized Secondary Education Programme in 2008, the Edda Gachukia board set aside 500 million shillings to train principals in school administration (Osioru, 2017). In secondary schools in Tharaka South Sub-county, financial misconduct through subpar tendering processes, abuse, subpar execution of projects, and an absence of accountability and openness are common reports, regardless of the government's substantial investment in the capacity building of principals.

1.2 Statement of the Problem

Financial management problems emanate from school principals who have are not competent in managing finances. This demonstrates that appropriate economic goals are met in the best-case scenario, when school principals have improved their accounting techniques and financial awareness.

As previously stated, principals at open-access secondary schools in Tharaka South Sub-county, like their Kenyan equivalents, are highly qualified educators who have completed a variety of in-service workshops in managing money through workshops and conferences. For example, since 1981, the Kenya Educational Management Institute has been working on the principals' skill development. Even better, when the sponsored Secondary schooling scheme was introduced in 2008, the Edda Gachukia committee allocated 500 million shillings for principals' training.

In public secondary schools in Tharaka South Sub-county, financial mismanagement through subpar tendering operations, stealing, subpar execution of projects, and an absence of openness and responsibility are frequent reports, notwithstanding the substantial investment made by the government in the skill developing of principals. Given the numerous holes the audit team found in the financial administration of the Tharaka South Sub-county, this is demonstrated for financial accountability for the last few years. This was the basis that prompted this study on the influence of the school principals' financial competencies on the financial performance of the public secondary schools in Tharaka South Sub-county, Kenya.

1.3 Purpose of the Study

The purpose of this study was to investigate the influence of principals' financial competencies on financial performance of public secondary schools in Tharaka South Sub-county, Tharaka Nithi County, Kenya.

1.4 Objectives of the Study

This study was guided by the following specific objectives:

- i. To determine the influence of principals' budgeting competencies on financial performance of the public secondary schools in Tharaka South Sub-county.

- ii. To examine the influence of principals' procurement competences on financial performance of the public secondary schools in Tharaka South Sub-county.
- iii. How do principals' financial recording competences influence financial performance of the public secondary schools in Tharaka South Sub-county.
- iv. To assess the influence of principals' financial auditing competences on financial performance of the public secondary schools in Tharaka South Sub-county.

1.5 Research Questions

This study was guided by the following research questions:

- i. What is the influence of principals' budgeting competencies on financial performance of the public secondary schools in Tharaka South Sub-county?
- ii. How do the principals' procurement competences influence financial performance of the public secondary schools in Tharaka South Sub-county?
- iii. To what extent do the principals' financial recording competences influence financial performance of the public secondary schools in Tharaka South Sub-county?
- iv. What is the influence of principals' financial auditing competences on financial performance of the public secondary schools in Tharaka South Sub-county?

1.6 Rationale of the Study

Given that it is going to tackle gaps in understanding in the description of the issue, policy disparity, problem settlement, method of investigation, and monitoring, an investigation on the effect of leaders' knowledge of finances on monetary implementation is going to be enforceable and essential of the principals' financial competences on financial performance inside secondary educational institutions. To identify any policy gaps regarding the needs of the financial management policies for

educational institutions, research is necessary. This study may contribute to the body of knowledge on school principals' financial achievements and competencies by examining the impact of principals' financial competencies on the financial achievements of public secondary schools. The study may equally important because it may contribute to the conceptual structure that underpins it in regards to the effectiveness and success theories of managing money. This structure may be utilized to promote the economical capabilities of principals, who are the focus of the dependent variable (the economic outcome) and the focus of the independent variable (the financial competencies of the principals).

1.7 Significance of the Study

The results of the investigation may help principals in secondary schools with their financial management by examining and improving the way they manage their money. The results of the investigation might help the Teachers Service Commission (TSC) and Ministry of Education (MOE) improve the execution of their accounting regulations. Successful financial leadership may result in improved financial choices since it is the procedure by which principals anticipate these assets are acquired and managed effectively and efficiently in the attainment of the goals set by the company.

Policymakers may find the study valuable in creating well-informed procedures and rules that will improve financial management in all Kenyan schools. The research may be important to educational stakeholders because it may provide the most up-to-date and comprehensive information on the financial performance of public secondary schools that are publicly funded, as well as challenges and constraints that must be overcome to guarantee that funds allotted to the schools are used in an effective manner. The report's recommendations may help principals in the investigated region and throughout Kenya develop their capacity for responsible financial management and administration.

This investigation may yield information on which more investigations and studies may be conducted.

1.8 Scope of the Study

The study's scope in terms of content entailed assessing the influence of principals' financial competencies on financial performance in public secondary schools located in Tharaka South Sub-county. The content scope investigated four key variables namely: budgeting, procurement, financial recording and auditing competences and their influence on financial management. The information was gathered using questionnaires for heads of departments and interviews for principals, BoM chairs, bursars as well as county and sub-county finance auditors. The study used mixed methodology and concurrent triangulation research design. The research was conducted between June and August 2024.

1.9 Limitations of the Study

The researcher encountered the following limitations:

- i. The participants may be reluctant to provide details on financial management for fear of victimization since this is a sensitive issue in Kenya. They were assured by the investigator that their identities would not be mentioned in the results.
- ii. The aim of the investigation was constrained by the investigator's choice not to control respondents' attitudes as they react to the tools, which was biased. To mitigate this, participants were assured by the investigator on the privacy of their personal information.
- iii. The study faced challenges in that the financial information confidentiality that may be sensitive to disclose. To control this challenge, the researcher reassured the respondents to be as truthful as possible. The researcher assured all the respondents of confidentiality in dealing with any data collected and also

ensured anonymity of all the respondents. In the questionnaires, there were assured that their names would not appear in the tools.

1.10 Delimitations of the Study

The study was based on the following delimitations;

- i. The study was delimited to public secondary schools in Tharaka South Sub-county only.
- ii. Principals, HoDs, bursars, BoM chairs as well as the county and sub-county financial auditors were the only participants in the study.
- iii. The study focused on the influence of principals' financial competencies on financial performance of public secondary schools in Tharaka South Sub-county.

1.11 Assumptions of the Study

The study assumed;

- i. That schools in the investigated area have issues involving financial competencies and performance.
- ii. That every respondent would be truthful and forthright in their responses
- iii. That every respondent would be accessible and eager to provide the necessary accounting data.

1.12 Operational Definitions of Key Terms

Auditing Competences: the capacity of principals to assess how financial activities and operations take place.

Budgeting Competencies: entails knowing how to use the tools, processes, and procedures needed to make and keep track of budgets

Financial Recording Competencies: these are skills which enable school heads to undertake how to keep financial records of secondary schools.

Principal's Financial Competencies: these are skills which relate to the knowledge and abilities that school principals should have in financial management. They include budgeting and the implementation abilities, fund sourcing and distribution skills, and actual fund management skills.

Procurement Competencies: the capacity of principals to acquire goods and services for school operations in strict adherence to the procedures and practices.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter highlights the literature review related to the researcher's area of study. The chapter is based on the concept of principals' financial competencies, the concept of financial performance the influence of principals' budgeting, procurement, financial recording and financial auditing competences on financial performance. It also provides theoretical and conceptual frameworks and a summary of the literature showing the gaps identified during the review.

2.1 Empirical Literature Review

Empirical literature is based on the concept of principals' financial competencies, the concept of financial performance the influence of principals' budgeting, procurement, financial recording and financial auditing competences on financial performance.

2.1.1 The Concept of Principal's Financial Competencies

An essential component of comprehensive leadership is the notion of managing finances. It focuses on the responsibilities of the company's finance management (Raintung et al., 2023). The technique and method of using resources to boost the economies as well as worth out of accessible funds is known as the management of finances. Financial supervision is essential to a company because it powers all of its operational operations. Solomon claims that it is effectively employing financial assets like investment money. It is an essential component of the company's general administration. According to Kuchal (2010), the most widely used and accepted concept focuses on raising money and using it wisely for a company. As a result, good and practical fund administration is a part of financial management. Personnel, marketing purposes, and manufacturing are just a few of the sectors that accounting and finance

interacts with and influences. Maximizing wealth and profits is the goal of financial management. It takes efficient financial management and purchasing to accomplish these two goals. Increasing profits is the ultimate goal of any firm. A company's profit margin illustrates its expansion and effectiveness, which can be utilized to forecast an organization's or organization's life expectancy. It also boosts revenue across the board and lowers risk for the enterprise. Maximizing and increasing wealth is a new strategy that addresses the most recent advancements and improvements in the enterprise sector. Regarding the financial position of the firm's employees and the owners, this is the situation. Any firm that aims to maximize wealth, boost profits, and enhance profit for shareholders does so by taking into account the costs connected with running its operations (Edmans, 2023).

Extra value is provided by the company of concerned when the overall value of all costs expended for the activity is determined. Maximizing revenue and wealth in an educational setting refers to allocating finances to meet the highest standards for achievement and sustain an exceptional enrollment of learner's rate. The lifeline of an educational institution is its finances. Like all other businesses, educational institutions must make certain that their company has enough funding to function smoothly at all times and that it is meticulously sustained so as to meet its objectives. The idea of an institution's bookkeeping procedure forms part of its financial oversight philosophy; it aims to give all money collected by the institution responsible for management and oversight (Wagithunu et al. 2014).

The leadership team of the educational institution is in charge of giving and keeping a truthful, transparent record that fully specifies the origin of educational funding. The distribution of cash to different school-related expenses and the use of monies raised inside the educational institution are two crucial pieces of details found in these

recordings. Additionally, everyday transactions of the educational institution are recorded in books of accounts. Journals, records, financial statements, as well as trial balances are a few of them at order to handle finances at an educational institution, a cash book, trade account, and an account for profits and losses are essential (Abdul-Rahamon & Adejare, 2014). They provide the leadership team with a comprehensive image of the educational institution's revenue and expenses, investment, and liabilities. All the relevant accounting documents ought to be known to the educational institution's head, who can then keep an eye on the bursar's documentation and offer guidance as needed. These documents have to list sponsored events and provide details about the educational institution's rewards program.

In their attempts of performing their responsibilities, the school principals may exhibit subpar financial leadership efficiency due to the hiring of less experienced accountants who keep subpar documentation and disregard auditing processes if all of the aforementioned documents have not been adequately set up and monitored (MoEST, 2007). Government-run rules regarding vote counts and cash distribution are provided to Kenyan schools. Though they must adhere to ministerial policy, each institution is free to discuss, put first, and operate with money in accordance with agreed-upon initiatives based on what is available. Funds are arranged and managed by schools based on personnel, administration, infrastructures and enrollment numbers. They also make advantage of self-governance and extracurricular involvement.

The educational institution's financial administration framework establishes excellent responsibility and control over finances, resources, and additional school-owned property (He et al., 2023). The educational institution's administration is in charge of protecting educational assets and making certain it is only utilized for approved reasons. The system at large has established guidelines to ensure the prompt and approved

payment of funds whenever they are actually required, irrespective of whether doing so necessitates using technology to accomplish this. Any educational institution's ability to succeed hinges on its ability to handle its money effectively. All parties involved in instruction manage funds and make monetary choices, particularly when it comes to determining potential funding sources for the educational institution, including parent fees, harambee, contributions, donors, and educational farms. As part of their societal obligation and duty, they also assist in finding the deserving kids from low-income households for bursaries (Nyamwega, 2016). As mandated by financial administration requirements, they make sure that correct and transparent documents are maintained for a transparent audit trail.

The head of the school makes that the appropriate filling mechanism is transparent and regularly upgraded. The accounting and finances department bears the job of ensuring that both inside and outside financial statements are reviewed promptly and that a SWOT analysis is conducted on the identical basis for the growth of the institution (Mburu, 2004). To put it another way, everyone in the school bears the burden of managing its finances. The success of this system of obligations depends critically on the prioritization, organizing, and cooperation of the requirements of the educational institution, as well as the assignment of responsibility to the different offices within the educational institution.

Participants in monetary oversight at an institution of education consist of tracking and evaluating, controlling credit, and reviewing financial records (Udoh, 2022). The Board of Management, the head of the school financial manager, and school's administration committees are tasked with carrying out this responsibility. The Parent-Teacher Association (PTA), Parents, Principal, and B.O.M. have a responsibility to prepare the financial records, comprehend the origins and purposes of money, and mobilize for

finances (Ballang, 2020). The institution's bursar, budgeting committees, principal, and BOM are in charge of organizing, budget development and execution, money distribution, monetary reporting, and accounts transparency. The principal and the BOM are the only ones responsible for making sure that the law's requirements for purchasing and contracting are followed, that instructional property is protected from theft or improper use, and that educational funds are managed properly.

The school principal's or CEO's workplace and the educational institution bursar's workplace are two important offices that are crucial to an institution's financial administration. The principal is ultimately in charge of the school's finances, but considering that various departments have certain authority and duties, the principal's direction, guidance, financial knowledge, and support from the CEO are essential for effective management of the educational institution's funds (Wagithunu, et. al. 2014).

2.1.2 The Concept of Financial Performance

Since the majority of managers lack the necessary training, managerial abilities in finance continue to be a difficulty for numerous institutions. Mestry (2014) claims that a large number of educational institutions controlling executives and principals are under a great deal of pressure to find workable remedies for fiscal problems while lacking the requisite financial expertise and skills. Principals as well as members of the educational institution's governance council have reportedly been the target of forensic accounting investigations on several occasions because of financial mismanagement resulting from theft, fraud, embezzlement, fraudulent use, and inappropriate control of school finances (Mestry, 2016). Principals are in charge of overseeing all financial operations related to schools, including the receipt and distribution of funding. Mechanisms that offer a framework for allocating a company's assets to the achievement of its objectives are known as expertise in financial management.

Good methods for managing money are critical to improving reliability, effectiveness, precision, and transparency—all of which help an organization accomplish its goals. Securing an excellent level of instruction requires effective oversight of instructional finances. This means that who gets a schooling and what kind of educational experience they receive is primarily determined by the specific method that principals at schools use school funds (Riinawati, 2022).

The accessibility of learning-teaching materials, facilities, curricular distribution, educator growth along with capacity developing, student achievement fulfillment, trained personnel, as well as power generation are all influenced by how the funds are handled. Organizing, financial management, bookkeeping, auditing, and even allocating the school's financial resources are all under the principal's actions purview (Irawan & Irawan, 2023). When utilized wisely, financial affairs produce positive outcomes and conversely. One of the main duties of a school principal is to oversee the financial operations of the institution. As a result, in order for the educational institution to succeed and for receive excellent schooling to be provided in the areas that principals are responsible for, such as employee growth and educational resources, effective financial leadership is essential (Black et al., 2023).

Transparency has evolved into a shared duty that should involve all parties involved, including the head of the school. This implies that they have a duty to manage finances properly and answer to the Ministry of Education, parental figures, the students, and the general public. Essential accountancy abilities are the proficiencies in fundamental bookkeeping needed by an individual to do their job of documenting everyday business activities properly, with assurance, and efficiently, as defined by Onoh (2011). In the words of Umanhonlen et al. (2023), these capabilities involve accounting, buying and production, haggling, calculating labor costs, basic financial planning, maintaining

reliable invoices, and records of sales, ongoing projects documents and credit buying, billing information, check payments, and merchandise of goods. Additional competencies include cash sales, operational cash payments invoices, appropriate credit facilities procedures, and cautious budgetary and operational capital handling (Ngunju, 2022). Principals who possess a basic understanding of bookkeeping will be better able to handle their finances, which is to guarantee that there is enough money available for the educational institution's capital and ongoing expenses so that learners can learn in a comfortable environment and the standard of instruction is improved (Eniang-esien & Ekpenyong, 2021).

Research by Matula, Mulwa and Kyalo (2018) examined the variables affecting the efficiency of managing finances in secondary schools that are publicly funded, and it was done in Kitui County. Three crucial traits of principals at secondary schools that affected their handling of money were examined in the present investigation. The research project concentrated on the effects of principals' educational attainment, expertise, and educational background on the efficiency of monetary administration in secondary educational institutions in Kitui Central District. It also took a close look at the relationship between principals' knowledge and expertise.

The research used the two types of data analysis techniques, utilizing a descriptive survey methodology. It was a survey of the 25 publicly accessible day high school principals in Kitui County's central district. The primary research tool was the survey. In the analysis of information, the two kinds of statistics were applied. In order to satisfy the goals of the investigation, the results were analyzed using the mean, median, mode, and proportions. The results were presented using frequency tables, which were accompanied by an analysis and conclusions. The link connecting both independent and dependent factors was examined using correlations and analysis of variance (Matula, et

al. 2018). The results indicate that a principal's encounter is crucial for the monetary efficiency of administration, and that the principals' educational background has a significant impact on the efficacy of managing money as well as the impact of the way they handle finances on the infrastructure of the educational institution (Matula et al. 2018). Additionally, the instruction that principals receive significantly impacts monetary leadership and there is a significant association between money education in management and the efficiency of financial leadership within secondary educational institutions.

According to the report, in order for school principals to effectively manage their finances, they need receive accounting training. This may be achieved by regularly hosting seminars and workshops aimed at increasing capacity and keeping participants informed about new developments. Specific qualification criteria for advancing educators to become principals ought to be fixed by the Teachers' Service Commission. A person must have held the position of Head of Department for a minimum of two years and Associate Principal for a minimum of one year prior to being nominated to the position of principal.

2.1.3 Principals' Budgeting Competencies and Financial Performance

A financial projection, in the words of Horngren and Foster (2006), is a quantitative representation of the leadership team's suggested course of conduct for an upcoming time frame and serves as a tool for plan collaboration and execution. It is a thorough articulation of management's fiscal and operational goals over an extended period of time, typically encapsulated in a series of planned statements of finances. In the words of Dugdale and Lyne (2010), the capacity of budgeting to track and communicate monetary data which is purpose crucial for the corporation is important to assisting the company achieve its goals.

Furthermore, a key element of managerial oversight systems is performance metrics. Good strategic and managerial choices involve knowledge about the performance of the company's various parts. For performance metrics to be efficient, executives and workers at all organizational levels must be inspired to work toward accomplishing the company's objectives by indicators that are financial as well as non-financial. The efficient use of the assets that are at hand is essential for achievement. If organizations do not correctly handle their financial assets, they are unlikely to be able to attain their intended results (Waygandt et al, 2009). Therefore, tasks like yearly spending preparation, outlining the duties of the different committees with budget responsibilities, establishing standards for allocating funds, and routine tracking of budgets constitute some of the crucial elements in enhancing the financial oversight of secondary schools (Potter and Powell, 2010).

Budgets for the entire school usually include money for material supplies, general support personnel, classroom teachers, teaching assistants, and management personnel. Because it focuses primarily on operating budgets, the aforementioned approach to classification purposefully omits capital expenditures. This is justified by the fact that the majority of Kenyan institutions have no say over capital in the system. The federal government or various ad hoc groups are in charge of investing. Therefore, the majority of institutions are exempt from financial accountability.

In the words of Tooley and Guthrie (2007), the primary goal for school management transformation is to establish a more economical, effective, and successful educational model that is based on the principles of private industry. This suggests that stronger educational advantages may result from paying greater consideration to effectiveness as well as effectiveness at certain levels of investment. Children dropping out of schooling are mostly caused by financial restrictions, according to a 2012 United Nations (UN)

special study. Thus, better financial management for educational institutions is required to ensure the efficacy of instruction, and accounting can help with this. According to Townsend (2007), there has been a progressive shift in the national policy on the measurement of instructional efficiency, which has coincided with heightened societal demands for responsibility. Budgeting, then, may help to ensure responsibility in the administration of finances, which can result in an institution's being more successful. Improved curricular and monetary choices can result from a comprehensive planning procedure, which can enhance educational operations as well as achievement (Dugdale & Lyne, 2010).

The National Advisory Council on State and Local Budgeting (2009) states that establishing fiscal techniques can help implement the budgeting process's tenets. Planning, including stakeholders, implementing the budget or placement, and budget control are some of these techniques. Better program and financial choices can result in improved operations for the organization when a budget process is carefully thought out and coordinated with other tasks within the organization like leadership and planning duties (National Advisory Council on State and Local Budgeting, 2009). This implies that preserving healthy connections with the public and improving instructors' and learners' general perceptions of the educational institution administration may both benefit from budgeting processes that engage everyone involved and take their objectives and demands into account.

According to Hartman (2003), fiscal management and engagement among stakeholders guarantee that the budget includes reasonable estimates of spending and revenue. In addition, scheduling and the participation of interested parties in the preparation of budgets serve as a way to motivate educators along with other staff members at educational institutions to use efficient procedures and meet performance standards.

Breul and Moravitz (2007) state that because finances are few, choices about how best to allocate spending money must take governmental efficiency into account. This suggests that in order to ensure successful organizing, evaluations of performance, and expense evaluation, institutions must assure that they make effective use of finances via allocation of funds. Robinson and Last (2009) state that the maximizing of a suitable social welfare functional should serve as the basis for distributing public monies. Educational institutions must thus seek for a combination of money when assigning and executing budgets in order to enhance the quality of their education.

According to Massy (2007), outsourcing tasks is necessary for spending planning and execution within educational institutions in order to reduce the likelihood of disputes arising between various stakeholders. The decentralization of the execution and distribution of funds allows for the participation of several sectors and motivates them to improve the academic achievement of students. The National Advisory Council on condition and Local Budgeting (2009) points out that the objectives and ideal future condition of the educational institution should be reflected in the budget's allotment and execution. This ensures the authorized budget's effective execution by ensuring the backing of all relevant parties.

Using expenditures to manage a company's operations is known as budget control (Waygandt et al, 2009). It includes utilizing reports on finances to make certain that the intended goals are met. This suggests that units of education have an obligation to submit management with assessments on a regular basis that examine discrepancies in achievement between the intended and actual levels. Budget control, as stated by Kung et al. (2013), gives a company the data required to enable it to decide how best to function and function. Educational institutions may thus accomplish their educational goals by making sure that their money is well managed.

Hildreth (2003) asserts that using a spending plan as a monitoring technique ensures that capitals are allocated as per with predetermined goals and targets. Management of budget also guarantees that companies can accomplish their goals in an effective way. This shows that budget control may give school principals a method to ensure that funds are allocated sensibly so as to fulfill the established requirements for performance. In accordance with Breul and Moravitz (2007), spending oversight is a means of highlighting how crucial it is for a corporation to fulfill its general objectives. This proposes that financial restriction aids assurance that organizations and school organization are dedicated to raising student achievement. Thus, financial control is a tool that educational institutions may utilize to help execute their objectives and enhance the way they perform.

2.1.4 Principals' Procurement Competences and Financial Performance

Purchasing products and/or services for the immediate benefit or utilization of businesses, people, or even authorities at the highest feasible overall price of possession, obtaining goods in the right amount and excellence, from the correct supplier, at the right time, and at the right place is referred to as procuring. Repeat purchases may be the only aspect of straightforward acquisition. Seeking reliable collaborators or even "co-destiny" producers who might essentially devote one company to a different business may be necessary during intricate acquisition. Protracted processes have occasionally reduced the federal procuring method's effectiveness (Arminas, 2002).

Procurement in the government sector is changing rapidly in the modern world, unlike anything that has happened previously. The formerly opaque acquisition procedure used by public secondary schools is being compelled to become more transparent to the general public. Government agencies are compelled to review their rules and practices globally as their purchasing procedures evolve.

This is done to ensure compliance with local laws and to remain answerable to the limelight, whose money sustain such organizations (Cousins & Speckman, 2003). It is obvious that acquisition plays a big part in assisting public secondary educational institutions in meeting their goals and becoming ready for a volatile future. Acquisition will need to concentrate in part on removing costs from the expense base in order to achieve this. However, there is additionally a chance for the task to provide value in a way that is significantly more purposeful (Leenders & Johnson, 2008). The practice of government organizations using revenue from taxpayers to purchase items and amenities is known as government procurement (Hall, 2009).

Authorities usually allocate between 8% and 25% of GDP on consumer products and services worldwide, including in many industrialized countries (Organization for Economic Co-operation and Development, 2006). According to Korosec & Bartle (2003), public service organizations strive to employ "cost reduction" as effectively as possible for the general population, which includes considerations for customer happiness, the population's concern, equitable treatment, ethical behavior, and fairness. Investigations conducted recently have also highlighted the importance of code of conduct and integrity together with professional and technical skills. Kenya's public purchasing framework has changed significantly during the last three generations.

With the adoption of the Purchasing Laws of 2006, Kenyan government tendering underwent a shift from having been unregulated in the 1960s to being governed by Treasury Circulars in the 1970s, 1980s, and 1990s (Kenyan et al., 2011). In advance of the introduction of the Public Procurement and Disposition Regulations of 2006, a number of research investigations were conducted on purchasing to assess the effectiveness of the procedure as it was then implemented (Griffith & Griffith, 2012). The investigations' main conclusions were that the federal government was spending a lot of

funds on bad transactions and that government contracting was not running well. According to publications, the nation's government tendering structure has to be changed. On October 26, 2005, the Public Procurement and Disposal Act, of 2005, was ratified. Secondary schools that were publicly funded were one of the organizations whose purchasing procedures were to be governed by the Laws, according to the PPDR. It is stipulated in the Public Procurement and Asset Disposal Act, 2015 that purchasing activities must be carried out by acquisition experts whose credentials are accepted in Kenya.

Secondary educational institutions are recognized as class C procurement organizations in the PPDA's first schedule (PPOA, 2007). Good fiscal oversight in government organizations is emphasized in the federal government's Accounting and Finance Act of 2004, which governs the allocation and use of money intended for the Free Secondary Education (FSE) initiative. In order to help achieve this aim, the procurement and disposal of public goods Regulations were designed to increase transparency in the procurement process for government (PPOA, 2007).

2.1.5 Principals' Financial Recording Competences and Financial Performance

In Kenya, the Boards of Managements (BOMs) are tasked with overseeing and managing the monies that guardians, caregivers, donors, the national and local governments donate to secondary schools to support internal monitoring and accounting at secondary schools owned by the government, the Board of Management may create audit committees under the Kenya Basic Education Act (2013). The person in charge of fundamental education receives the audit reports that the committee for auditing produces and delivers to the governing board of administration, which then produces a yearly oversight assessment. The Ministry of Education's audit division is mandated by the Education Act to examine every instructional institution's annual report that receives

funding from the government. Furthermore, authorized auditing and bookkeeping companies are permitted to conduct audits of publicly funded educational establishments; however, this needs authorization in writing from the cabinet secretary responsible for schooling (Kenya Gazette Supplement, 2013). Recording financial activities in the appropriate books of accounts is the task of accountancy. Maintaining records and protecting company assets and papers is one of the regular financial tasks that can be assigned to junior employees (Otieno & Nyangechi, 2013). Statements of finances are intended to give details about the current financial situation, the efficacy of the company's finances, and any modifications that may be relevant to determining financial decisions.

A basic accounting procedure must be used to keep and store financial records, such as cash receipt books, general ledgers, petty cash books, purchases day books, check payments books, general journals, nominal, and so on. In Kenya, public secondary schools often keep journaling, cashbooks, transaction books, vouchers for payments, financial accounting records, and monthly statements from banks in addition to levy registers (Omor, 2005). Education now accounts for a sizable portion of the national budget in Kenya and is a rapidly expanding business (Kiriza, Walela & Kukubo, 2015). The federal government has made significant financial investments in learning; budgetary contributions to the Ministry of Education include between 13.5% and 16.5% of the total national budgetary constraints, with secondary schools that are publicly funded receiving 23% of the ministry's budget (MoE, 2012).

Nevertheless, are still many unsolved problems regarding the handling of money in secondary schools that are publicly owned, doubts over the correctness of tuition outstanding payments, and significant financial difficulties facing the majority of publicly funded secondary schools.

For instance, the total amount of overdue from the collecting of fees at secondary educational institutions by 2008 was Kshs. 15.5 billion. Accordingly, publicly listed secondary educational institutions have significant budgetary difficulties (Munge, Kimani & Ngugi, 2016). The impact of accounting methods on money administration in multiple organizations in industrialized and developing nations has been the subject of several investigations. For example, Hansraj (2007) investigated the function the institution's leaders played in handling money in South Durban, South Africa, and came to the conclusion that prudent financial management is critical for educational institutions in order to ensure that funds are allocated appropriately and to enhance the attainment toward educational objectives.

Ikoya (2005) investigated the decentralization and centralization of handling the physical infrastructure of educational establishments in Nigeria and found that, since it promotes openness throughout administration at schools, decentralization is a successful strategy for controlling the structure of organization in educational organizations. Hansraj's (2007) and Ikoya's (2005) research, nonetheless did not focus on the impact of accounting methods on the governance of finances in educational enterprises, namely in instructional institutions.

In accordance with Mobegi, Ondigi, and Simatwa (2012), there are a number of variables that contribute to money laundering and neglect in secondary educational institutions. These variables involve ineligible account clerks, weak internal surveillance mechanisms, inadequate financial instruction, and an ineffective board of administration, and group and sponsorship actions. The majority of research conducted in Kenya, however, focuses greater on financial administration techniques applied to academic facilities than bookkeeping strategies. The elements impacting the administration of finances in public secondary institutions in Nakuru County were

assessed by Munge, Kimani, and Ngugi (2016). The study focused on the principals and bursars of the country's publicly owned secondary schools using an exploratory assessment investigation approach. Information was gathered using an organized survey and a stratified random sampling technique that yielded 78 samples from the available demographic. The outcomes of the research demonstrated the beneficial and substantial influences of fiscal oversight and management of budgets on the handling of money. The report suggested that robust oversight of finances and efficient budgetary administration processes be implemented in publicly funded secondary schools.

In the Lurambi Sub-county of Kakamega County, Kiriza et al 2015 investigated financial management in secondary educational institutions in Kenya. 17 publicly-funded high school principals and 17 learning institutions accounts clerks were the intended audience for the research, and surveys were used to gather data. The investigation discovered that educational institutions barely produced contributes of own accord primarily benefited from funding from parentages as well as the leadership. Head instructors, department chairs, and bursars prepared the instructional spending plan, and the top levels of principals oversaw and monitored it. The analysis also discovered that during the time the governance structure was unable to accessing, a committee of managers handled the majority of the spending plan recommendations.

In Imenti North, Kaguri, Njati and Thiaine (2014) investigated the financial management issues that arise when free day secondary education is implemented. Although the primary investigators oversaw the scheduled interview sessions, the BOGs and PTAs provided data for the research via surveys. The investigation discovered that financial statements were badly produced, inspection was carried out arbitrarily, and accounting was frequently done in a careless or nonexistent manner with little to no participation from understanding investors.

According to the report, policy tracing has to be improved in order to ensure that funds allocated for schooling are used appropriately, sufficiently, and responsibly. This may be achieved by contracting with consultants or conducting external audits. Uyar (2010) investigated cost accounting and leadership practices used by Istanbul, Turkey-based production companies. The study employed surveys to collect data from 61 enterprises, including large companies as well as medium-sized and small businesses. The study discovered that job costing was the most popular cost-management technique and that the biggest placement challenge in pricing products was related to production complexity. The survey also discovered that businesses believe classic accounting procedures to be still important, whereas newer activities such as pricing transfers and planning for success are thought to be less important than the older ones.

2.1.6 Principals' Financial Auditing Competences and Financial Performance

Implementation of fiscal oversight in organizations from both the private and public sectors has drawn interest recently from authorities, shareholders, financiers, and scholars. The underlying assumption of this is the widespread agreement that sound business management processes depend heavily on financial oversight. Educational institutions are not immune from this practice as Okon, Ukpong, and Akpan (2011) said that principals' good implementation of financial oversight is a prerequisite for efficient education governance.

Parents can even assess the caliber of school principals based on their money management skills (Chikoko, 2008). One of these accounting oversight procedures that is used to lessen or stop fraud and money embezzlement is audits. In the business world, audits are often conducted on a quarterly basis to ensure that organizational objectives are met on time. Establishing a separate internal auditing departments to carry out such an important function has been prioritized by larger companies and those with greater

financial clout. In educational settings in Zimbabwe, assessments do not constitute a new practice. Its history dates to the 1980s, however it hasn't been as frequent as the restricted industry. Because the multiple currencies scheme was implemented in Zimbabwean educational institutions in 2009, the study area has recently become more popular. Financial oversight among educational institutions came into the focus of numerous stakeholders as tensions involving families and their individual school stewards, principals in schools and School Development Committees (SDC), amid unparalleled claims of finances and levies misappropriation by the latter, grew. The federal government was worried by the parental uproar about the mishandling of educational funding, as seen by the outrage voiced by educational ministers Hon. David Coltart and his replacement, Dr. Lazarus Dokora.

The legislature was compelled to carry out an institution of learning assessment in order to determine the amount of decay within educational institutions and stop officials from misappropriating educational funding as a result of money laundering episodes that cost institutions millions of US dollars nationwide (Ndlovu in the Herald of June 8, 2015). Many people believe that a more independent, decentralized school administration system is to blame for the numerous instances of abuse and theft of school finances (Caldwell, 2005 in Barrera-Osorio, Fasih, Patrinos and Santibanez, 2009; Australian Education Union (AEU), 2012).

It is widely accepted, in contrast to popular conviction, that in order to accomplish successful leadership, developing as well as advanced nations moved from comparatively consistent, headquartered administrative systems to school-related management systems for education (Yau & Cheng, 2011). Similar to this, the decentralization of educational institutions in Zimbabwe was predicated on freeing the authorities from a massive educational bill that was needed to pay for wages, supplies,

and furnishings in order to raise the graduation rate and enhance the standard of instruction overall. Even with such good intentions, ineffectiveness served as a cover for the lack or incorrect implementation of economic safeguards. Kenya's secondary schools that are publicly funded get significant funding from a variety of sources, comprising the government's Free Secondary Schooling Funds, scholarship programs, tuition costs, and infrastructure upgrades. These funds must be used wisely in order to raise the nation's educational attainment. For instance, authorities and investors spent Ksh.28.3 billion on educational facility upgrades between 2003 and 2008. Investigations on this topic have focused on management concerns.

Statistics show that up to 60% of these revenues are mishandled, which results in inadequate achievement of the secondary education institutions. Although the function of auditing processes in financial oversight has been examined for a variety of institutions, it is unclear how specifically these procedures relate to the economic achievement of secondary schools that are publicly funded. The goal of the Kiyondi (2016) research was to determine how auditing procedures affected the financial oversight of secondary educational institutions in Kenya's Kisii County, specifically in Kisii South Sub-County.

The study focused on 31 publicly funded high school principals and 31 bursars in the Kisii South Sub-county. Audit preparation has a substantial beneficial impact on the administration of finances ($\beta = 0.394$; $p < 0.05$); auditing procedure behavior has an beneficial and significant connection with financial leadership at ($\beta = 0.706$; $p < 0.05$); the reporting of audits has a minor association with financial administration in publicly funded secondary schools ($\beta = 0.112$; $p < 0.05$); and auditing procedure monitoring contributes positively and significantly to financial administration in publicly listed secondary educational institutions ($\beta = 0.404$, $p = 0.00$).

These findings are consistent with the investigation's conclusions. It is determined that considering auditing procedures are not frequently used by school administration, financial oversight in publicly funded secondary schools is low. The investigation suggests that auditing procedures be widely used in publicly funded secondary educational institutions as they have a significant impact on the administration of financial matters, and that inspection actions be widely used since it has the biggest impact on secondary school financial management. The goal of accounting is to examine a learning corporation's accounting records and determine if its accounting records are accurate and unbiased (Okumbe, 1999).

The last step in the procedure for handling educational institutions involves reviewing the financial records of schools. The school's administrative committees, also known as the institution's regulatory organs, requires an inspected accounting statement from the headteacher at the conclusion of each fiscal year. According to MoEST Good School Governance (2000), this is one of the principals' and directors' primary responsibilities. Insufficient control was identified as a primary cause of the backlog associated with educational establishment audits by the Education Commission Report (Republic of Kenya, 1988) and the TIQET Koech Report (Republic of Kenya, 1999).

Poor leadership and financial plundering at educational facilities were further concerns. According to the requirements assessment of the ministry's operational and expert assistance offered to Kenyan educational institutions from 1976 to 2002, paragraph 623 shows that deficiencies in the ministry's auditing function contribute to the mishandling of educational assets. The auditing unit inside the department of finance has become marginalized in terms of both location and activities, as verified by the nationalization team. Consequently, the finances for teacher training division at HQ has established a counterpart organization.

All educational institution accounting and audit records are received by this unit. The investigators also found that instructional officials, not qualified the auditing profession, worked in the unit. This structure is poor as there is no connection to the ministry's field audit services, in addition to its absence of competence. Because of the aforementioned, audits of schools are ineffective; in fact, some take a maximum of five years to complete. Because of the widely disseminated nature of the assessment, even after they are reviewed, the findings are not utilized to enhance school administration.

The auditing department of the Ministry of Education, Science, and Technology lacks essential operating instruments, including gasoline and transportation, appropriate paperwork, and machinery like calculators, typewriters, and photocopiers, according to Mutahoed Company Consultants (1997). It's certainly possible that low motivation amongst certain institution of learning accountants was influenced by the lack of an extensive assistance plan for accountants and accounting executives in these schools.

2.2 Theoretical Literature Review

This research was anchored on two theories namely the financial management theory as well as the efficiency theory.

2.2.1 The Financial Management Theory

This study was guided by the financial management theory which was proposed by Adams (1994). This theory holds that everyone, even school principals, has to understand how to effectively operate and allocate funds sensibly. To be sensible, in his opinion, is to simply use money sensibly with the intention to maximize objective achievement. It is important to remember that exhibiting prudent means using good judgment while managing day-to-day matters and operating cautiously following giving considerable consideration to a decision or preparing ahead of time. When managing the budget, the financial officer of the educational institution should cut out unnecessary

expenses, both in regards to time as well as funds. According to Adams (1994), the primary objective of any business ought to be the maximizing of everyone informed value rather than earning a profit. As a result, only expenditures in public secondary educational institutions that are beneficial to all parties involved ought to be made or taken into consideration. This logic is consistent with theory, which holds that a corporation ought to constantly function within its limits and optimize its own assets in a devoid of inefficiencies in addition to external interference. The concept of theory was chosen for this study because it supported the idea that managing finances needs to be understood in conjunction with the cultural and social milieu in which it plays a crucial and reliable role in the sharing of monetary data about educational institutions.

2.2.2 The Efficiency theory

The study was also anchored on the efficiency theory which was postulated by Havey Leibenstein (1993). This theory states that a firm the educational institution's overall effectiveness depends on its ability to convert inputs at the lowest possible cost into the highest possible profit. It is crucial to remember that the institution's achievement in achieving a lot with fewer facilities may convey volumes regarding its executives' ability to effectively oversee the available funds and project an image of competence. The idea also rests on the idea that business activity is a collection of procedures that businesses employ to boost output effectiveness.

Optimizing the manufacturing process and company operations to maximize efficiency is the focus of operations leadership. According to effectiveness theory, principals may better organize and regulate their spending by knowing exactly when and where expenses arise as well as which costs enhance the worth of an item. Principals respond to variations in volume by purposefully adjusting resources.

2.3 The Conceptual Framework

In this study, the conceptual framework was based on principals' financial competencies such as budgeting, procurement, financial recording and auditing competencies which constituted independent variables. The dependent variable was financial performance in public secondary schools. Intervening variables included; stakeholders' ethical integrity and government policy on financial management as shown in Figure 1;

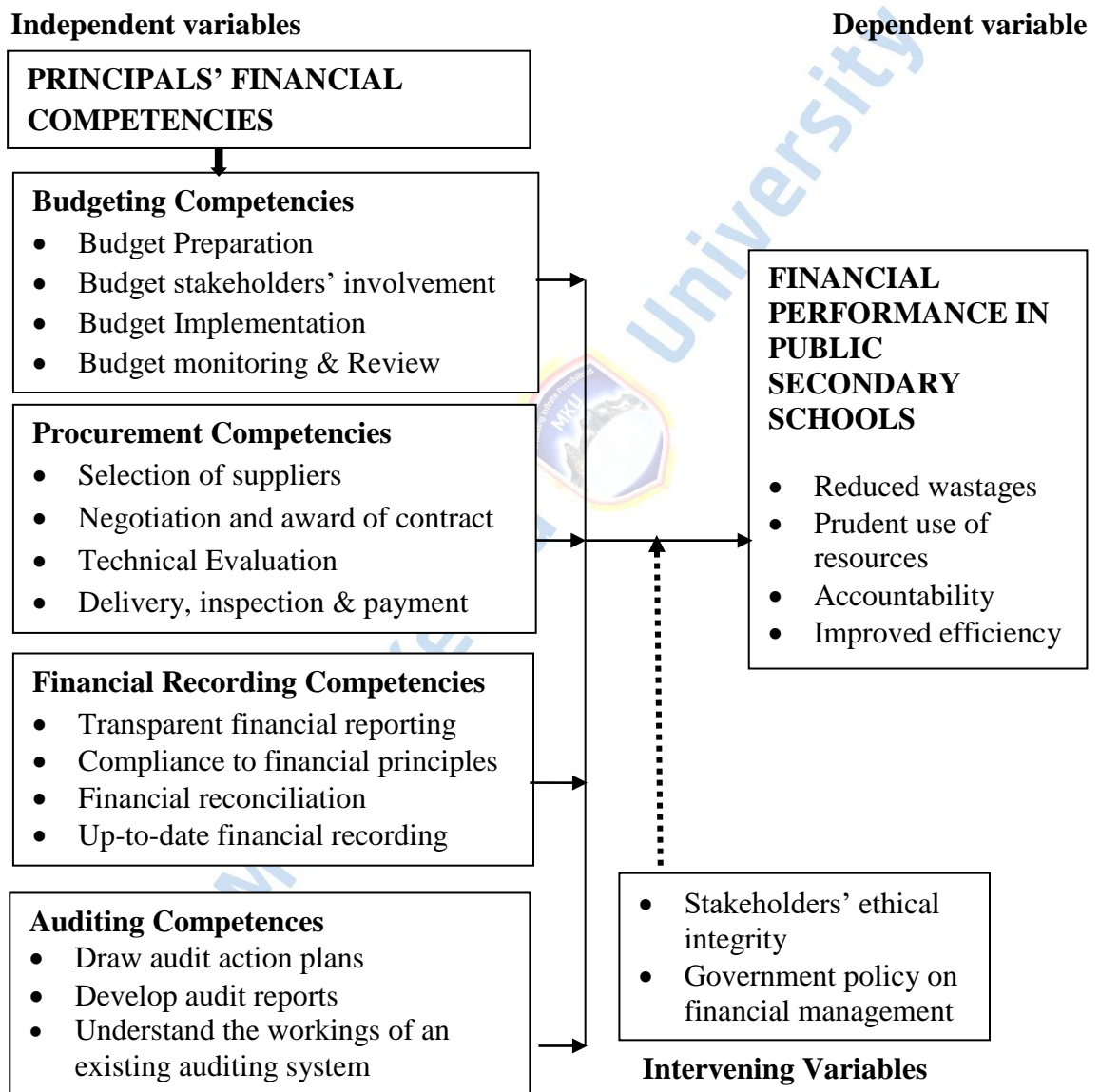


Figure 1: The Conceptual Framework
Source: Researcher (2024)

2.4 Research Gaps

The results of the Magak (2013) study demonstrated that secondary school principals and heads had difficulties with controlling their money. Excessive spending and insufficient spending, entering books of finances, expanding of duties, inadequate pay of bursars and accounts employees, inept bursars/accounts clerks as well as storekeepers, instructors failing to turn in taking into account evidence, delayed payments of FSE funds, failing to pay tuition fees, illicit charges, inept purchasing committees, ineffective principals, incapable heads of schools, unpredictable municipality inspectors audits of education institutions, and not being able to establish materials of accounts up to the conclusion of accounting were among the most significant obstacles.

Research by Nelius and Onyango (2022) identified a number of obstacles that principals must overcome in order to adopt control over finances measures, notably an absence of openness and development, insufficient funding, and a shortage of collaboration among partners. According to the report, school principals ought to receive assistance in acquiring the information and abilities required for effective accounting. The goal of Mapolisa et al. (2016)'s study was to ascertain the difficulties principals in Nkayi District encountered when handling school money. The thirty secondary educational institutions in the district made up the total population. Forty participants were specifically chosen from a group of 10 institutions that were created using random sampling.

The survey found that there had been minimal to no oversight of budgeting concerns by Ministry of Primary and Secondary Education finance division staff, and that the majority of principals lacking the accounting proficiency necessary for efficient administration of educational institution budgets.

The research suggested that educational institution improvement committee participants, assistant principals, and principals should participate in capacity-building initiatives. In order to keep an eye on how funds are being used in the education institutions, the Ministry ought to undertake more formal and informal consultations to institutions up order to fill up these gaps, the current investigation would evaluate how the principals' financial competences affect financial performance in public secondary schools.

2.5 Summary of Literature Review

The portion of the literature review went into detail about a number of potential problems with money management and competences that secondary school principals may encounter. Additionally, the literature evaluation revealed a number of discrepancies amongst the researchers that conducted the investigations. There is still more to be done, though, as the evaluation did not identify the relationship between financial success and the monetary competences used by principals. As such, the focus of the present inquiry would be to address and close these areas of inquiry. The research approach used in the investigation is described in the chapter that follows.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research methodology that was used to carry out the study. It focuses on the research design, location of the study, target population, sampling and sampling procedures, research instruments, piloting of research instruments, validity, reliability, credibility, dependability, data collection procedures, data analysis procedures and ethical considerations.

3.1 Research Methodology

The study applied mixed methodology, that is, both qualitative as well as quantitative were applied in this investigation. This strategy worked well since the research will gather and examine data from both sides in one investigation. The power of the two types of techniques was used by the investigators in the current investigation to support one another. Creswell (2014) states that a quantitative approach involves the researcher posing targeted questions to a significant number of respondents in order to get data that can be quantified. In this instance, questionnaires were used to gather information. Simultaneously, the perspectives of those who participated were relied upon to gather qualitative information, which primarily consisted of respondent comments. In this instance, interviews were used to gather information.

3.2 Research Design

The study utilized a concurrent triangulation design, as it involved the simultaneous use of quantitative and qualitative methods within the same timeframe and with equal importance. This design allowed for the collection and analysis of both types of data separately but concurrently, aiding the researcher in gaining a comprehensive understanding of the research problem.

The integration of the two sets of data was done during the interpretation phase. This design was well-suited for the study as it allowed for the collection of both quantitative data, which were presented numerically, and qualitative data.

3.3 Location of Study

The research took place in Tharaka South Sub-county, which was a part of the Eastern Province before it was abolished in 2010 and a new administration system was put in place. Its borders to the north are shared with Meru County, to the south with Embu County, and to the west with Kitui County. The main trade hub, Gatunga Market, is home to the Sub-County headquarters. The location has been selected due to the fact that public secondary schools in Tharaka South Sub-county frequently report financial misconduct by means of low tendering process, corruption, low implementation of projects, excessive spending in principals' training competencies establishing, as well as an absence of responsibility and openness, thus, the focus on Tharaka South Sub-county as the location of study.

3.4 Target Population

Target population was 226 respondents which comprised 28 principals, 140 Heads of Departments (HoDs), 20 BoM Chairs, 28 bursars and 2 county and sub-county Auditors as shown in Table 1:

Table 1: Target Population of the Study

Categories	Target Population	% Proportion
Principals	28	13%
HoDs	140	62%
BoM Chairs	28	13%
Bursars	28	13%
County & Sub-county Auditors	2	0.009%
Total	226	100%

Source: Tharaka South Sub-county Education Office (2024)

3.5 Sampling Procedures and Sample Size

For the purpose of this investigation, 144 respondents were determined as the sample size using Yamane's Formula. The process was as follows:

$$N_0 = \frac{N}{1 + N(e^2)}$$

Where N_0 is the intended sample size at the 95% confidence interval, N is the intended population, and e is the 5% level of confidence (or 0.05 in decimal notation).

Therefore, the ideal sample will be:

$$N_0 = \frac{226}{1 + 226(0.05)^2}$$

$$N_0 = 144 \text{ respondents}$$

Six strata were formed using stratified sampling in accordance with the approximate number of zones in the Tharaka South Sub-county. With this sampling technique, samples from all areas were proportionately represented, homogenous and consistent. Using stratified purposive sampling, 3 principals from every region were chosen, taking into account public secondary schools where instances of financial embezzlement have resulted in principal's promotions or terminations. Purposive sampling was used for the selection of the two Auditors.

Employing stratified purposive sampling, 3 principals from every region are going to be chosen, taking into account secondary schools that are publicly funded where instances involving money embezzlement have resulted in principal's promotions or terminations. This is due to the fact stated by Creswell (2014), the purpose of purposive sampling is to test hypotheses regarding the surroundings and ensure that one fully comprehends the variance in the phenomena that are interesting in the environment as shown in Table 2;

Table 2: Sampling Grid

Categories	Target Population	Sample Size	Sampling Techniques
Principals	28	18	Stratified sampling
HODs	140	90	Stratified sampling
BOM Chairs	28	18	Stratified sampling
Bursars	28	18	Stratified sampling
County/Sub-county Auditors	2	2	Purposive sampling
Total	226	144	

Source: Researcher (2024)

3.6 Research Instruments

These are tools which were used to gather information about the specific set themes of research objectives. These included questionnaire for heads of departments and interviews for principals, bursars, BoM chairs, county as well as sub-county auditors.

3.6.1 Questionnaire for Heads of Departments

In this study, questionnaires were used to collect quantitative data from heads of departments. The questionnaires had both open-ended and closed-ended assessments. This is so since a questionnaire, in the words of Morse (2010), is an instrument for study made up of a set of inquiries, jointly with additional suggestions to gather information from respondents. Often, when creating it, the statistical analysis of the answers is taken into consideration. There were two distinct sections of the questionnaire. Participants in the study were able to provide additional details in response to broad inquiries, which provides the investigator with more contextualized and helpful feedback.

The times taken to respond to closed-end inquiries were shorter, which boosted percentages of responses. Additionally, the data were simpler to evaluate and assess attitude generally. The general characteristics of the participants were covered in the first portion, and the four objectives of the study were on the basis for 5-point Likert Scale-style items in the subsequent part.

3.6.2 Interview Guide for Principals, Bursars, BoM Chairs and County/Sub-county Auditors

Interviews were applied to gather data from principals, bursars, BoM chairs, county as well as sub-county auditors. For the purpose of this investigation, planned discussions was crucial since they allowed the investigator to ask follow-up and deeper inquiries. To help those who conduct them, scholars, and examiners gather data or additional knowledge on a certain topic or issue, interview schedules are essentially lists of organized inquiries that were previously established in advance. The researcher utilized the timeline, filling in the blanks with the responses obtained during the real inquiry. Routines for interviews have been shown by Lindlof and Taylor (2002) to improve the validity and dependability of information collected. Because investigators and scholars may pose subsequent inquiries or explanations to the inquiries they've already set up, it enables them to obtain additional details.

3.7 Piloting of Research Instruments

The pilot study 15 participants (principals, HoDs, BoM Chairs, Bursars and County Auditors) selected from public secondary schools in Tharaka South Sub-county. As recommended by Kothari (2005), the pilot sample size should be 10% of the total study sample, which in this case is 10.0% of 144. The objective of the piloting phase was to evaluate the suitability and clarity of the questions within the designed instruments, assess the relevance of the information being gathered, and determine the appropriateness of the language employed.

The outcomes of the piloting were utilized to pre-test the research instruments, thereby validating and confirming their reliability. This phase also aimed to identify potential issues or challenges that respondents might face, such as difficulties in interpretation while completing the questionnaires and managing their time during data collection.

Furthermore, the interview schedules underwent trial runs to ensure that the questions were articulated clearly and elicited a suitable range of responses, which helped the researcher pinpoint areas needing revision. It is important to note that participants in the piloting process were not included in the main study to prevent any bias.

3.7.1 Validity

There was triangulation of information gathered using several techniques in order to guarantee the validity of the study equipment. Thus, shortly after conducting interviews for the present investigation, the information from the interviews were transcribed by investigator and returned for member verification. The technique of group debriefing was also used to guarantee the correctness of the findings. Experts in the field of study under investigation examined the information in this regard. The specialists went through the procedures and explanations and posed questions. The investigator intended to engage professionals with expertise in school management and administration in this investigation. The tools were revised in light of their feedback, opinions and ideas.

3.7.2 Reliability

Test re-test technique was used to establish reliability of the test items. In this case, the test items were administered twice to a group of respondents at intervals of two weeks. Cronbach Alpha Method was used to establish the reliability index, $r = 0.725$, between the two sets of scores., which indicated high internal consistency. This is because, according to Kothari (2005), the closer the reliability coefficient is to 1, the higher internal consistency of the test items in the scale. According to Kothari (2005), any reliability coefficient value between 0 and 1 implies high internal consistency.

3.7.3 Credibility

The credibility of instruments was ascertained by data triangulation through multiple analysis because the participants/readers are the only ones who reasonably judged the credibility of the results.

The credibility is involved in establishing that the results of the research are believable by relying more on quality of work and not the quantity (Kothari, 2005). According to Creswell (2014), credibility is involved in establishing that the results of the research are believable by depending more on the richness of the information gathered, rather than the amount of data gathered.

3.7.4 Dependability

In this study, to guarantee dependability, each qualitative data collection process was reported in detail to enable the researcher to repeat the inquiry and achieve similar results. According to Kothari (2005), dependability ensures that the research findings are consistent and could be repeated. This is measured by the standard of which the research is conducted, analyzed and presented. Each process in the study was reported in detail to enable the researcher to repeat the inquiry and achieve similar results. This also enabled the researcher to understand the methods and their effectiveness.

3.8 Data Collection Procedures

The researcher obtained an introductory letter from The School of Postgraduate Studies at Mount Kenya University, as well as an Authorization Letter and Research Permit from the National Commission for Science, Technology, and Innovation. Additionally, the researcher sought an authorization letter from both the County Commissioner and County Director of Education in Tharaka Nithi. Once these documents are obtained, the researcher proceeded to schedule appointments with the respondents to administer questionnaires and conduct interviews, thereby collecting the necessary data for the study. The researcher scheduled meetings with participants to give them questionnaires

and carried out conversations to gather preliminary data for the investigation after acquiring research permissions and letters of authorization. The completed questionnaires were gathered and securely kept in preparation for the analysis of the information. Concurrently, interviews were carried out to get qualitative information from the participants.

3.9 Data Analysis Procedures

Data analysis commenced with the identification of prevalent themes derived from the participants' accounts of their experiences. The pertinent information was segmented into phrases or sentences, each encapsulating a distinct thought. Responses to the closed-ended questions were categorized with specific codes and labels. Frequency counts of these responses were calculated to provide insights into the characteristics of the respondents. Qualitative data underwent thematic analysis aligned with the study's objectives and was subsequently presented in narrative format. Quantitative data were analyzed descriptively through the use of frequencies and percentages, as well as inferentially using linear regression, utilizing Statistical Packages for Social Science (SPSS Version 23), and were displayed in tabular form.

3.10 Ethical Considerations

Ethical considerations in research involve outlining the content of research and what was required of participants, how informed consent was obtained and confidentiality ensured.

3.10.1 Confidentiality and Privacy

The researcher ensured that any information given by the respondents that touches on their personal or their private life was kept confidential. The respondents were assured that no identifying information about them would be revealed in written or other

communication. Concerning confidentiality, the respondents were assured that the information provided was only used for the stated purpose.

3.10.2 Anonymity

The researcher assured the respondents that their identities would not be revealed whatsoever. Besides, no identifying information about them or the institution would be revealed in written or other communication.

3.10.3 Informed Consent

The nature and the purpose of the research were explained to the respondents by the researcher. The researcher explained to the respondents the procedure to be followed during the data collection so that they could participate willingly. The researcher, thus sought consent from the respondents who were required to sign informed consent forms.

3.10.4 Storage of Data Collected

The raw data collected were filed for easy reference. Once the data were analyzed, computer print-outs were filed while softcopies were stored in storage devices such as CDs and flash discs.

3.10.5 Intellectual Ownership and Plagiarism

The investigator ran the research project into the TURNITIN software to guarantee its originality free of duplication. Every time, this was completed prior to the defense. The overall proportion stayed at no higher than 15%. The citations were part of this. The research project was cleaned and resubmitted in the software for originality assessment anytime the likelihood of plagiarism rises. This ultimate originality index was attached in the document (Appendix XIV).

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter presents the findings of the study. For clarity and chronology, it is arranged according to the four research questions that the study sought to answer. In the first section, however, demographic information about the respondents is presented, because it might be pertinent in interpreting the data that they provided.

4.1 Response Rate

In this study, 90 questionnaires were administered to Heads of Departments and 89 questionnaires were filled and returned. The researcher also interviewed 15 principals, 15 Chairs of BoM, 15 bursars and 2 County/Sub-county Auditors. This yielded response rates shown in Table 3;

Table 3: Response Rates

Respondents	Sampled Respondents	Those Who Participated	Achieved Return Rate (%)
Principals	18	15	83.3
Heads of Departments	90	89	98.9
Chairs of BoM	18	15	83.3
Bursars	18	15	83.3
County/Sub-county Auditors	2	2	100.0
Total	144	136	94.4

Source: Field Data (2024)

Table 3 shows that principals registered a response rate of 83.3%, Heads of Departments registered 98.9%, Chairs of BoM registered 83.3%, bursars registered

83.3% whereas County/Sub-county Auditors registered a response rate of 100.0%. This yielded an average response rate of 94.4% which is consistent with the assertions of Creswell (2014) that a response rate above 75.0% is adequate.

This information was important since it allowed the researcher to generalize the study outcomes to the target population.

4.2 Respondents' Demographic Information

The research instruments solicited demographic information of the respondents. These included gender and level of education. This was necessary because this variable could influence their ability to supply credible information about the research objectives.

4.2.1 Gender of the Respondents

Information about the distribution of the respondents by gender was collected and the results are shown in Figure 2:

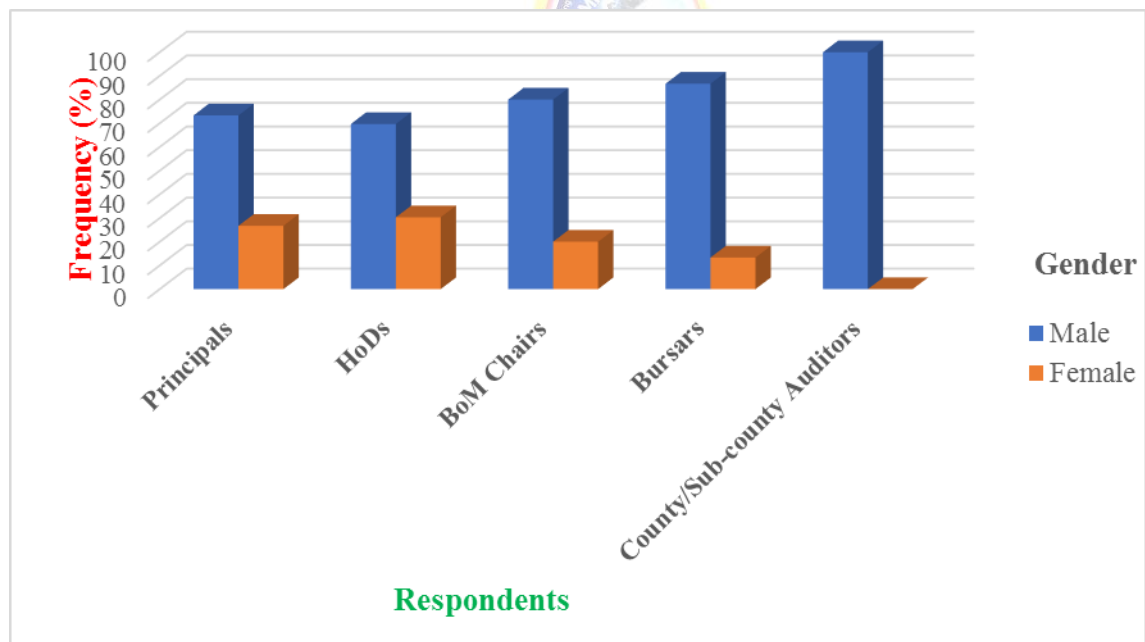


Figure 2: Distribution of the Respondents by Gender
Source: Field Data (2024)

Figure 2 indicates that 11(73.3%) of the principals were male whereas 4(26.7%) were female. In the same token, majority, 62(69.7%), of the Heads of Departments were male with 27(30.3%) being female. Similarly, a record majority, 12(80.0%) of the Chairs of

school BoM were male whereas their female counterparts constituted 3(20.0%). Most of the bursars, 13(86.7%), were male while female bursars were 2(13,3%). However, all the County and Sub-county Auditors were male.

These data reveal that there was adequate gender parity at all levels of the study and that the extent to which principals' financial competencies influence cases of financial performance in public secondary schools concerns to male and female stakeholders. In other words, collecting information on respondents' gender is crucial in a study on principals' financial competencies affecting financial performance because gender perspectives can reveal different experiences, roles as well as responses. Understanding these differences allows for tailored interventions, ensuring strategies are equitable and effectively address the root causes of low financial performance in secondary schools.

4.2.2 Respondents' Level of Education

The research tools also elicited information on level of education of all the respondents. Results are shown in Figure 3;

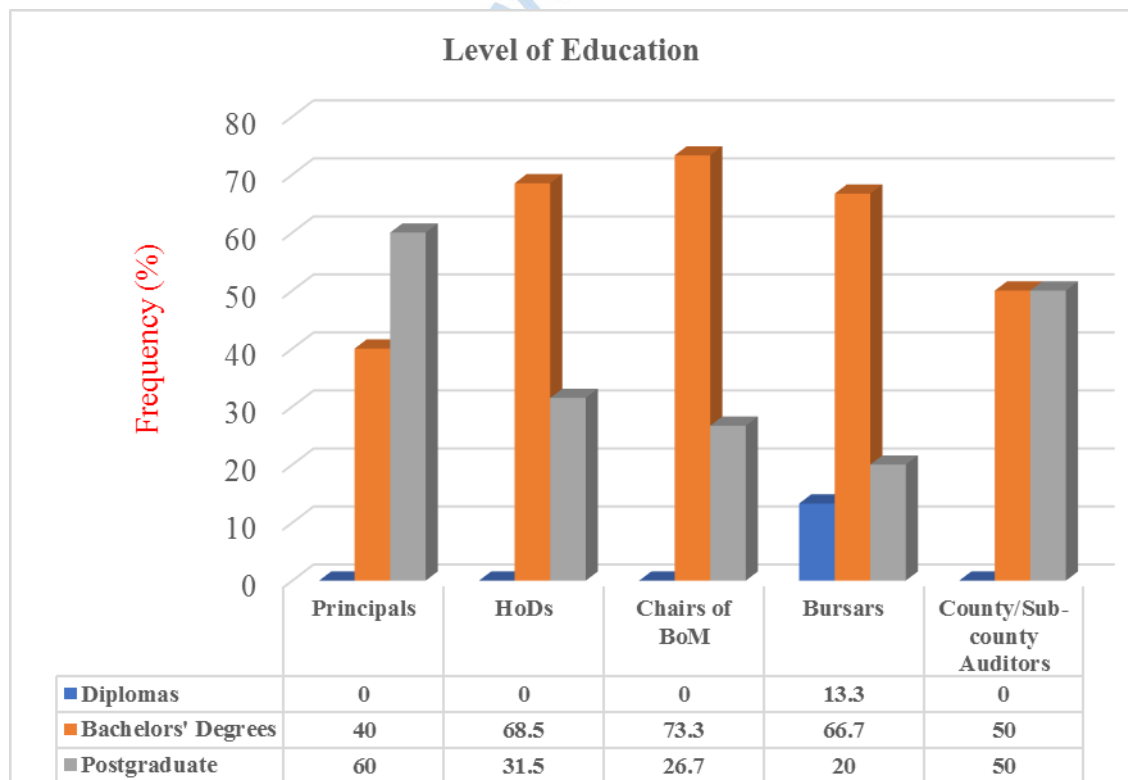


Figure 3: Respondents' Level of Education
Source: Field Data (2024)

Figure 3 shows that majority, 6(60.0%), of the principals had Bachelors' Degrees whereas 4(40.0%) had postgraduate qualifications. However, majority, 61(68.5%), of the Heads of Departments had Bachelors' Degrees whereas 28(31.5%) had postgraduate qualifications. Majority, 11(73.3%), of the Chairs of BoM had Bachelors' Degrees while 4(26.7%) had postgraduate qualifications. Two-thirds, 10(66.7%), of the bursars had Bachelors' Degrees, 3(20.0%) had postgraduate qualifications whereas 2(13.3%) had Diplomas. In the same token, half, 1(50.0%), of the County and Sub-county Auditors had Bachelors' Degrees as did those who had postgraduate qualifications.

This was important since collecting information on respondents' educational level is essential in a study on how principals' financial competencies influence financial performance in secondary schools, as it helps assess the respondents' understanding of policies, interventions, and communication effectiveness. This insight ensures targeted strategies are informed by knowledge gaps and varying educational backgrounds, enhancing intervention success. This also reinforced the expectations that they were competent to respond to questions on the extent to which principals' financial competencies influence financial performance in public secondary schools.

4.3 Status of Financial Performance in Public Secondary Schools

The study sought to assess the status of financial performance in public secondary schools. Descriptive data were collected from Heads of Departments and results are shown in Table 4;

Table 4: Views of Heads of Departments on the Status of Financial Performance in Public Secondary Schools

Test Items	Ratings				
	SA %	A %	U %	D %	SD %
Public secondary schools often waste financial resources every fiscal year	50.9	5.2	4.0	26.6	13.3
In public secondary schools, there are few instances of prudent use of financial resources	55.1	9.0	4.5	21.3	10.1
In public secondary schools, there is no accountability for the available financial resources	50.6	7.9	3.4	30.3	7.8
In public secondary schools, instances of financial inefficiency have been on the rise	48.3	7.9	4.5	31.5	7.8

Source: Field Data (2024)

Table 4 shows that majority of the Heads of Departments sampled (50.9%) strongly agreed with the view that public secondary schools often waste financial resources every fiscal year whereas a paltry 13.3% responded on the contrary. In the same token, most of them (55.1%) were in strong agreement with the view that, in public secondary schools, there are few instances of prudent use of financial resources with only 14.8% strongly disagreeing. Slightly more than half (50.6%) of the Heads of Departments strongly agreed with the view that, in public secondary schools, there is no accountability for the available financial resources whereas only a paltry 7.8% respondent on the contrary.

From the study, a fair proportion of the Heads of Departments (48.3%) strongly agreed with the view that, in public secondary schools, instances of financial inefficiency have

been on the rise while only 7.8% strongly disagreed. These findings point to the fact that financial mismanagement in public secondary schools has been a recurring concern in various countries. This further indicates that public secondary schools waste financial resources every fiscal year, exhibit few instances of prudent financial use, and experience increasing cases of financial inefficiency, exacerbated by a lack of accountability. These findings corroborate the findings of a study carried out by Adofo (2022), which revealed that, in many schools, funds intended for essential services such as school infrastructure, teacher salaries, and learning materials are often diverted to non-essential or poorly prioritized areas. According to Adofo (2022), such misallocations result in students and teachers lacking the basic materials and infrastructure they need to succeed, causing long-term harm to educational outcomes.

These findings also support the assertions of Nwagwu (2021) that improper procurement processes and inflated costs for supplies and services have been cited as frequent issues that drain resources without adding significant value to educational environments. Research conducted by Harrison and Karanja (2021) also found that in a few well-performing schools, administrators utilized strategic financial planning, implemented efficient procurement systems, and ensured the transparency of their financial decisions.

These schools were able to operate within their allocated budgets while ensuring optimal student outcomes. However, these success stories are overshadowed by the larger trend of financial waste. These findings point to the fact that financial mismanagement is a pervasive issue in public secondary schools. With instances of resource wastage, few examples of prudent use, a lack of accountability, and growing inefficiencies, there is an urgent need for reforms in financial governance and management practices.

4.3.1 Thematic Analysis

During the interviews, however, the principals responded on the contrary by stating that they often ensure that there are austerity measures to be adhered to and reduce wastage of financial resources. Principal, P1, stated;

In my secondary school, I have always adopted the fiscal policies proposed by the Ministry of Education and allocate resources as per the guidelines. This has seen a reduction in wastage of resources, ensured prudent use of the same and thus, enhancing accountability. These views were echoed by the chairs of school BoM and bursars who also stated that principals have often enforced stricter adherence to fiscal policies and regulations drawn by the Ministry of Education on how funds allocated should be used.

However, on their part, the County and Sub-county Auditors stated that, despite the concerted by the principals to reduce wastage of financial resources, there are still instances of inefficiency and lack of accountability. Despite these contradictions, these findings underscore the vitality of prudent use of financial resources as key to the success of public secondary schools. The perspectives presented further reinforce the claims made by Harrison and Karanja (2021) that certain high-performing schools effectively employed strategic financial planning, established efficient procurement processes, and maintained transparency in their financial operations.

However, these positive examples are eclipsed by a broader pattern of financial inefficiency. The evidence indicates that financial mismanagement is a widespread challenge in public secondary schools. With numerous instances of resource waste, limited examples of responsible financial practices, insufficient accountability, and increasing inefficiencies, there is a pressing need for reforms in financial governance and management strategies.

4.4 Principals' Budgeting Competencies and Financial Performance in Public Secondary Schools

The study sought to examine the influence of principals' budgeting competencies on financial performance in public secondary schools. Descriptive data were collected from Heads of Departments and results are shown in Table 5;

Table 5: Views of Heads of Departments on the Influence of Principals' Budgeting Competencies on Financial Performance in Public Secondary Schools

Test Items	Ratings				
	SA %	A %	U %	D %	SD %
Public secondary school principals rarely understand budgeting planning as a way of improving financial performance	51.7	11.3	5.6	5.6	25.8
In public secondary schools, principals rarely engage other players in budgeting to improve financial performance	53.7	14.8	5.6	11.1	14.8
Public secondary school principals rarely know how to fully implement budget plans to improve financial performance	57.4	9.3	7.4	9.3	16.7
In public secondary schools, principals sometimes undertake budget monitoring and review to improve financial performance	48.1	18.5	5.6	9.3	18.5
In public secondary schools, principals rarely know how to prepare budgets to ensure that staff have their salaries in time	66.7	11.1	3.7	5.6	13.0

Source: Field Data (2024)

Table 5 shows that slightly more than half (51.7%) of Heads of Departments were in strong agreement with the view that public secondary school principals rarely understand budgeting planning as a way of improving financial performance with slightly more than a quarter (25.8%) strongly disagreeing. These findings affirm the fact that a well-structured budget can lead to improved financial performance, while poor budget planning can have detrimental effects on the overall functioning of a school.

Despite its importance, the study found that school principals often lack the necessary knowledge and skills to engage in budgeting processes effectively. These findings lend credence to the findings of research carried out by Kaplan and Owings (2019), which found that the focus of many school leaders tends to be on pedagogical and administrative responsibilities, with little emphasis on financial matters. A study carried out by Thurlow and Weber (2020) also found that many principals have a superficial understanding of these concepts. A principal who lacks knowledge of financial management may struggle to make informed decisions about resource allocation, leading to overspending or underfunding of critical areas. Consequently, this lack of understanding hinders school's ability to improve its financial performance.

In the same token, most of the HoDs (53.7%) strongly supported the view that, in public secondary schools, principals rarely engage other players in budgeting to improve financial performance while 14.8% strongly disagreed. These findings are consistent with the findings of a study conducted by Becker and Simons (2021) which found that schools with collaborative budgeting processes tended to have better financial performance because multiple perspectives allowed for more informed decision-making. However, Becker and Simons (2021) also found that many principals do not fully embrace a participatory approach to budgeting.

The reluctance to engage others in the budgeting process often stems from a desire for control or a lack of trust in others' financial judgment. As a result, budgets are often developed in isolation, reflecting the limited perspective of a few individuals rather than the broader needs of the school community. This lack of collaboration can result in misaligned priorities and inefficiencies in resource allocation, which ultimately affect the school's financial outcomes. Slightly more than half (57.4%) of the Heads of Departments strongly agreed with the view that public secondary school principals

rarely know how to fully implement budget plans to improve financial performance with only 16.7% strongly disagreeing. These findings support the assertions of Smith and McPherson (2020) that many schools struggle with adhering to their budget plans due to unforeseen expenses, inadequate monitoring, and a lack of accountability structures. The principals' limited understanding of budget planning compounds these challenges, as they may not have the skills to track expenditures effectively or make necessary adjustments throughout the fiscal year. These issues contribute to poor financial performance and highlight the need for more comprehensive training in budget management for school leaders.

However, a fair proportion (48.1%) of the Heads of Departments strongly agreed with the view that, in public secondary schools, principals sometimes undertake budget monitoring and review to improve financial performance whereas 18.5% strongly disagreed. Two-thirds (66.7%) of the Heads of Departments strongly agreed with the view that, in public secondary schools, principals rarely know how to prepare budgets to ensure that staff have their salaries in time while 13.0% strongly disagreed. These findings lend credence to the findings of research conducted by Jones and Carter (2020) which revealed that delayed salary payments are a symptom of poor budgeting practices, including over-reliance on unpredictable funding sources or underestimation of salary expenses.

In their research, Kelly and Brown (2021) also emphasize the importance of cash flow management in budget preparation. This issue is exacerbated by the fact that many principals do not involve financial experts or administrative staff in the budgeting process, leading to unrealistic assumptions about the school's financial capacity. These findings affirm the fact that secondary school principals rarely understand budget planning as a means of improving financial performance.

This lack of understanding, coupled with the failure to engage other stakeholders in the budgeting process, contributes to poor budget implementation and inadequate financial management. Additionally, schools frequently struggle to prepare budgets that ensure timely salary payments, which further undermines financial stability.

4.4.1 Inferential Analysis

To verify the influence of principals' budgeting competencies on financial performance in public secondary schools, data were collected on how often (Very Often = 5, Often = 4, Sometimes = 3, Rarely = 2 and Never = 1) the principals of the 15 sampled public secondary schools adhere to budgeting preparation procedures and the average number of cases of financial misappropriation in the sampled schools for the last five years (2019-2023). Results are shown in Table 6:

Table 6: Principals' Budgeting Competencies and Financial Performance in Public Secondary Schools

Frequency of Principals' Adherence with Budget Preparation Procedures	Number of Cases of Financial Misappropriation
2	13
2	14
1	10
1	12
2	18
2	14
3	18
4	6
3	7
4	9
2	5
4	8
3	6
2	15
1	11

Source: Field Data (2024)

Table 6 shows that, in public secondary schools where there is adherence to budgeting procedures by school principals plays a crucial role in improving financial performance

by fostering accountability and transparency. When principals consistently follow budgeting guidelines, they ensure that school funds are allocated appropriately and spent according to the established financial plan. This reduces the likelihood of financial misappropriation, as proper checks and balances are maintained. Regular monitoring of expenditures and adherence to set limits also prevent unauthorized spending. Consequently, sound financial management practices enhance resource optimization, allowing schools to meet their educational goals efficiently while minimizing financial losses due to mismanagement. These results were further subjected to linear regression analysis and results are shown in Table 7;

Table 7: Relationship Between Principals’ Budgeting Competencies and Financial Performance in Public Secondary Schools

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	32.075	5.094		6.296	.000
Principals’ Budgeting Competencies	1.400	.518	.527	2.705	.014

a. Dependent Variable: Financial Performance in Public Secondary Schools

Table 7 shows linear regression analysis which generated a linear model of the form; **Financial Performance in Public Secondary Schools = 32.075 + 0.527Frequency of Principals’ Adherence to Budgeting Procedures**. These results from the linear regression equation indicate that the coefficient for financial performance reflected through the number of cases of financial misappropriation in public secondary schools attributed to how often principals adhere to budgeting procedures is 0.527. This implies that for every increase in the number of times principals adhere to budgeting procedures, financial performance in terms of efficiency and reduced cases of misappropriation is expected to decrease by a factor of 0.527 (positive coefficient). The value 32.075 indicates that financial performance in public secondary schools is not

only dependent on principals' budgeting competencies, but a multiplicity of other inherent factors not under investigation such as principals' attitude and management training among others. Table 7 shows a p-value of 0.014, which is less than 0.05 ($0.014 < 0.05$). This indicates that there is a significant influence of principals' budgeting competencies on financial performance in public secondary schools. This implies that effective budgeting ensures that resources are allocated strategically, maximizing their use to improve teaching and learning environments.

Principals with strong budgeting skills can identify areas of need, prioritize spending, and prevent financial mismanagement. This, in turn, enhances operational efficiency, enabling schools to meet their goals despite limited funding. Moreover, well-planned budgets help schools maintain fiscal stability, ensuring long-term sustainability. Inadequate budgeting, however, can lead to resource shortages, negatively affecting school performance and student outcomes. Thus, principals' financial management directly impacts overall school success.

4.4.2 Thematic Analysis

During the interviews, however, principals and Chairs of BoM as well as the bursars responded on the contrary by stating that public secondary school principals understand budgeting planning as a way of improving financial performance. Principal, P2, noted;

I understand what is expected of me when preparing school budget. I always do thorough planning based on the available finances and what is expected to be allocated for each votehead and how to reduce budget lines in cases of deficiencies.

On their part, the County and Sub-county Auditors noted that many principals have challenges undertaking effective budget planning. Despite these contradicting views, these findings underscore the significant role of budget planning as a key undertaking towards improved financial performance. These views are also consistent with those expressed by Thurlow and Weber (2020) that quite a number of school heads do not

understand budgeting processes and thus, find it difficult to make informed decisions about resource allocation, leading to overspending or underfunding of critical areas. On the question of stakeholders' involvement, the principals, chairs of BoM and bursars denied the claims that stakeholders are rarely involved during budgeting preparation. They noted that principals often invite key stakeholders such as parents, heads of departments as well as invite views from teachers in every department on what should be included in the budget. This was supported by the County and Sub-county Auditors who noted principals are required to involve key players in the budgeting process and hence, the ability of principals to tap into the expertise of stakeholders is paramount even during implementation. According to the interviewees, stakeholders' involvement has often ensured accountability and prudent use of financial resources.

Similar to quantitative results, these perspectives support the conclusions drawn by Becker and Simons (2021), who discovered that schools employing collaborative budgeting processes generally achieved superior financial outcomes due to the incorporation of diverse viewpoints, which facilitated more informed decision-making. Nevertheless, Becker and Simons (2021) also noted that many principals do not fully adopt a participatory budgeting approach. In conclusion, these results highlight the reality that secondary school principals face significant challenges in budget planning. This lack of comprehension, along with the failure to involve other stakeholders in the budgeting process, leads to ineffective budget implementation and poor financial management. Furthermore, schools often encounter difficulties in preparing budgets that guarantee timely salary disbursements, which further jeopardizes financial stability.

4.4.3 Triangulation of Quantitative and Qualitative Results

Quantitative and qualitative research findings consistently highlight that many principals in public secondary schools lack effective budgeting competencies, which

negatively impacts financial performance. Quantitatively, the study found that principals often struggle with basic financial management skills, such as forecasting, cost-benefit analysis, and aligning resources with school needs. From these mixed findings, poor budgeting leads to misallocation of funds, unplanned deficits, and inefficient use of financial resources. This often results in insufficient funding for critical areas like infrastructure, educational materials, and teacher development.

Principals frequently report feeling unprepared to handle the financial complexities of school management due to inadequate training. Many express that their primary focus is on educational leadership rather than financial oversight. Respondents, meanwhile, observe the negative impact on school operations, citing instances where inadequate budgeting has led to shortages in classroom supplies and delayed project implementations. In other words, these mixed findings point to the fact that there is an urgent need for improved financial literacy training for principals, ensuring they can make more informed, strategic decisions. Addressing this gap could lead to more efficient use of resources, ultimately improving the educational outcomes in public secondary schools.

4.5 Principals' Procurement Competencies and Financial Performance in Public Secondary Schools

The study sought to examine influence of principals' procurement competencies and financial performance in public secondary schools. Results are shown in Table 8;

Table 8: Views of Heads of Departments on the Influence of Principals' Procurement Competencies on Financial Performance in Public Secondary Schools

Test Items	Ratings				
	SA %	A %	U %	D %	SD %
Public secondary school principals rarely understand how to select and effect payment of suppliers which has improved financial performance	59.3	13.0	7.4	9.3	11.1
In public secondary schools, principals rarely know how to negotiate and award contracts to improve financial performance	61.1	14.8	5.6	9.3	9.3
Public secondary school principals rarely know how to undertake technical evaluation to improve financial performance	48.1	14.8	5.6	14.8	16.7
Public secondary school principals rarely understand how to conduct delivery inspection which has improved financial performance	51.7	13.2	7.4	18.5	9.3

Source: Field Data (2024)

Table 8 shows that slightly more than half (59.3%) of the Heads of Departments strongly agreed with the view that public secondary school principals rarely understand how to select and effect payment of suppliers which has improved financial performance with a paltry 11.1%) responding on the contrary. These findings support the findings of a study carried out by Ouma (2021) that principals rarely understand how to select and effect payment of suppliers, a crucial element in improving financial performance.

According to Ouma (2021), the selection of suppliers requires a comprehensive understanding of procurement laws, supplier vetting, and contract management, areas where many school leaders are underprepared. This lack of expertise leads to inefficiencies, such as overpayment and poor supplier reliability, negatively affecting financial outcomes.

In the same token, most of them (61.1%) strongly stated that, in public secondary schools, principals rarely know how to negotiate and award contracts to improve financial performance while 26(14.8%) agreed. Only a small proportion of the HoDs (9.3%) strongly disagreed. These findings are consistent with the findings of research conducted by Kamau and Wanjiku (2022) who underscored that secondary school principals rarely possess the skills to negotiate and award contracts effectively. Proper negotiation can result in favorable terms and cost-saving measures, but without a deep understanding of negotiation tactics and contract law, principals often settle for suboptimal contracts, hindering school financial efficiency.

A fair proportion of the HoDs (48.1%) strongly agreed with the view that public secondary school principals rarely know how to undertake technical evaluation to improve financial performance whereas 16.7% strongly disagreed. This is consistent with the findings of a study carried out by Karanja (2020) who found that school principals rarely know how to undertake technical evaluations of services and products. Technical evaluation ensures that the school receives value for money, but many principals do not have the technical expertise to assess whether suppliers meet the required standards, leading to financial waste. Slightly more than half of the HoDs (51.7%) responded in favour of the view that public secondary school principals rarely understand how to conduct delivery inspection which has improved financial performance. Only a paltry 9.3% strongly disagreed.

These findings corroborate the findings of research undertaken by Mwangi (2021) that secondary school principals rarely understand how to conduct delivery inspections properly, further impacting financial performance. Proper inspections ensure that goods and services delivered match the contractual agreement, but weak inspection protocols often result in accepting substandard goods, increasing costs.

These findings point to the fact that, in public secondary schools, principals play a pivotal role in managing resources effectively, even though many lack formal procurement skills. Their ability to oversee procurement processes is critical in enhancing financial performance. By ensuring transparency, negotiating favorable contracts, and making informed purchasing decisions, principals can significantly reduce costs and prevent wastage. While principals may not have extensive training in procurement, their leadership in setting priorities, adhering to budgets, and fostering collaboration with stakeholders allows them to make strategic decisions that positively impact the school's financial health.

When procurement is managed effectively, schools can allocate resources to essential areas like infrastructure, educational materials, and staff development, ultimately improving student outcomes. Therefore, despite their limited expertise in procurement, principals' efforts in this area are crucial to the overall financial sustainability and efficiency of public secondary schools, demonstrating the importance of ongoing training and support in procurement practices.

4.5.1 Inferential Analysis

To verify the influence of principals' procurement competencies on financial performance in public secondary schools, data were collected on how often (Very Often = 5, Often = 4, Sometimes = 3, Rarely = 2 and Never = 1) the principals of the 15 sampled public secondary schools adhere to procurement regulations and the average number of cases of financial misappropriation in the sampled schools for the last five years (2019-2023). Results are shown in Table 9:

Table 9: Principals' Procurement Competencies and Financial Performance in Public Secondary Schools

Frequency of Principals' Adherence with Procurement Regulations	Number of Cases of Financial Misappropriation
2	13
3	14
1	10
3	12
2	18
2	14
1	18
4	6
5	7
4	9
2	5
4	8
5	6
2	15
2	11

Source: Field Data (2024)

Table 9 shows that, in public secondary schools, commitment of school principals to regularly follow procurement regulations is essential for enhancing financial performance through increased accountability and transparency. When principals consistently comply with these regulations, school funds are allocated and utilized in alignment with the approved financial plan. This practice significantly lowers the risk of financial misappropriation by ensuring that appropriate checks and balances are in place. Regular adherence to established procurement procedures promotes the effective use of resources, enabling schools to achieve their educational objectives while reducing financial losses stemming from mismanagement. These results were further subjected to linear regression analysis and results are shown in Table 10;

Table 10: Relationship Between Principals' Procurement Competencies and Financial Performance in Public Secondary Schools

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	26.516	6.740		3.934	.001
Principals' Procurement Competencies	8.635	3.058	.544	2.824	.011

a. Dependent Variable: Financial Performance in Public Secondary Schools

Table 10 shows linear regression analysis which generated a linear model of the form; **Financial Performance in Public Secondary Schools = 26.516 + 0.544Frequency of Principals' Adherence to Procurement Regulations**. These results from the linear regression equation indicate that the coefficient for financial performance reflected through the number of cases of financial misappropriation in public secondary schools attributed to how often principals adhere to procurement regulations or manifest such competencies is 0.544. This implies that for every increase in the number of times principals adhere to procurement regulations, financial performance in terms of efficiency and reduced cases of misappropriation is expected to decrease by a factor of 0.544 (positive coefficient). The value 26.516 indicates that financial performance in public secondary schools is not only dependent on principals' manifestation of procurement competencies, but on other factors not under investigation.

Table 10 also shows a p-value of 0.011, which is less than 0.05 ($0.011 < 0.05$). This indicates that there is a significant influence of principals' procurement competencies on financial performance in public secondary schools. This implies that effective procurement involves not only acquiring goods and services at optimal cost but also ensuring value for money through proper planning, budgeting, and resource allocation. Principals with strong procurement skills can negotiate better contracts, minimize

wastage, and ensure the efficient use of funds. This directly impacts the financial health of the school, as efficient procurement leads to cost savings that can be reinvested in educational resources and infrastructure improvements. Additionally, adhering to procurement regulations and policies reduces the risk of financial mismanagement or fraud, further enhancing the school's financial stability. On the other hand, a lack of procurement expertise can lead to poor decision-making, inflated costs, and budget shortfalls, negatively affecting the school's ability to provide quality education. Therefore, principals' procurement competencies are vital for maintaining sound financial performance in public secondary schools.

4.5.2 Thematic Analysis

During the interviews, the principals, Chairs of BoM and bursars, however, responded on the contrary to the view that public secondary school principals rarely understand how to select and effect payment of suppliers which has improved financial performance. Principal, P3, noted;

In my school, I understand how to identify, select and effect payment of suppliers. I understand how identify regular suppliers who cannot default and ensure that services and goods are supplied at the right time.

County and Sub-county Auditors also stated that, though often replete with challenges, principals understand how source for suppliers. Unlike quantitative findings, these views further are inconsistent with the views expressed by Ouma (2021) that principals rarely understand how to select and effect payment of suppliers, a crucial element in improving financial performance. On the question contracts, the interviewees noted that principals have an inkling on how to negotiate and award contracts to suppliers. This further disagrees with the viewpoints held by Kamau and Wanjiku (2022) that secondary school principals rarely possess the skills to negotiate and award contracts effectively.

On the issue of technical evaluation, the principals, chairs of BoM and bursars responded on the contrary to the view that public secondary school principals rarely know how to undertake technical evaluation to improve financial performance. On further probing, principal, P4, noted;

I may not have technical knowledge to undertake technical evaluation, but I understand what is expected from sound procurement processes.

Chairs of school BoM and bursars also supported the views expressed by the principals. On their part, County and Sub-county Auditors stated that principals are required to understand how technical evaluation of procurement activities is undertaken. Similar views were expressed by the interviewees with regard to the ability of principals to undertake delivery inspection. This differs with the views expressed by Karanja (2020) who noted that school principals rarely know how to undertake technical evaluations of services and products. These views further disagree with the assertions of Mwangi (2021) who noted that secondary school principals rarely understand how to conduct delivery inspections properly, further impacting financial performance. Despite these contradicting viewpoints by the respondents, these findings underscore the vitality of principals' ability to adhere to procurement processes and regulations. In other words, their ability to oversee procurement processes is critical in enhancing financial performance.

4.5.3 Triangulation of Quantative and Qualitative Results

The mixed results indicate that, while principals face various challenges, they possess the basic capability to select and manage supplier payments effectively. They have a fundamental grasp of negotiating and awarding contracts to suppliers. However, their comprehension of technical evaluations and delivery inspections is lacking. Nonetheless, the study highlights the importance of principals' adherence to

procurement procedures and regulations. This suggests that their ability to manage procurement processes is essential for improving financial performance. Thus, even with their limited procurement expertise, principals play a vital role in the financial efficiency of public secondary schools, emphasizing the need for continuous training in procurement practices.

4.6 Principals' Financial Recording competencies and Financial Performance in Public Secondary Schools

The study sought to determine how principals' financial recording competencies influences financial performance in secondary schools. Results are shown in Table 11;

Table 11: Views of Heads of Departments on the Influence of Principals' Financial Recording Competencies and Financial Performance in Public Secondary Schools

Test Items	Ratings				
	SA %	A %	U %	D %	SD %
In public secondary schools, principals understand the value of compliance with fiscal rules in improving financial performance	59.3	14.8	5.6	11.1	9.3
Principals rarely understand how to keep transparent financial records as a way of improving financial performance of public secondary schools	42.6	13.0	5.6	22.2	16.7
Principals rarely know how to undertake financial reconciliation which has improved financial performance of public secondary schools	40.7	9.3	7.4	29.6	13.0
Public secondary school principals rarely know how to keep up-to-date financial records which has improved financial performance	68.5	14.8	3.7	9.3	3.7

Source: Field Data (2024)

Table 11 shows that slightly more than half (59.3%) of the Heads of Departments strongly agreed with the view that, in public secondary schools, principals understand the value of compliance with fiscal rules in improving financial performance whereas only 9.3% strongly disagreed.

These findings corroborate the findings of research carried out by Ochieng (2021) and Mukhwana (2022), which found that principals who understand and prioritize fiscal compliance tend to foster better financial health for their schools, avoiding unnecessary deficits and ensuring resources are allocated appropriately. Further, compliance with fiscal rules is linked to increased accountability and transparency, which strengthens stakeholder confidence, as reported by Njoroge (2023). Schools that operate within set financial guidelines experience improved performance due to more efficient use of funds, better infrastructure, and enhanced student outcomes. In contrast, poor adherence often leads to mismanagement and resource wastage, impacting the school's long-term viability.

The study found that 76(42.6%) of the Heads of Departments strongly agreed with the view that principals rarely understand how to keep transparent financial records as a way of improving financial performance of public secondary schools while 16.7% strongly disagreed. These findings support the findings of a study carried out by Mwangi and Muturi (2021) which revealed that many principals in public secondary schools struggle with financial accountability, leading to inefficiencies and mistrust within school communities. They found that financial mismanagement, due to a lack of training in accounting and transparency principles, directly correlates with decreased financial performance.

Similarly, Karanja, Mwangi and Muthoni (2020) noted that principals often have limited support or resources to implement financial transparency measures effectively. They argue that professional development in financial management is key to equipping school leaders with the necessary tools to foster transparency. Additionally, Omondi and Nyaga (2019) emphasized the importance of incorporating financial transparency practices into the broader school governance system, linking it to improved financial

outcomes. These findings suggest that principals need continuous training in financial management, accountability, and transparency to positively impact the financial health of public secondary schools. The study revealed that 73(40.7%) of the HoDs strongly agreed with the view that principals rarely know how to undertake financial reconciliation which has improved financial performance of public secondary schools while 13.0% strongly disagreed. These findings are consistent with the findings of research undertaken by Onyango, Wekesa and Oloo (2021) that many principals have limited training in financial management, leading to irregularities in financial reporting and accountability.

Another study by Kibet (2022) emphasizes that the lack of financial reconciliation skills results in delayed audits, misallocation of funds, and strained school budgets. However, recent initiatives focusing on financial literacy and management training have started to improve the financial performance of schools. A study by Mwangi, Muturi and Kariuki (2023) also reported that schools where principals received targeted training in financial reconciliation experienced a marked improvement in budget utilization, transparency, and accountability. These findings underscore the importance of financial reconciliation skills for principals, with continued training programs showing potential for enhancing school financial performance, ultimately benefiting the quality of education in public secondary schools.

Most of the HoDs (68.5%) strongly agreed with the view that public secondary school principals rarely know how to keep up-to-date financial records which has improved financial performance whereas 3.7% strongly disagreed. These findings lend credence to the findings of a study conducted by Kimathi and Mwangi (2022) which revealed that targeted financial management training programmes for principals have significantly improved financial performance in public secondary schools.

When equipped with the necessary financial literacy, principals are better able to manage resources, ensure compliance with financial regulations, and enhance transparency. This improvement leads to more efficient allocation of resources, reduced financial irregularities, and better long-term planning for the schools. These findings also corroborate the findings of a study by Ndung'u (2023) which found that with the adoption of automated systems, principals can now maintain accurate and timely records, reducing manual errors and boosting accountability. Overall, these improvements contribute to the enhanced financial performance of public secondary schools.

These findings affirm the fact that, despite the common inadequacy of financial recording competencies among principals, these skills are essential for enhancing financial performance in public secondary schools. Principals often lack formal training in financial management, but the ability to accurately record and monitor school finances is crucial. Effective financial recording ensures accountability, transparency, and better resource allocation, allowing schools to operate more efficiently. This enables principals to identify financial challenges early, implement corrective measures, and make informed budgetary decisions.

4.6.1 Inferential Analysis

To verify the influence of principals' financial recording competencies on financial performance in public secondary schools, data were collected on whether (Yes = 1 and No = 0) the principals of the 15 sampled public secondary schools keep organized financial records and the average number of cases of financial misappropriation in the sampled schools for the last five years (2019-2023). Results are shown in Table 12:

Table 12: Principals' Financial Recording Competencies and Financial Performance in Public Secondary Schools

Whether Principals Keep Organized Financial Records	Number of Cases of Financial Misappropriation
0	13
0	14
0	10
1	12
0	18
1	14
0	18
1	6
1	7
1	9
0	5
0	8
1	6
0	15
0	11

Source: Field Data (2024)

Table 12 shows that, in public secondary schools, where principals keep proper financial records, financial performance is enhanced. In other words, accurate and transparent financial records enable principals to efficiently allocate resources, reduce wastage, and ensure proper budgeting. When principals are skilled in financial management, they can identify areas where funds are needed most, ensuring that resources are directed to improve academic outcomes. Moreover, sound financial recording practices enhance accountability, fostering trust from stakeholders, including the government and parents. These results were further subjected to linear regression analysis and results are shown in Table 13;

Table 13: Relationship Between Principals' Financial Recording Competencies and Financial Performance in Public Secondary Schools

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	46.616	7.709		4.117	.001
Principals' Financial Recording Competencies	9.123	3.058	.766	3.567	.027

a. Dependent Variable: Financial Performance in Public Secondary Schools

Table 13 shows linear regression analysis which generated a linear model of the form; **Financial Performance in Public Secondary Schools = 46.616 + 0.766Whether or Not Principals Keep Proper Financial Records**. These results from the linear regression equation indicate that the coefficient for financial performance reflected through the number of cases of financial misappropriation in public secondary schools attributed to whether principals keep proper financial records is 0.766. This implies that for every increase in the ability of principals to keep proper financial records, financial performance in terms of efficiency and reduced cases of misappropriation is expected to decrease by a factor of 0.766 (positive coefficient).

The value 46.616 indicates that financial performance in public secondary schools is not only dependent on principals' financial recording competencies, but on other factors not under investigation. Table 13 also shows a p-value of 0.027, which is less than 0.05 (0.027 < 0.05). This indicates that there is a significant influence of principals' financial recording competencies on financial performance in public secondary schools. From these findings, principals are responsible for ensuring that school's financial resources are managed efficiently, transparently, and in line with regulatory standards. Proper financial recording allows for accurate tracking of funds, preventing misallocation or misuse of resources.

Principals who possess strong financial management skills are better equipped to prepare realistic budgets, monitor expenditures, and ensure accountability. Moreover, accurate financial records facilitate effective decision-making, enabling schools to optimize resources for teaching and infrastructure.

4.6.2 Thematic Analysis

During the interviews, the principals, Chairs of BoM, bursars as well as County and Sub-county Auditors also responded in favour of the view that, in public secondary schools, principals understand the value of compliance with fiscal rules in improving financial performance. These views also support the views expressed by Ochieng (2021) and Mukhwana (2022) that principals who understand and prioritize fiscal compliance tend to foster better financial health for their schools, avoiding unnecessary deficits and ensuring resources are allocated appropriately. On the question of transparent records, the principals, Chairs and bursars, however, noted that they understand how to keep transparent financial records. Principal, P5, stated;

I often ensure that all records on financial transactions are kept safe for auditing. This has ensured that I promote accountability and prudent use of resources allocated for my school.

County and Sub-county Auditors have observed that many principals in public secondary schools struggle to maintain accurate financial records necessary for auditing purposes. During discussions on financial reconciliation, the interviewees indicated that numerous principals continue to face challenges in aligning their financial records. These observations align with the quantitative findings and support Kibet's (2022) claims that a significant number of school leaders lack the skills required for effective financial reconciliation, leading to delays in audits, improper allocation of funds, and strained financial resources within schools. Furthermore, these insights underscore the importance of meticulous financial record-keeping, which fosters accountability,

transparency, and optimal resource distribution, thereby enhancing the operational efficiency of schools. Such practices also empower principals to detect financial issues promptly, take corrective actions, and make well-informed budgetary choices. By bolstering these essential skills, schools can achieve better financial stability and advance their overarching educational objectives.

4.6.3 Triangulation of Quantitative and Qualitative Results

Both quantitative and qualitative findings found that secondary school principals understand the value of compliance with fiscal rules in improving financial performance. However, the study found that majority of principals do not keep proper and transparent financial records for easy auditing purposes. Quantitative findings indicate that a large percentage of principals, particularly in underfunded schools, lack formal training in financial management. The study found that principals have not received adequate financial recording training, leading to frequent errors in budgeting, expenditure tracking, and financial reporting. These errors often result in misallocated funds, unbalanced budgets, and delayed procurement processes, which compromise the overall financial health of the schools.

Qualitative findings further support these quantitative insights by providing real-world examples of the challenges faced. Lack of financial skills among principals often results in incomplete or inaccurate financial records. The failure to maintain accurate records and accountability has, in some cases, led to delays in receiving government grants, directly affecting the quality of education provided. In other words, these mixed findings highlight the urgent need for targeted financial management training for principals, to ensure better financial oversight and improved financial performance in public secondary schools.

4.7 Principals' Auditing Competencies and Financial Performance in Public Secondary Schools

The study sought to examine the influence of principals' auditing competencies on financial performance in public secondary schools. The findings are shown in Table 14;

Table 14: Views of Heads of Departments on the Influence of Principals' Auditing Competencies and Financial Performance in Public Secondary Schools

Test Items	Ratings				
	SA %	A %	U %	D %	SD %
Principals rarely know how to draw an audit plan of action which has negatively affected financial performance of public secondary schools	50.0	14.8	7.4	11.1	16.7
Principals rarely understand how to develop audit reports which has lowered financial performance of public secondary schools	68.5	25.9	1.9	1.9	1.9
Principals rarely create sound audit adoption forums which has lowered financial performance of public secondary schools	44.4	18.5	7.4	20.4	9.3
Principals do not understand the working of an existing auditing system as a way of improving financial performance of public secondary schools	42.9	16.7	5.6	9.3	25.9

Source: Field Data (2024)

Table 14 shows that half (50.0%) of the Heads of Departments strongly agreed with the view that principals rarely know how to draw an audit plan of action which has negatively affected financial performance of public secondary schools whereas 16.7% strongly disagreed. Most (68.5%) of the HoDs strongly agreed with the view that principals rarely understand how to develop audit reports which has lowered financial performance of public secondary schools whereas a paltry 1.9% strongly disagreed. A fair proportion of the HoDs (44.4%) strongly agreed with the view that principals rarely create sound audit adoption forums which has lowered financial performance of public secondary schools while 9.3% strongly disagreed. In the same token, a fair majority (42.9%) of the HoDs strongly agreed with the view that principals do not understand the

working of an existing auditing system as a way of improving financial performance while slightly more than a quarter (25.9%) strongly disagreed. These findings corroborate the findings of research carried out by Smith and Allen (2021) that many principals lack the knowledge required to draw a comprehensive audit plan of action, resulting in ineffective financial management and decision-making processes. Without a clear audit strategy, schools struggle to manage their resources efficiently, which has a direct negative impact on their overall financial health.

Another study carried out by Johnson et al (2022) also found that quite a number of principals often struggle with the technical aspects of developing and interpreting audit reports. According to Johnson et al (2022), this deficiency leads to poor financial oversight and makes it difficult for schools to identify areas of financial leakage or inefficiency, further exacerbating financial issues. These findings also lend credence to the assertions of Nguyen (2023) that the inability to create sound audit adoption forums has also been identified as a major issue, as these forums are critical for the regular review and adoption of audit findings. Without these forums, schools are unable to implement necessary changes to improve financial performance.

In their study, Williams and Browne (2021) also revealed that many principals are unfamiliar with existing auditing systems and their potential role in improving school finances. According to Williams and Browne (2021), this lack of understanding prevents them from utilizing audits as a tool for better financial governance, contributing to the ongoing financial struggles faced by many public secondary schools. These gaps in knowledge and practice highlight the urgent need for targeted training and support for principals in financial auditing processes. From these findings, it is evident that, though many principals in public secondary schools lack formal auditing competencies, their role is still crucial in enhancing financial performance.

Effective school leaders possess managerial skills that help them ensure accountability and transparency, even without technical auditing knowledge. By promoting a culture of financial discipline and engaging stakeholders in budget decisions, principals can foster responsible spending and resource allocation. They often work closely with finance officers or bursars to oversee school funds, ensuring adherence to policies and reducing financial mismanagement.

4.7.1 Inferential Analysis

To verify the influence of principals' financial auditing competencies on financial performance in public secondary schools, data were collected on how often (Very Often = 5, Often = 4, Sometimes = 3, Rarely = 2 and Never = 1) the principals of the 15 sampled public secondary schools undertake financial auditing and the average number of cases of financial misappropriation in the sampled schools for the last five years (2019-2023). Results are shown in Table 15:

Table 15: Principals' Financial Auditing Competencies and Financial Performance in Public Secondary Schools

How Often Principals Undertake Financial Auditing in Public Secondary Schools	Number of Cases of Financial Misappropriation
1	13
2	14
3	10
1	12
2	18
1	14
2	18
2	6
4	7
5	9
5	5
5	8
1	6
2	15
3	11

Source: Field Data (2024)

Table 15 shows that, in public secondary schools, where principals frequently carry out financial auditing, financial performance is enhanced.

In other words, regular audits ensure transparency, accountability, and better financial management, leading to optimal use of resources. Principals can identify discrepancies early, prevent fraud, and align budgeting with educational priorities. This proactive approach fosters trust among stakeholders, improves financial efficiency, and ultimately contributes to a more stable and well-managed school environment, promoting student success and institutional growth. These results were further subjected to linear regression analysis and results are shown in Table 16;

Table 16: Relationship Between Principals’ Financial Recording Competencies and Financial Performance in Public Secondary Schools

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	73.409	8.345		3.678	.001
Principals’ Financial Auditing Competencies	10.123	4.647	.613	1.904	.029

a. Dependent Variable: Financial Performance in Public Secondary Schools

Table 16 shows linear regression analysis which generated a linear model of the form; **Financial Performance in Public Secondary Schools = 73.409 + 0.613Frequency of Financial Auditing**. These results from the linear regression equation indicate that the coefficient for financial performance reflected through the number of cases of financial misappropriation in public secondary schools attributed to frequency of financial auditing by principals is 0.613. This implies that for every increase in the ability of principals to undertake financial auditing, financial performance in terms of efficiency and reduced cases of misappropriation is expected to decrease by a factor of 0.613 (positive coefficient). The value 73.409 indicates that financial performance in public secondary schools is not only dependent on principals’ financial auditing competencies, but on other factors not under investigation.

Table 16 also shows a p-value of 0.029, which is less than 0.05 ($0.029 < 0.05$). This indicates that there is a significant influence of principals' financial auditing competencies on financial performance in public secondary schools. This further indicates that principals with strong auditing skills ensure that school resources are effectively managed, promoting transparency, accountability, and compliance with financial regulations. This leads to optimal budget utilization, reduction of financial wastage, and improved financial health. In turn, schools can allocate more funds to critical areas such as infrastructure, learning materials, and staff development. Conversely, a lack of financial auditing expertise can result in poor financial management, misallocation of funds, and ultimately, reduced educational outcomes. Therefore, principals' auditing competencies are crucial for school financial performance.

4.7.2 Thematic Analysis

During the interviews, principals, Chairs of BoM and bursars, however, stated that principals usually draw an audit plan of action as a way of improving financial performance of public secondary schools. Chair of BoM1, stated;

In my secondary school, the principal often understands the need to develop audit reports for financial accountability. The principal usually creates sound audit adoption forums. This has ensured that funds obtained from the government and other donors are accounted for.

County and Sub-county Auditors have also observed that a considerable number of school principals recognize the importance of developing audit action plans, leading them to establish platforms for staff to understand auditors' requirements. These differing perspectives highlight the critical influence of principals' financial auditing skills on the enhancement of financial performance in public secondary schools. In contrast to quantitative findings, these insights diverge from the assertions made by

Smith and Allen (2021), who argue that numerous principals do not possess the necessary knowledge to formulate a thorough audit action plan, which in turn hampers effective financial management and decision-making. Ultimately, these findings reinforce the notion that, although many principals may lack formal auditing expertise, their involvement remains vital in promoting financial performance.

4.7.3 Triangulation of Quantitative and Qualitative Results

Both quantitative and qualitative research findings consistently revealed that school heads, despite their limited auditing skills, play a vital role in enhancing financial performance in public secondary schools. Quantitative data often highlights discrepancies in financial management, linking them to the lack of formal training in auditing among school heads. However, qualitative studies bring out the practical strategies these leaders use, such as engaging financial experts or relying on well-structured financial committees.

While school heads may not possess technical auditing expertise, their leadership, decision-making capabilities, and oversight remain crucial in ensuring that schools operate within budgetary constraints and maintain transparency. Additionally, the commitment of school heads to uphold financial accountability fosters trust with stakeholders, leading to improved financial outcomes. Therefore, despite the skills gap in auditing, the leadership and strategic oversight provided by school heads are key drivers in ensuring sound financial management in public secondary schools.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the main research findings, conclusions, recommendations and suggestions for further research as discussed under the research objectives.

5.1 Summary of Research Findings

This section provides a summary of the findings of the research objectives which included; assessing the status of financial performance in public secondary schools and the influence of principals' financial budgeting, procurement competencies, recording competencies and auditing competencies on financial performance in public secondary schools in Tharaka South Sub-county.

5.1.1 Status of Financial Performance in Public Secondary Schools

The study found that financial performance in many public secondary schools is still. There are many reported instances of financial misappropriation, wastage, pilferage and overall financial inefficiency. In other words, financial mismanagement is a widespread challenge in public secondary schools. With numerous instances of resource waste, limited examples of responsible financial practices, insufficient accountability, and increasing inefficiencies, there is a pressing need for reforms in financial governance and management strategies.

5.1.2 Principals' Budgeting Competencies and Financial Performance in Public Secondary Schools

The research indicated that a significant number of principals in public secondary schools exhibit deficiencies in budgeting skills, which adversely affects their financial performance.

These principals often encounter challenges with fundamental financial management tasks, including forecasting, conducting cost-benefit analyses, and effectively aligning resources with the specific needs of their schools. Additionally, the study revealed that inadequate budgeting practices result in the misallocation of funds, unexpected deficits, and suboptimal utilization of financial resources. Consequently, this situation frequently leads to a lack of adequate funding for essential areas such as infrastructure, educational materials, and professional development for teachers.

Many principals conveyed feelings of unpreparedness in navigating the financial intricacies associated with school management, attributing this to insufficient training. A common sentiment among them is that their primary emphasis lies in educational leadership rather than financial management. This underscores the pressing necessity for enhanced financial literacy training for principals, enabling them to make more informed and strategic decisions.

5.1.3 Principals' Procurement Competencies and Financial Performance in Public Secondary Schools

The research indicated that although school principals encounter numerous challenges, they generally have the essential skills required to effectively select and manage supplier payments. They demonstrate a basic understanding of the processes involved in negotiating and awarding contracts to suppliers. However, their knowledge regarding technical evaluations and delivery inspections is insufficient. The study underscores the significance of principals' compliance with procurement procedures and regulations, suggesting that their capacity to oversee procurement processes is crucial for enhancing financial performance. Therefore, despite their limited expertise in procurement, principals are integral to the financial sustainability and operational efficiency of public

secondary schools, highlighting the necessity for ongoing training and support in procurement methodologies.

5.1.4 Principals' Financial Recording Competencies and Financial Performance in Public Secondary Schools

The research indicated that secondary school principals recognize the importance of adhering to fiscal regulations to enhance financial performance. Nevertheless, it was observed that a significant number of these principals do not maintain adequate and transparent financial records, which are essential for effective auditing. This situation suggests that a considerable proportion of principals, especially in schools with limited funding, lack formal education in financial management.

The investigation revealed that these principals have not received sufficient training in financial documentation, resulting in frequent inaccuracies in budgeting, tracking expenditures, and financial reporting. Such inaccuracies often lead to the misallocation of resources, unbalanced budgets, and delays in procurement processes, ultimately jeopardizing the financial stability of the schools. Furthermore, these findings underscore that insufficient financial expertise among principals frequently results in incomplete or erroneous financial documentation.

The inability to uphold precise records and accountability has, in certain instances, caused delays in the disbursement of government grants, which directly impacts the quality of education delivered. In summary, these varied findings emphasize the critical necessity for specialized financial management training for principals to enhance financial oversight and improve the financial performance of public secondary schools.

5.1.5 Principals' Financial Auditing Competencies and Financial Performance in Public Secondary Schools

The research indicated that school leaders, despite their insufficient auditing proficiency, are essential in improving the financial performance of public secondary schools. This suggests that the shortcomings in financial management can be linked to the absence of formal auditing training among these leaders. Nevertheless, although school heads may lack specialized auditing skills, the study highlighted that their leadership qualities, decision-making abilities, and supervisory roles are critical in ensuring that schools adhere to budgetary limits and uphold transparency. Furthermore, the dedication of school heads to maintain financial accountability cultivates trust among stakeholders, which in turn enhances financial results. Consequently, even with a deficiency in auditing skills, the leadership and strategic oversight offered by school heads are pivotal in achieving effective financial management in public secondary schools.

5.2 Conclusions

Drawing from the above findings, financial performance in many public secondary schools in Tharaka South Sub-county is still. There are many reported instances of financial misappropriation, wastage, pilferage and overall financial inefficiency. In other words, financial mismanagement is a widespread challenge in public secondary schools. This is attributed to ineffective financial management competencies of principals. These shortcomings are evident in inadequate budgeting, poor procurement practices, insufficient record-keeping, and a lack of proper auditing skills. Effective budgeting is crucial for ensuring that resources are allocated appropriately to meet both immediate and long-term needs. When principals lack the necessary financial skills, budgets often fail to align with the school's objectives, leading to misallocation of funds

and financial shortfalls. Procurement is another critical area where principals' weaknesses can have a significant impact. Incompetent procurement practices can result in schools purchasing substandard goods or overpaying for services, which ultimately affects the quality of education provided. Additionally, poor record-keeping exacerbates the problem, as the lack of accurate financial records makes it difficult to track spending and identify areas for improvement.

Finally, inadequate auditing skills prevent principals from properly reviewing financial transactions and identifying discrepancies. Without proper auditing, schools are more susceptible to fraud and financial mismanagement, further diminishing their financial health. In sum, the financial struggles faced by public secondary schools are often a direct result of principals' ineffective financial competencies, which hinder the efficient use of resources and overall school performance.

5.3 Recommendations of the Study

This section outlines the study recommendations in terms of practice, policy and further research.

5.3.1 Recommendations for Practice

The study makes the following recommendations;

- i. On principals' budgeting competencies and financial performance in public secondary schools, the Ministry of Education should implement targeted professional development programmes that enhance principals' financial management and budgeting skills. This could involve training on budget forecasting, resource allocation, financial reporting and use of budgeting tools.
- ii. On principals' procurement competencies and financial performance in public secondary schools, the Ministry of Education should continue with targeted capacity-building programmes be developed to enhance principals' procurement

competencies. These programmes should focus on improving financial literacy, contract management, ethical procurement practices, and adherence to public procurement regulations.

- iii. On principals' financial recording competencies and financial performance in public secondary schools, the Ministry of Education should continue equipping school heads with cashflow management and financial record-keeping skills with specific focus on ensuring they are proficient in modern financial software, and equipping them with the ability to prepare accurate financial reports.
- iv. On principals' auditing competencies and financial performance in public secondary schools, the Ministry of Education should train school heads on financial auditing programmes so that they may understand how auditing is done and what is expected from at all times during auditing of school books of accounts.

5.3.2 Recommendations for Policy

The Ministry of Education should implement a mandatory, standardized financial management training program for all public secondary school principals. This training would focus on equipping principals with key financial competencies, including budgeting, accounting, procurement, and resource allocation skills.

5.3.3 Recommendations for Further Research

- i. A study should be carried out to assess the extent to which principals' attitude influences financial performance in public secondary schools.
- ii. A study could be conducted to examine the influence of principals' management experience on financial performance in public secondary schools.
- iii. A study ought to be undertaken to assess how principals' personality characteristics influence financial performance in public secondary schools.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

May 2024

Dear Sir/Madam,

RE: PERMISSION TO CARRY OUT RESEARCH

I am an undergraduate pursuing a master's degree in educational administration, leadership, and management at Mount Kenya University. My focus subject is: **Influence of Principals' Financial Competencies on Financial Performance of Public Secondary Schools in Tharaka South Sub-county, Tharaka Nithi County.** You were chosen to take a role in an investigation in order to do this. I respectfully ask that all responders engage completely in the research. Your individuality will not appear in the paper; this information will solely be utilized for educational drives. You will get access to the investigation's results on demand.

Your input and backing will be significantly cherished.

Thank you in advance.

Yours faithfully,

Robert Njagi

APPENDIX III

QUESTIONNAIRE FOR HEADS OF DEPARTMENTS

Dear respondent,

The researcher is a student undertaking a degree course in Master of Education in Educational Management, Leadership and Administration at Mount Kenya University. My research topic is: **Influence of School Management Practices on Implementation of Competency-based Curriculum in Public Junior Secondary Schools in Tharaka South Sub-county, Tharaka Nithi County, Kenya.** The information you provide will be confidential and used for the purposes of this study only.

Section A: Demographic Information

Instruction: Please tick against your most appropriate answer and fill the spaces provided.

1. Gender: Male [] Female []
2. Level of education
Diploma [] Degree [] Post-graduate []

Section B: Principals' Budgeting Competencies and Financial Performance in

Public Secondary Schools

1. On a scale of 1-3, indicate how frequently your principal manifests the following budgeting competencies

Budgeting Competencies	Very Often (3)	Rarely (2)	Never (1)
Budget Implementation			
Budget monitoring & Review			
Budget Preparation			
Budget stakeholders' involvement			

2. Rate the extent to which you agree with the following statements on the influence of your principal's budgeting competencies on financial performance in your school

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
My principal understands budgeting planning as a way of improving financial performance					
In my school, the principal often engages other players in budgeting to improve financial performance					
My school head knows how to implement budget plans to improve financial performance					
In my school, the principal undertakes budget monitoring & review to improve financial performance					
In my school, the principal knows to prepare budgets to ensure that staff have their salaries in time					

3. In your opinion, how can principals' budgeting competencies be improved to enhance financial performance?
-

Section C: Principals' Procurement Competences and Financial Performance in

Public Secondary Schools

1. On a scale of 1-3, indicate how frequently your principal manifests the following procurement competencies

Procurement Competencies	Very Often (3)	Rarely (2)	Never (1)
Selection of Suppliers			
Negotiation and Award of Contract.			
Technical Evaluation.			
Delivery, inspection & payment			

2. Rate your level of agreement with the statements on the influence of your principal's procurement competencies on financial performance of your school

Test Items	SA	A	U	D	SD
	5	4	3	2	1
My school principal understands how to select and effect payment of suppliers which has improved financial performance					
In my school, the principal knows how to negotiate and award contracts to improve financial					

performance					
My school head knows how to undertake technical evaluation to improve financial performance					
My principal understands how to conduct delivery, inspection which has improved financial performance					

3. How do think procurement competences of principals can be improved to enhance financial performance in public secondary schools?

.....

Section D: Principals’ Financial Recording Competencies and Financial Performance in Public Secondary Schools

1. On a scale of 1-3, indicate how frequently your principal manifests the following financial record-keeping skills

Financial Recording Competencies	Very Often (3)	Rarely (2)	Never (1)
Transparent Fiscal reporting			
Financial reconciliation			
Up-to-date financial recording			
Compliance to financial Principles			

2. Rate the extent to which you agree with the following statements on the influence of your principal’s financial record-keeping competencies on financial performance of your secondary school

Test Items	SA	A	U	D	SD
	5	4	3	2	1
In my secondary school, the principal understands the value of compliance with fiscal rules in improving financial performance					
My principal understands how to keep transparent financial records as a way of improving financial performance of my school					
My principal knows how to undertake financial reconciliation which has improved financial performance of my school					
My school head knows how to keep up-to-date financial records which has improved financial performance					

3. In your opinion, how can principals' financial record-keeping competencies be improved to enhance financial performance of public secondary schools?

.....

Section E: Principals' Auditing Competences and Financial Performance in Public Secondary Schools

1. On a scale of 1-3, indicate how frequently your principal manifests the following auditing competences

Auditing Competences	Very Often (3)	Rarely (2)	Never (1)
Existence of Auditing system			
Frequency of Auditing			
Audit Report Adoption Forums			
Corrective and action strategies for audit reports			

2. Rate your level of agreement with the following statements on the influence of your principal's auditing competencies on financial performance of your secondary school

Test Items	SA	A	U	D	SD
	5	4	3	2	1
My principal knows how to draw an audit plan of action which has improved financial performance of my school					
My school head understands how to develop audit reports which has improved financial performance of my school					
My school creates sound audit adoption forums which has improved financial performance of my school					
My principal understands the working of an existing auditing system to improve financial performance of my school					

3. How do think principals' auditing competences can be improved to enhance financial performance of public secondary schools?

.....

.....

Section F: Financial Performance of Public Secondary Schools

1. Rate the extent to which you agree with the following statements on the status of financial performance in your public secondary school

No.	Test Items	SA	A	U	D	SD
		5	4	3	2	1
1	My secondary school often wastes financial resources every fiscal year					
2	In my school, there are few instances of prudent use of financial resources					
3	In my secondary school, there is no accountability for the available financial resources					
4	In my secondary school, instances of financial inefficiency have been on the rise					

Thank you,

Robert Njagi

APPENDIX IV
INTERVIEW GUIDE FOR PRINCIPALS

Dear respondent,

Section A: Demographic Information

1. Gender:.....
2. What is your level of education?.....

Section B: Principals' Budgeting Competencies and Financial Performance in

Public Secondary Schools

1. How often do you manifest budgeting competencies?
2. How has your budgeting competencies influenced financial performance of your secondary school?
3. In your opinion, how can your budgeting competencies be improved to enhance financial performance?

Section C: Principals' Procurement Competences and Financial Performance in

Public Secondary Schools

1. How often do you manifest procurement competencies?
2. To what extent has your procurement competencies influenced financial performance of your secondary school?
3. In your view, how can your procurement competences of principals be improved to enhance financial performance in public secondary schools?

Section D: Principals' Financial Recording Competencies and Financial

Performance in Public Secondary Schools

1. How often do you manifest financial record-keeping competencies?
2. To what extent has your financial record-keeping competencies influenced financial performance of your secondary school?

3. In your opinion, how can your financial record-keeping competencies be improved to enhance financial performance of public secondary schools?

Section E: Principals' Auditing Competences and Financial Performance in Public Secondary Schools

1. How often do you manifest auditing competencies?
2. What is the influence of your auditing competencies on financial performance of your secondary school?
3. Explain how your auditing competences can be improved to enhance financial performance of public secondary schools?

Section F: Financial Performance of Public Secondary Schools

1. On a scale of 1-5, how would you rate financial performance of your secondary school in key financial management aspects?

Thank you,

Robert Njagi



Mount Kenya University

APPENDIX V

INTERVIEW GUIDE FOR BoM CHAIRS AND BURSARS

Dear respondent,

Section A: Demographic Information

1. Gender:.....
2. What is your level of education?.....

Section B: Principals' Budgeting Competencies and Financial Performance in

Public Secondary Schools

1. How often does your principal manifest budgeting competencies?
2. How has your principal's budgeting competencies influenced financial performance of your secondary school?
3. How can your principal's budgeting competencies be improved to enhance financial performance?

Section C: Principals' Procurement Competences and Financial Performance in

Public Secondary Schools

1. How often does your principal manifest procurement competencies?
2. To what extent has your principal's procurement competencies influenced financial performance of your secondary school?
3. How can your principal's procurement competences of principals be improved to enhance financial performance in public secondary schools?

Section D: Principals' Financial Recording Competencies and Financial

Performance in Public Secondary Schools

1. How often does your principal manifest financial record-keeping competencies?
2. To what extent has your principal's financial record-keeping competencies influenced financial performance of your secondary school?

3. How can your principal's financial record-keeping competencies be improved to enhance financial performance of public secondary schools?

Section E: Principals' Auditing Competences and Financial Performance in Public Secondary Schools

1. How often does your principal manifest auditing competencies?
2. What is the influence of your principals' auditing competencies on financial performance of your secondary school?
3. How can your principal's auditing competences can be improved to enhance financial performance of public secondary schools?

Section F: Financial Performance of Public Secondary Schools

1. On a scale of 1-5, how would you rate financial performance of your secondary school in key financial management aspects?

Thank you,

Robert Njagi



Mount Kenya University

APPENDIX VI

INTERVIEW GUIDE FOR COUNTY AND SUB-COUNTY AUDITORS

Dear respondent,

Section A: Demographic Information

1. Gender:.....
2. What is your level of education?.....

Section B: Principals' Budgeting Competencies and Financial Performance in

Public Secondary Schools

1. How often do public secondary school principals manifest budgeting competencies?
2. How have principals' budgeting competencies influenced financial performance of public secondary schools in your sub-county?
3. How can principals' budgeting competencies be improved to enhance financial performance of public secondary schools in your sub-county?

Section C: Principals' Procurement Competences and Financial Performance in

Public Secondary Schools

1. How often do public secondary school principals manifest procurement competencies?
4. To what extent have principals' procurement competencies influenced financial performance of public secondary schools in your sub-county?
5. How can principals' procurement competences of principals be improved to enhance financial performance in public secondary schools in your sub-county?

Section D: Principals' Financial Recording Competencies and Financial Performance in Public Secondary Schools

1. How often do public secondary school principals manifest financial record-keeping competencies?
2. To what extent have principals' financial record-keeping competencies influenced financial performance of public secondary schools in your sub-county?
3. How can principals' financial record-keeping competencies be improved to enhance financial performance of public secondary schools in your sub-county?

Section E: Principals' Auditing Competences and Financial Performance in Public Secondary Schools

1. How often does your principal manifest auditing competencies?
2. What is the influence of principals' auditing competencies on financial performance of public secondary schools in your sub-county?
3. How can principals' auditing competences be improved to enhance financial performance of public secondary schools in your sub-county?

Section F: Financial Performance of Public Secondary Schools

1. On a scale of 1-5, how would you rate financial performance of public secondary schools in your sub-county in key financial management aspects?

Thank you,

Robert Njagi

APPENDIX VII

ETHICAL CLEARANCE FROM MOUNT KENYA UNIVERSITY



REF: MKU/ISERC/3928
TO: ROBERT NJAGI

Date: 17 July 2024

REG: MED/2021/40627

Dear Sir/Madam,

RE: INFLUENCE OF PRINCIPALS' FINANCIAL COMPETENCIES ON FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN THARAKA SOUTH SUB-COUNTY, THARAKA NITHI COUNTY, KENYA

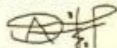
This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2914**. The approval period is **17/07/2024 - 16/07/2025**.

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. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC



APPENDIX VIII

INTRODUCTION LETTER FROM THE SCHOOL OF POSTGRADUATE
STUDIES OF MOUNT KENYA UNIVERSITY



DIRECTORATE OF GRADUATE STUDIES

MED/2021/40627

18th July, 2024

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

Dear Sir/Madam,


RE: ROBERT NJAGI - REGISTRATION NO. MED/2021/40627

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' Financial Competencies on Financial Performance of Public Secondary Schools in Tharaka South Sub- County, Tharaka Nithi 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 **July, 2024 and September, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.


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



APPENDIX X

**RESEARCH AUTHORIZATION FROM COUNTY COMMISSIONER,
THARAKA NITHI**



REPUBLIC OF KENYA

**OFFICE OF THE PRESIDENT
MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION**

Telegrams: "DISTRICTER", Chuka
Telephone: Chuka 630005
Fax No. 630356
Email: cctharakanithi@gmail.com
While replying please quote

COUNTY COMMISSIONER
THARAKA NITHI COUNTY
P.O. BOX 22 - 60406
KATHWANA

Ref: TNC/ED/2 VOL.III/396

22nd October, 2024

Deputy County Commissioner
Tharaka South

**AUTHORIZATION TO CARRY RESEARCH - MR ROBERT NJAGI MITHINI OF
MT. KENYA UNIVERSITY**

Reference is made to a letter from National Commission for Science,
Technology and Innovation (NACOSTI) Ref. No. 773338 dated 25 July 2024
on the aforementioned.

The above person is authorized to carry research on "*Influence of
Principals Financial Competencies in Financial Performance of Public
Secondary Schools*" in Tharaka South Sub-County, Tharaka Nithi County
for the period ending 25 July 2025.

Please accord him the necessary support.

A handwritten signature in blue ink, appearing to read 'Phares Mugao'.

COUNTY COMMISSIONER
THARAKA NITHI COUNTY

Phares Mugao
For: County Commissioner
Tharaka Nithi

APPENDIX XI

**RESEARCH AUTHORIZATION FROM COUNTY DIRECTOR OF
EDUCATION, THARAKA NITHI**



**REPUBLIC OF KENYA
MINISTRY OF EDUCATION
STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION**

Telegrams: "Elimu", Chuka
Telephone: Chuka 630353
FAX: 064 630166
Email: tharakanithicountyedu@gmail.com
When replying please quote:

COUNTY DIRECTOR OF EDUCATION
THARAKA NITHI
P.O. BOX 113-60400
CHUKA.

TNC/ED/RA/GEN/129/101

17TH AUGUST , 2024

Mr: Robert Njagi Muthini
MOUNT KENYA UNIVERSITY

RE: RESEARCH AUTHORIZATION FOR MR. ROBERT NJAGI MUTHINI

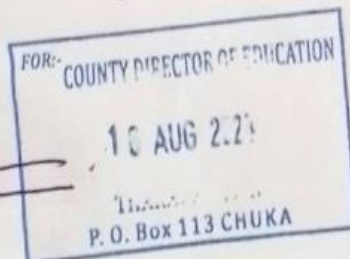
I am pleased to inform you that you have been authorized to undertake research on **Influence Of Principals' Financial Competencies On Financial Performance Of Public Secondary Schools In Tharaka South Sub-County In Tharaka Nithi County , Kenya** ". For the period ending: 25 /JULY /2025

On completion of the research, you are expected to give a hard copy and soft copy of the research report/thesis to this office.

The research Authorization is granted according to all existing rules and regulations in force from time to time and observance of Covid-19 Guidelines and protocols as recommended by the relevant government MDAs.

Good luck!

Kamande Mburu
For: County Director of Education
THARAKA NITHI



APPENDIX XII

RESEARCH AUTHORIZATION FROM COUNTY GOVERNMENT OF
THARAKA NITHI



COUNTY GOVERNMENT OF THARAKA NITHI
OFFICE OF THE COUNTY SECRETARY & HEAD OF PUBLIC SERVICE

Email: info@tharakanithi.go.ke

Tel: 0800 720 370

P.O. BOX 10, 60406

KATHWANA

REF: TNC/CS/STUDY/002

Date: 22nd October, 2024

Mr. Robert Njagi Muthini
MED/2021/40627
Master's Degree Student, Mt. Kenya University

RE: AUTHORITY TO COLLECT DATA

Following your request dated 21st October, 2024 where you requested my office to grant you authority for data collection from County Audit Office, Finance Officers, 20 sampled Secondary School Principals, Deputy Principals and BOM Chairs in Tharaka South Sub County in Tharaka Nithi County, your request is hereby granted.

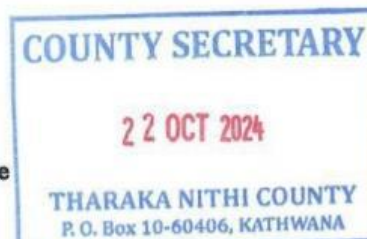
My office is interested with the findings of your study on influence of Principal's Financial Competencies on Financial Performance on Public Secondary Schools in Tharaka South Sub County, Tharaka Nithi Kenya.

You are therefore invited to share the findings of your study with this office so that it can advise us on how best to improve Public Sector Governance and Performance in Management of Funds in Tharaka Nithi County.

Wishing you all the very best as you carry out your study.

Yours Faithfully,

Alex. M. Muratha
County Secretary & Head of Public Service

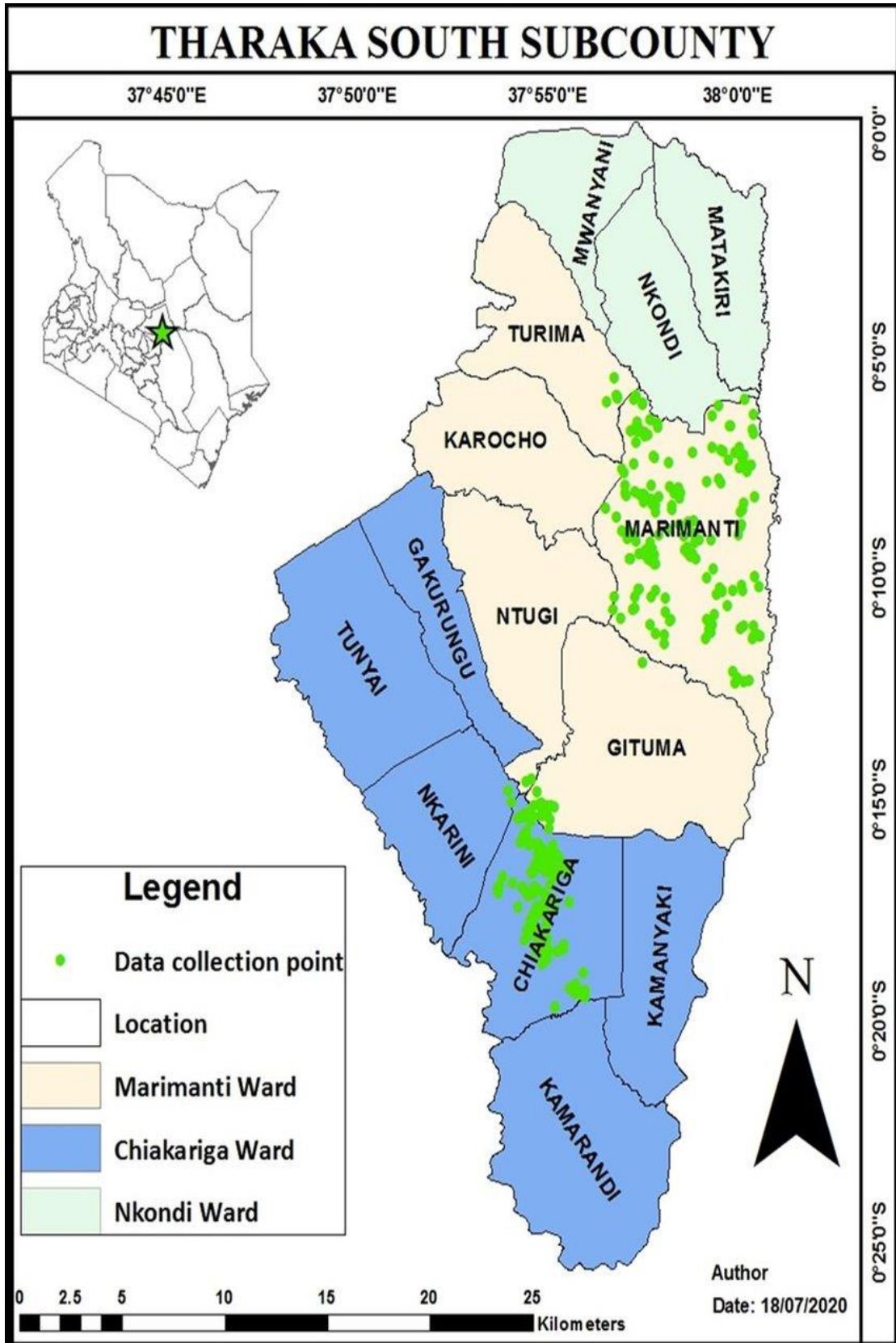


CC:

- Chief Officer Education and Vocational Training – Tharaka Nithi County
- Director of Education – Tharaka Nithi County
- File Copy

APPENDIX XIII

THE MAP OF THARAKA SOUTH SUB-COUNTY



Source: IEBC (2012)

APPENDIX XIV

TURNITIN SIMILAIRTY INDEX

INFLUENCE OF PRINCIPALS' FINANCIAL COMPETENCIES ON FINANCIAL PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN THARAKA SOUTH SUB-COUNTY, THARAKA NITHI COUNTY, KENYA

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