The Effect of Accounting Practices on Management of Funds in Public Secondary Schools in Nairobi County

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Abstract

Purpose –The study sought to determine the effect of accounting practices on the management of funds in Public secondary schools in Nairobi County.

Methodology – This study adopted a descriptive study design and used primary data collected using a questionnaire with a five point Likert scale on the parameters of each variable. The study was a census on 60 Public Schools in Nairobi County. Data was analyzed using descriptive analysis and multiple regression analysis was used to test the relationship between accounting practices and fund management in Public Secondary Schools in Nairobi County.

Finding- The results of the study found a significant negative relationship between book keeping and funds management in public secondary schools. The research also found a significant positive connection between internal control activities and funds management in public secondary schools. Additionally, the study findings present a substantial positive connection between computerized accounting and funds administration in public secondary schools. Finally, the study findings established an insignificant positive relationship between budgeting and funds management in public secondary schools.

Implications- The public secondary schools in Nairobi County should invest more resources in appropriate book keeping and accounting records since the availability of records will determine how they manage their funds. Secondly strong and effective internal control has a direct effect on fund management in public secondary schools in Nairobi County. Internal controls can help public secondary schools to assess risk levels and to also monitor and evaluate fund's management in the institutions.

Value-The findings of this research would be of value to principals of public secondary schools to improve on their budget preparation, monitoring and control considering the wide range of departmental activities including line activities like feeding program, boarding and co-curricular activities. This is where plans produced are linked to the budget using technical expertise. The findings would also be valuable to education officers (audit section) as a stepping-stone to improve on their financial monitoring and control skills especially in comparing the budget and the actual expenditure by principals of public secondary schools. The findings may be of significance to policymaking organisations like the Ministry of Education in Kenya to develop policy mechanisms to enhance accounting practices in public secondary schools.

Full text: http://journals.uonbi.ac.ke/index.php/adfj/article/view/1701