An Assessment of the Effect of Accounting Practices on the Management of Funds in Public Secondary Schools: A Study of Kisii Central District, Kenya

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Abstract

In Kenya, Secondary education expenditure has over the years increased with the Ministry of Education statistics indicating that the expenditure increased from 21.7% to 27% of total education budget in the financial years 2004/2005 and 2007/2008 respectively. Despite this increased funding, concerns over the accuracy of fees arrears continue to be raised, questioning the management of funds in public secondary schools. By 2008, public secondary schools' arrears from fees collection had accumulated to kshs.15.5 billion. This study therefore sought to establish the effect of accounting practices on the management of funds in public secondary schools in Kisii Central District, Kenya. The study employed a survey design using 90 respondents, consisting of 45 Principals and 45 Bursars. Closed-ended questionnaires were used to collect primary data which were analyzed using frequency distributions, weighted means, Pearson's correlation coefficient and regression analysis. The study revealed that the level of Management of Funds in public secondary schools is positively correlated to the extent of use of Accounting Practices at 0.01 significance level. The coefficient of determination (R2) indicated that 92.1% of the variations in Management of Funds could be explained by changes in accounting practices with the F-Statistic (899.091) significant at 95% confidence level indicating that management of funds is influenced by the accounting practices. The study concluded that accounting practices have an influence on management of funds in public secondary schools and recommends the use of such accounting practices to a very large extent and recommends the mandatory use of accounting practices so as to improve the general management of funds in public secondary schools in Kenya.

Keywords: Accounting Practices, Management of Funds, Schools.

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