

EFFECTIVENESS OF BUDGETARY PRACTICES ON THE IMPLEMENTATION OF PROJECTS IN PUBLIC SCODARY SCHOOLS IN KISII CENTRAL SUB-COUNTY OF KISII COUNTY, KENYA

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Accepted October, 24th, 2023

Abstract

Institutions draw budgets annually, however, there are inconsistencies in the budgetary implementation hence failure to stick to the drawn budgets. This has resulted in failure to meet budgetary obligations in many of these institutions. Budgeting is a key to any organizational success as it is used as a tool for communicating top management's expectations to managers and employees. It helps in planning and coordinating organizational activities. This study surveyed budgetary practices in public secondary schools in Kisii central Sub-County, Kisii County. The purpose of the study is to assess budgetary practices on the implementation of project and the objectives of the study include current budget and long-term budget. The study used based on mixed methods approach and concurrent triangulation research design and target population was made of 481 respondents. The sample size of the study will comprise of 121 respondents comprised of 40 principals, 1 Sub-County Education officer, 40 BOM Chairmen and 40 President of the student's council. Purposive sampling techniques were used to select the respondents. The researcher utilized questionnaires for students while interview schedules were on school principals, Sub-County Education officer and BOM Chairmen. Qualitative data was analysed thematically along the objectives and presented in narrative forms whereas quantitative data was analysed descriptively and inferentially using frequencies, percentages, mean and co-efficient correlation with the help of Statistical Packages for Social Science (SPSS). The study also found out that government grants, school fees and CDF assistance are the major sources of school financing. Also it came out clearly that there was a positive annual budget forecast linkage to the long term plans and vision statement of the schools in the district. The following were found to be the strong benefits of budgeting to schools; planning process, decision making, controlling school activities and for delegating authority. The study recommends that the government and the school management should channel more resources towards the school infrastructure. Bottom-up approach in budgeting should be highly adopted by schools as it will lead to a realistic and practical budget for the schools as it will be owned by all the stakeholders.

Keywords: *Budgetary Practices, Current Budgets, Long-Term Budget, Implementation of Projects*

INTRODUCTION

Budget is a standard against which the actual performance can be compared and measured. It stipulates which activities and programs should be actively pursued. Management whether in private or in public sector is required to specify expected revenue and expenditure. A budget is also a detailed plan outlining the acquisition and use of financial and other resources over some given period. Budget in an organization act as a mechanism for effective planning and controlling (Flamholz, 1983).The main purpose of a budget in any organization is for planning and controlling in order to achieve organizational goals and objectives. (Schick, 1999).

Whereas budgeting is the act of preparing a budget, budgetary practices are approaches used in preparation of the budget. These approaches facilitate planning and control of resources, managing and controlling the activities for which they are responsible by comparing the actual results with the budgeted amounts for the different categories of the expenses. Such practices that facilitate budgeting include bottom-up budgeting approach which is participatory budgeting where all departmental heads and employees are involved, top-down approach where top managers have come up with the budgets and communicate it to its juniors, Agile approach which is responsible to changes such as costs and finally middle of the road budgeting approach where they incorporate the traditional and the budget approach. Activity based budgeting (ABB) which uses cost drivers for every activity, zero based budgeting (ZBB) where every cost begins at zero, and computerized budget which uses what if analysis to examine how a result will change if the original predicted data are not achieved. By use of the above approaches, managers can ascertain which costs do not conform to the original plan and thus require their attention. This process enables management to operate a system of management by exception which means that a manager's attention and effort can be concentrated on significant deviations from the expected results. By investigating the reason for the deviation, managers may be able to identify inefficient and take the correct course of action to bring the organization back on track (Hongren, 2005).

For any organization to successfully meet their objectives there must be a proper budget plan. Long term school plans should be converted into action by preparation of a detailed short term tactical plans (Budget planning) for the functions, activities and departments. Plans are developed using physical units e.g., number of units to be produced, number of hours worked etc. In a school setting these physical units may entail things like teaching materials, number of class rooms and class room supplies, quantities of food staff, number of teaching and non-teaching staff etc. When monetary value is attached to the plans, they become a budget.

A study sponsored by the council of state government in United States, (1949) defined a school budget as "a financial plan which should be developed as to provide as adequately as possible for educational needs". Common Wealth Secretarial (2013) asserts that controlling a school budget requires that a school manager must understand the financial status of the school and its priorities for expenditure. Controlling the budget means controlling the votes i.e. ensuring votes are not overspent and that money received is put under the appropriate vote headings. Before you agree to any expenditure first check the vote to ensure there is enough money to cater for the expenditure, if there is no money you should either abandon the expenditure or seek permission from the appropriate authorities to re-allocate funds on the votes.

Common wealth secretarial (2013) proposes that school budgets should be operated under specific votes and whatever expenditure made should be entered in a vote book under the appropriate headings. Secondly, in a day-to-day management of payables, it is necessary to take in account the date at which the payments are due to avoid penalties for late payments. (Cash management). This secretariat recommends that when a school receives delivery of

goods or services ordered, the settlement of the account should be promptly. Thirdly is the management of arrears, which are caused by insufficient commitment control, or the perverse effects of a cash rationing systems that do not take into account commitments already made? Thus limiting arrears generation requires measures such as realistic, estimates of annual consumption and internal management measures.

The study will focus on budgetary practices in Public Secondary Schools in Kisii Central Sub-County Kisii County. The Ministry of Education in their handbook on secondary education strategy (2010), defines secondary education as that lies between basic education and higher education and forms a step for pupils between the age of 11 or 12 and 18 and lasts for four years even though the recent educational campaign is to make secondary education basic. According to this hand book, there were 151 secondary schools in 1963 with total enrolment of 30,120 today the number stands at over 1 million students.

The general vision for secondary education by MoEST is to have quality secondary education for student's empowerment and further education for the world of work and further education. "The above vision and mission for secondary education strategically fit to the national objectives and vision 2030 which states that under education and training, Kenya will provide a globally competitive quality education and training in research for development". Thus, the goals and objectives of the ministry of education are to reduce illiteracy levels, promote and popularize Information Technology (I.C.T) as well as Science and Technology ensures quality

management capabilities and to limit gender and regional disparities, Ministry of education Handbook (2010).

Management of secondary school require skilled managers who have to continuously plan, organize, direct, control and budget the resources in their environments. Conversely Muganda (1986) and Thomson (2008) observed that the effect of schools' financial mismanagement is disastrous strikes, poor academic performance, indiscipline and inadequate learning resources. The success of school is dependent on the inputs, guidance and financial support of BOMs, SMCs and parents. The BOM and SMC should therefore ensure that the head teachers make plausible instrument proposals and purchases that give result to their schools or the institution. For these reasons all B.O. Ms and S.M. Cs are duty bound to approve proposals aimed at giving

maximum benefits to schools and their learners. Kisii Central Sub-County, Kisii County has been selected as the focus point of this study mainly because most of the schools in the district are in desperate situation in terms of buildings, school furniture and equipment, textbooks, limited libraries and laboratory facilities, despite charging development levies and hiking school fees beyond recommended ministerial guidelines. The academic performance of the district has remained below average for the last 5 years. Conversely public secondary form the majority of secondary education in the district.

Statement of the problem

Common Wealth Secretariat (2013) asserts that controlling a school budget requires that a school manager must understand the financial status of the school and its priorities for expenditure. Controlling the budget means controlling the votes i.e. ensuring votes are not overspent and that money received is put under the appropriate vote headings. Before you agree to any expenditure first check the vote to ensure there is enough money to cater for the expenditure, if there is no money you should either abandon the expenditure or seek permission from the appropriate authorities to re-allocate funds on the votes.

For efficient management of our education system, our education institution and especially secondary calls for school principals who are not only successful classrooms teachers but also well -trained managers in all aspects of management. The BOMs, PTAs and other stake-

holders' groups may lend their support to the head of their institution in respect to the resource management. The MOST handbook of financial management instruction for secondary schools, college and Polytechnique (2006).

Obulemire (2006) surveyed on the levels of participation of all stakeholders in the budgeting process and motivational effect of the process and whether schools had strategic plans in Nairobi Province. He observed that schools do not involve all the stakeholders in the budgeting process and the budgeting process does not motivate employee and the schools lack strategic plans. A study on budgeting process and financial management in schools in Thika District found out that principals exercised complete control over financial matters and minimally involved teachers, bursars and board of governors in the budgeting process (Kuria, 2007). Kamau (2014) examined financial management practices in Kenya Secondary Schools, problem and issues. In this study Kamau established that most schools lacked a standardized and clearly defined system of determining the budget, the principals believe that heads of department made unreasonable request and input into the budget document was not necessary.

Finally, the principal consulted their BOMs as a formality to have their estimates approved. Conversely, Nyam (2018) researched on effectiveness of accounting control systems in public schools a case of Homa –Bay and Rachuonyo District. In this study, Nyam found out that the principals were in control of cash, cheques and other documents necessary for financial management. In this respect he noted that the accounting control system used in educational institution were very weak and hence resulting to poor financial management.

Mutua (2010) in his research on the challenges of budget preparation and implementation in public secondary schools in Kitui Central District found out that the major challenges of budget preparation are: changes in the general price levels, unclear ministerial guidelines and lack of adequate time to make projection while the major challenges of budget implementation in Kitui were: untimely release of the government funds, poverty levels of the region which yields to non- payment of the school fees, re-allocating funds from one vote head to another and abrupt projects. Thus, the existing studies leave an academic gap in that they have not exhaustively addressed the budgetary practices in public secondary schools across the country. This study therefore seek to fill this gap which is hypothesized as the central challenge to the budgetary practices and the creation of value adding programs and project for the benefit of all the school stakeholders.

Objectives of the Study

- i. To evaluate the influence of current budgets on implementation of projects in public secondary schools in Kisii Central Sub-County, Kisii County, Kenya.
- ii. To assess the extent to which long-term influence retention of students on implementation of projects in public secondary schools in Kisii Central Sub-County, Kisii County, Kenya.

LITERATURE REVIEW

Empirical Literature

Modern Approach Managers in many organization are revising budget to emphasize performance and results (Nolan,1995).This activity goes under many names: Outcome based budgeting, zero based budgeting ,activity based budgeting, computerized budgeting and planning programming budgeting system(PPBS). A decision unit could be a project or a cost centre, though (Herliger, 1999) narrows this definition to an organizational entry that has an identifiable manager with the necessary authority to establish activities within a unit. An important philosophy of ZBB is that all possible alternative strategies are presented. According to one standard definition, it require the review of all budget requests from point zero. Without assuming that any existing project should continue. Due to the many

challenges the original goals of (ZBB) have proved elusive in modified form, it has become widely used budgeting tool (Fanning 1998).

In the organization where it continues to exist in some form it's a challenge to separate it from widespread practice of expecting agencies to evaluate the impact of changes in funding operation, Cordon (1978). This assists the policy maker to break the tradition of the incrementalism. It makes it possible to avoid across the broad cuts by emphasizing the effect of the different cuts on services. Cordon and Heivillin (1978) summarize this approach as an analytical or rational economic approach as opposed to a political process. It is a process that forces live management to consider their operational priorities and also allow for decentralized decision making.

The Activity Based Budgeting Approach as its name implies, the ABB approach focuses on generating a budget from an activity based model of the organization as opposed to the traditional product – market responsibility centre, or department focus. The ABB-groups fundamental thrust is to expand activity based and capacity management concept into budgeting. The ABB – group contends that budgeting serves primarily a planning role and that budget suffers because the financial – oriented, higher level budgeting process is not adequately connected to the underlying operational mode of the organization. The ABB – group lists several potentials benefit of the approach (Torok and Hansen, 2000). First by balancing operational requirements, the ABB approach avoids unnecessary approach calculations of the financial effect on operationally infeasible plans. More importantly, the ABB approach focus on generating a budget explicitly, and other types of cost drivers not found in traditional budgeting systems.

Schools are established by Government or private organisations with certain objectives. In order to achieve the long-term objectives, a school plans well in advance and continues to work year after year to achieve these objectives. Such plans layout the possible sources of school's income and possible heads of expenditure for more than one year, generally five years. But, plans are also prepared for 10-15 years or even more. Taking into consideration such long-term budget the fiscal budget of a school is generally worked out. The long-term budget provides a perspective and priority for the current budget to be prepared.

Planning, Programming and Budgeting System (PPBS) PPBS is programmed oriented management approach which examine needs over a medium to long – term period. Having been first recommended in the US by the Hoover commission in 1949, the approach envisaged there elements: programmed and activity classification by government department performance measuring and performance reporting. Nicholas (1969) view PPBS as following five processes; the overall objectives and goals of the organization and the various agencies and departments within the organization are formulated priorities are determined for the attainment of the goals and objectives possible alternative program that may be used to fulfil desired objectives are compared based on the effectiveness of each in achieving the organizational objectives. The total cost of each program is related to the total benefits that would be derived from the program to determine the efficiency of the programme, Otley (2013).

The most effective and efficient programmes are selected and integrated into a comprehensive programme and implemented, Nicholas (2022). The result of this programme once initiated are reviewed and judged based on the bases of performance. The purpose of this review is to control in the implementation for future decision and forecasts. Each programme cannot, of course be reviewed each year. But analytical steps of PPBS call for periodic review of the fundamental programme objectives, cost and accomplishments to date, Otley (2013). The school income mainly falls into two categories – the first one being tied grants – which mainly come from the government and they are clearly earmarked for a

specific purpose e.g. Maintenance of buildings and construction hence they cannot be allocated at all the school level for any other purposes Ministry of education handbook, (2022) . Secondly, united grands – these are grands for use on expenditure items determined as priorities in the school e.g. P.T.A contributions. On the other hand the school expenditures fall into two categories – Recurrent expenditure – this is the expenditure on consumables and constitutes the greatest percentage of the budget e.g. salaries, operating costs in travel and communication etc. Secondly, capital or development expenditure – these are expenditures on capital assets e.g. buildings, furniture equipment and vehicles. They are made at irregular intervals, but they cover the time span of several fiscal years.

Theoretical Framework

Capital Structure Theory on Budgeting

Capital structural theory on budgeting involves the planning process as advocated by Max Weber and Karl Max are used to determine whether an organization in long term investments such as new machinery, replacement machinery, new plants, new products, and development projects are worth the funding of cash through the organization's capitalization structure (Arthur and Sheffrin, 2005). It is the process of allocating resources for major capital, or investment, expenditures with a purpose of increasing the value of the organizations to the shareholders. Thus, managers are continually faced with decisions about which assets to invest in depending on different types of investment decisions the financial manager faces. The theory also helps to estimate the benefits and costs associated with these decisions (Peterson and Fabozzi, 2002). The theory provides an important tool to make decision and could be used to prioritize investments based on their returns (Ramahi, 2010).

Public Budgeting Theory

Public budgeting is a field of public administration and a discipline in the academic study thereof. Budgeting is characterized by its approaches, functions, formation, and type. Smith and Lynch (2004) define public budgeting as a process where the politician sees the budget process as "a political event conducted in the political arena for political advantage. The economist views budgeting as a matter of allocating resources in terms of opportunity cost where allocating resources to one consumer takes resources away from another consumer. Thus, a budget is a plan for the accomplishment of programs related to objectives and goals within a definite time period, including an estimate of resources required, together with an estimate of resources available, usually compared with one or more past periods and showing future requirements (Smith & Lynch, 2004).

METHODOLOGY

This research used the mixed methods approach and a concurrent triangulation research design which was characterized by using of more than one method to endorse, cross- validate findings within a study. The study will be carried out in Kisii Central Sub-County, Kisii County which has a total of 40 public secondary schools. These formed the target population in as far as the schools are concerned. The sample size of the study will comprise of 121 respondents comprised of 40 principals, 1 Sub-County Education officer, 40 BOM Chairmen and 40 Presidents of Student's Council. Purposive sampling will be used to select 40 Principals, 1 Sub- County Director of Education, 40 BOM Chairmen and 40 Presidents of Student's Council.

The data was collected from both primary and secondary sources. The study administered questionnaires which are both closed-ended and open-ended to the respondents to capture both qualitative and quantitative data. Interviews were used to make an in-depth analysis of the current state of establishing the effectiveness of school budgetary practices on implementation of projects in public secondary schools in Kisii Central Sub-County, Kisii County, Kenya. The analysis of the data was conducted using descriptive and inferential

statistical analysis. Descriptive statistics allowed the researcher to describe the data and examine relationships between variables while inferential statistics allowed the researcher to examine causal relationships between qualitative and quantitative data (Leary, 2004).

FINDINGS

Descriptive Statistics

Effect of budget preparation on budget variance in public secondary schools

The respondents were requested to give on budget preparation by rating their responses on a likert scale of 5 to 1 with 5 being to very large extent, 4 to large extent, 3 to some extent, 2 to less extent and 1 to no extent. Means and standard deviations were generated by SPSS. The research findings are as indicated in the table 1.

Table 1: Effect of Budget preparation on Budget variance in public secondary schools

		Very large extent	Large extent	Some extent	Less extent	No extent	Mean	Std. Dev
The budgetary process starts	Principals	21	3	0	0	0	4.88	0.338
With forecasts of the expected income and	Bursars	19	1	0	0	0	4.95	0.224
The budget is prepared to cover a specified period	Principals	22	1	1	0	0	4.88	0.448
	Bursars	20	0	0	0	0	5.00	0.00
The budget is prepared in consultation with the board of management,	Principals	18	5	1	0	0	4.71	0.55
Budgets are prepared with reference to the school annual plan, strategic plan and overall goal	Bursars	14	5	1	0	0	4.65	0.59
The school has a documented budgetary process which is referenced during the process	Principals	19	4	0	1	0	4.71	0.69
	Bursars	14	4	1	0	1	4.50	1.00
Budgets are used to control resources	Principals	11	9	2	1	1	4.17	1.049
	Bursars	8	5	5	0	2	3.85	1.29
Budgets are used to judge performance of the users	Principals	14	8	1	0	1	4.50	1.00
	Bursars	15	2	1	2	0	4.50	1.00
Budgets are used to motivate teachers, subordinate staff and other stakeholders	Principals	8	8	5	2	1	3.83	1.51
	Bursars	10	4	4	0	2	3.80	1.51
Budgets are used to motivate teachers, subordinate staff and other stakeholders	Principals	5	5	4	7	3	3.08	1.1381
	Bursars	2	6	4	2	6	2.80	1.44

The study findings as indicated in Table 1 indicated that majority of the principals and bursars agreed that to very large extent the budgetary techniques started with

forecasts of the expected income and expenditure as indicated by a mean of 4.88 and standard deviation of 0.338 for principals and a mean of 4.95 and standard deviation of 0.224 for bursars. This was in agreement with Gacheru (2012) who stated that the process of budget preparation in NGOs involved forecasting of expected income. The research also established that the budget was prepared to cover a specified period as indicated by a mean of 4.88 for principals and 5.00 for bursars. This concurred with Mulwa (2012) who stated that organizations used a budgetary period of 12 months.

The research also requested respondents to indicate whether the budget was prepared in consultation with the board of management, parents association and teachers. Most of the respondents agreed to very large extent as indicated by a mean of 4.71 for principals and 4.65 for bursars. The findings were not in agreement with Kuria (2007) who had established that most schools do not involve stakeholders in budget preparation. Regarding preparation of budgets with reference to the school annual plan, strategic plan and overall goal, majority of the respondents agreed to very large extent as indicated by a mean of 4.71 for principals and 4.50 for bursars. This was in agreement with the study findings of Gacheru (2012) who established that budgets were based on strategic plans.

In respect of whether schools had documented budgetary techniques, most of the respondent principals agreed to large extent as indicated by a mean of 4.17 whereas bursars agreed to some extent as indicated by a mean of 3.85. This was in agreement with Gacheru (2012) who stated that budget preparation in NGOs is in relation to a documented process. The study requested respondents to indicate whether budgets were used to control resources. According to the findings, majority of the respondents agreed to large extent as indicated by a mean of 4.50 for both principals and bursars. This concurred with Weetman (2006) who asserted that a budget serves as a tool for planning and controlling use of scarce resources with an aim of achieving organizational goals. Regarding whether budgets were used to judge performance of users, most respondents agreed to some extent as indicated by a mean of 3.83 for principals and 3.80 for bursars. As regards if budgets were used to motivate teachers, subordinate staff and other stakeholders, respondent principals agreed to some extent as indicated by a mean of 3.08 and respondent bursars to less extent as indicated by a mean of 2.80. The research findings indicated that budget preparation had an effect on budget variance to large extent as indicated by a grand mean of 4.3001.

Effect of budget implementation on budget variance in public secondary schools

The respondents were requested to give responses on budget implementation by rating their responses on a likert scale of 5 to 1 with 5 being to very large extent, 4 to large extent, 3 to some extent, 2 to less extent and 1 to no extent. The means and standard deviations were generated from SPSS. The research findings are as indicated in the table 2.

Table 2: Effect of budget implementation on budget variance in public secondary schools

			Very large extent	Large extent	Some extent	Less extent	No extent	Mean	Std. Dev
Board of management authorizes all expenditure on school projects through the board minutes	Principals	17	6	1	0	0	0	4.67	0.565
	Bursars	13	2	4	0	1	1	4.30	1.129
Funds received from various	Principals	20	3	1	0	0	0	4.79	0.509

sources for school projects are recorded immediately	Bursars	18	1	1	0	0	4.80	0.696
The school board of management issues guidelines prior to budget implementation	Principals	12	8	2	1	1	4.21	1.062
	Bursars	8	8	2	1	1	4.05	1.099
Funds spent on school projects are recorded	Principals	20	3	1	0	0	4.71	0.859
	Bursars	17	3	0	0	0	4.85	0.366
Coordination among various stakeholders during budget execution is achieved through clear communication and	Principals	13	8	3	0	0	4.42	0.717
	Bursars	15	4	0	1	0	4.65	0.745
Insufficient funds allocated to projects and departments affect	Principals	16	3	2	3	0	4.33	1.09
	Bursars	15	2	2	1	0	4.55	0.887
Institutional weaknesses hinder effective budgetary process implementation	Principals	11	7	3	1	2	4.00	1.251
	Bursars	9	6	3	0	2	4.00	1.257
The budgetary process is time consuming and expensive and may become volatile before	Principals	3	8	6	3	4	3.13	1.296
	Bursars	2	4	3	1	10	2.35	1.531

According to the findings shown in Table 2, most of the respondents agreed to large extent as indicated by a mean of 4.67 for respondent principals and 4.300 for respondent bursars that board of management authorized expenditures on school projects through board minutes. This was in agreement with weetman (2006) who had stated that a school budget committee was usually created to manage each stage of the budgetary techniques and to implement the strategy decisions. The findings also established that funds received from various sources were recorded immediately as indicated by a mean of 4.79 for principals and 4.800 for bursars. This was in agreement with Ototo (2009) who established that commercial banks had their proposed budgets matching with the implemented budget. Regarding if the school board of management issued guidelines prior to budget implementation, most of the respondents agreed to large extent as indicated by a mean of 4.21 for principals and 4.050 for bursars. This was in agreement with Ntseto (2009) who stated that MOE issues ministerial guidelines on vote heads and allocation of funds though individual schools were at liberty to deliberate on school need, prioritize them and manage school funds depending on available resources. Respondents were also requested to indicate whether funds spent on school projects were recorded immediately. As shown in table 20, majority of the respondents agreed to large extent as indicated by a mean of 4.71 for principals and 4.85 for bursars.

The study requested respondents to indicate whether coordination among various stakeholders during budget execution was achieved through clear communication and consultation. Most of the respondents agreed to large extent as indicated by a mean of 4.42 for principals and 4.65 for bursars. Regarding effect of insufficient funds allocated to school projects on budget implementation, most of the respondents agreed to large extent as indicated by a mean of 4.33 for principals and 4.55 for bursars. This concurred with Opiyo (2014) who established that resource allocation in the budget determined

implementation of school development plans. Respondents were requested to indicate hindrances of institutional weaknesses on budget implementation. As shown in the table, majority of respondents agreed to large extent as indicated by a mean 4.00 for bursars and principals. The study also required responses on whether the budgetary techniques was time consuming and expensive. According to the responses, most of the respondent principals agreed to some extent as indicated by a mean of 3.13 and respondent bursars to less extent as indicated by a mean of 2.35. Budget implementation affected budget variance to large extent as indicated by a grand mean of 4.24

Inferential Statistics

Correlation matrix for Linear Relationship between Variables

Pearson's correlation measures the strength and direction of the linear relationship between variables. In this study, it measured the strength and direction of Budget preparation, Budget implementation and budgetary control in relationship with Budget variance. Pearson's Correlations in that budget preparation was positively and strongly correlated with budget variance ($r= 0.675$, $\alpha < 0.01$). Therefore, budget preparation had 67.5% strong positive relationship with budget variance. Finally, budget implementation was positively correlated with budget variance ($r= 0.573$, $\alpha < 0.01$). Hence budget implementation had 57.3% a moderate positive relationship with budget variance. The study findings provided enough evidence to suggest that there was linear and positive relationship between budget preparation, budget implementation and budgetary control and budget variance of the public secondary schools. By Klein's rule the regression coefficients are significant because none is close to the multiple correlation coefficient ($R=0.8700$).

Conclusion

The study surveyed budgetary practices in public secondary schools in Kisumu East District. It revealed that schools employed bursars, with most having less than ten years of experience. The school facilities, including furniture, buildings, laboratories, and libraries, were found to be inadequate across the board. Only a few schools prepare comprehensive budgets encompassing cash, master, departmental, and development budgets, with the majority opting for only the master budget. The study also found that government grants, school fees, and Community Development Fund (CDF) assistance are the primary sources of financing. All schools had a long-term strategic plan and clear vision and mission statements. The involvement in budget preparation was highest among heads of departments, with minimal participation from students, local businesses, and local leaders.

There was a clear positive correlation between annual budget forecasts and the long-term plans and visions of the schools. Budgeting was highly beneficial for planning, decision-making, controlling school activities, and delegating authority. The trend of past years was commonly used for revenue and expenditure projections. The bottom-up approach to budgeting was preferred over the top-down approach or a combination of both. Factors significantly affecting the budget preparation process included escalating costs beyond anticipation, unclear ministerial guidelines, ad hoc methods, and changes in government policies. Challenges to budget implementation included abrupt projects, lack of budget reviews, and untimely release of government grants. Lastly, a significant portion of schools took two to three months to clear debts, with a considerable number taking even longer. Furthermore, a high percentage of schools did not maintain contingency reserves

Recommendation

From the findings, the study recommends the following: more Provincial boarding schools should be established and supported to allow all students who qualify to get chance for better academic performance. The government and the school management should channel more resources towards the school infrastructure as it was found to be highly inadequate. The

school management should recruit bursars with many years of experience to enhance efficiency in budget preparation and limit the challenges in the budget implementation.

Again the research recommends that all schools should prepare all the types of the budgets to enhance proper control of the school resources. School management should tighten their budgetary control to limit budget deficit. If possible the school management should involve all the stakeholders in budget preparation to avoid unnecessary conflicts on the use and acquisition of school finances.

The study also recommends that bottom-up approach in budgeting should be highly adopted by schools as it will lead to a realistic and practical budget for the schools as it will be owned by all the stakeholders. Schools should use Zero based budgeting wisely to avoid unnecessary shortages and to take care of inflation.

Lastly the study recommends that schools should not keep creditors waiting for too long and therefore should settle their debts as soon as possible and that schools should be encouraged to maintain contingency reserves to cater for any emergencies.

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