

**EFFECTS OF FINANCIAL MANAGEMENT PRACTICES ON THE
PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN UGANDA.**

CASE STUDY: SCHOOLS IN BUKEDEA DISTRICT



By
ODONG SAMSON ONYAIT
2014-B181-10071

UGANDA MARTYRS UNIVERSITY

APIRL, 2017

**EFFECTS OF FINANCIAL MANAGEMENT PRACTICES ON THE
PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN UGANDA.
CASE STUDY: SCHOOLS IN BUKEDEA DISTRICT**

By

ODONG SAMSON ONYAIT

2014-B181-10071

**A Under Graduate Dissertation Submitted To The Faculty Of Business Administration
And Management In Partial Fulfillment Of The Requirements For Award Of Bachelor's
Degree Of Science In Accounting And Finance From Uganda Martyrs University.**

APIRL 2017

DEDICATION

I dedicate this study to all individuals whose tremendous efforts and contribution have brought me this far particularly in my academic journey. In a special way, I would like to dedicate this study to all my lovely father **Mzee Onyait Augustine**, all my family members more especially my brother Mr. **Onyait Anthony** and my sister **Adeke Sarah** and family, my supervisor Mr. **Peter Lugemwa**, and **Mr. Ronald Izaraku**, and to **all my friends** who have supported me since my day one of school. Without you I would not have reached this far. Thank you and May the almighty God bless and reward all abundantly.

ACKNOWLEDGEMENTS.

I wish to convey my sincere gratitude to the Onyait family for the support, love and care you have offered me since I joined Uganda Martyrs University, thank you very much.

I am greatly humbled and indebted to my supervisor, Mr. Lagemwa Peter for the professional guidance throughout this study. And thanks goes to the Faculty of Business Administration staff, to the associate dean Mr. Ssegawa Edward.

In a special way I thank my fellow students who helped me during the study, Asega Faizal, Gayi Vincent, IIKO Johnson, Kamoga Ian Charles, Kabanda Abraham, Adriko Leonard, Esaete Tina and my Daphne Atugonza.

LIST OF ABBREVIATIONS

FM:		financial management.
FR:		Financial Reporting.
SPSS	-	Statistical Package for Social Science

TABLE OF CONTENT

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENTS.....	iii
LIST OF ABBREVIATIONS.....	iv
LIST OF TABLES.....	viii
LIST OF FIGURES.....	ix
ABSTRACT.....	x
CHAPTER ONE.....	1
GENERAL INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of the study.....	2
1.2 Statement of the problem.....	3
1.3 Objectives of the study.....	4
1.3.1 Major objective of the study.....	4
1.3.2 Specific objectives of the study.....	4
1.4 Research questions.....	4
1.5 Scope of the study.....	5
1.5.1 Geographical scope.....	5
1.5.2 Content scope.....	5
1.5.3 Time scope.....	5
1.6 Significance of the study.....	5
1.7 Justification of the study.....	6
1.8 Definition of key terms.....	7
1.9 Conceptual framework.....	7
CHAPTER TWO.....	9
LITERATURE REVIEW.....	9
2.0 Introduction.....	9
2.1 Budgeting and performance of public schools.....	9
2.2 Bookkeeping and performance of public schools.....	12
2.2.1 Single entry system.....	15
2.2.2 Double entry system.....	16
2.3 Financial reporting and performance of public school.....	16
2.3.1 Cash-flow statements.....	18

2.3.2 Statement of comprehensive income	20
2.3.3 Statement of financial position	20
2.4 Education efficiency	21
2.5 Educational Effectiveness	22
2.6 Conclusion	23
CHAPTER THREE	25
RESEARCH METHODOLOGY	25
3.0 Introduction.....	25
3.1 Research design	25
3.2 Area of study.....	25
3.3 Study population	26
3.4 Sampling procedures.....	26
3.4.1 Sample size	26
3.4.2 Sampling technique.....	26
3.5 Data source.....	26
3.5.1 Primary Data	26
3.5.2 Secondary Data	27
3.6 Data collection methods and instruments	27
3.6.1 Questionnaire	27
3.6.2 Interview guide	27
3.7.1 Validity.....	27
3.7.2 Reliability.....	28
3.8 Measurement of variables	28
3.9 Data management and Analysis	28
3.9.1 Quantitative data	28
3.9.2 Qualitative data	29
3.10 Ethical issues.....	29
3.11 Limitations of the study.....	29
3.12 Conclusion	30
CHAPTER FOUR.....	31
PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS.....	31
4.0 Introduction.....	31
4.1 Background of respondents.....	31
4.1.1 Age of Respondents	31

4.1.2 Gender of the respondents	32
4.1.3 Duration in the organization	33
4.1.4 Code of conduct	34
4.2 Presentation according to objectives.....	34
4.6 Conclusion	53
CHAPTER FIVE	54
SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION	54
5.0 Introduction.....	54
5.1 Summary of major findings	54
5.1.1 Budgeting of public secondary schools	54
5.1.2 Bookkeeping of public secondary schools.....	54
5.1.3 Financial reporting of public schools.....	55
5.2 Conclusions.....	55
5.3 Recommendations.....	56
5.3.1 The role of budgeting on the performance of public secondary schools in Uganda.....	56
5.4.2 The role of Bookkeeping on the performance of public secondary schools in Uganda .	57
5.4.3 The role of financial reporting on the performance of public secondary schools in Uganda	57
5.5 Suggestions for further research	57
REREFRENCES.....	58
APPENDICES	62
APPENDIX 1: DATA COLLECTION INSTRUMENT.....	62

LIST OF TABLES

Table 1: Duration in the organization	33
Table 2: Descriptive statistics on financial management practices and performance of secondary schools	35
Table 3: Descriptive statistics on the relationship between budgeting and performance of secondary schools	37
Table 4: Descriptive statistics on Budgeting and efficiency	41
Table 5: Descriptive statistics budgeting and effectiveness	42
Table 6: Descriptive statistics on Budgeting and level of costs	44
Table 7: Descriptive statistics on the role of book keeping and performance of secondary schools.....	45
Table 8: Descriptive statistics on Book keeping and efficiency	48
Table 9: Descriptive statistics on book keeping and effectiveness	50
Table 10: Descriptive statistics on book keeping and level of costs.....	52

LIST OF FIGURES

Fig 1.0 Relationship between variables	8
Figure 2: Shows Age of respondents	32
Figure 4: Ethical code of conduct	34
Figure 3 : Shows Pie chart of Gender respondents	33

ABSTRACT.

This research is about the effects of financial management practices and Performance of public secondary schools. The main objective of this study was to investigate the relationship between the effects of financial management practices and performance of public secondary schools in Bukedea district and the specific objectives were; examine the relationship between budgeting and performance of public secondary schools, assess the relationship between book keeping and performance of public secondary schools, asses the relationship between financial reporting and performance of public secondary schools.

The case study was schools within Bukedea District. A cross sectional study was carried out using both quantitative and qualitative methods of data collection. Questionnaires and Document reviews were used as the tools for collecting data.

The results from the research findings show that there is a relationship between financial management practices and performance of public secondary schools.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

Financial management involves defining the goals of the organization, developing programs that will achieve these goals into quantitative terms (Campbell, 2010). Financial management is therefore a control system that determines how to use the available resources optimally to produce quality results. The importance of a control system lies first in the design of the programs outlined to achieve the goals and secondly in the skills and abilities of the people using it. Education has become Uganda's largest growth industry and consumes a great deal of the government budget (Aringo, 2013). Besides this, the introduction of cost sharing has burdened both parents and the communities surrounding the school since there is need for additional finance to back up the limited public funds provided by the government. Macharia (2012) noted that with this kind of investment, parents and the communities in question require that there be proper financial management by the school administrators. There is an increasing demand for education, which has caused an expansion of educational systems. Rising costs of education have been caused by inflation and changes in technology.

School finances are used for the day-to-day running of the organization and therefore it has to be properly budgeted, well recorded in books of accounts and reported. It is of paramount importance to note that every school manager or head teacher needs to plan the school budget either termly or annually to achieve optimal school objectives and for the effective management of finance. It is solely the responsibility of the school administrator to see to it that the necessary funds regularly solicited for, meet the demands of their schools. This chapter of the study presents the background of the study, statement of the problem, general objective, specific objectives, research questions, Scope of the study, significance, justification of the study and definition of key terms and the conceptual framework of the study.

1.1 Background of the study

Pandey (2010) defines financial management as the managerial activity which is concerned with the planning and controlling of a firm's financial resources. According to Collis, (2002) financial management is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations. Financial Management is an essential part of the economic and non-economic activities which help an organization to decide about the efficient procurement and utilization of finance in a cost effective manner (Degryse et al, 2011). Nguyen (2001) stressed that financial management is made of fixed assets management, capital structure management cash management, financial planning, working capital management, financial reporting and accounting system. This implies that management has to know and understand the concept of financial management in order to be effective in management of business finances.

With so much money invested in education, there is need for proper planning and evaluation by those in charge of schools. Education needs to be more efficient and the output should offer a positive reflection of the input in schools as Guthrie et al (2011) stressed that planning and evaluation are the two major stages in a cycle of events aimed at enhancing an educational organization's ability to serve its clients, that is, parents, pupils and the public. For planning and evaluation to be successful, there is need for proper financial management through budgeting as a practical bridge between planning and evaluation. Macharia (2012) views proper budgeting administration as a way of ensuring that resources are allocated according to what is in the budget. The school administrators and Board of Management have the responsibility of approving what is to be spent. There is need therefore for school administrators to carry out proper financial accounting showing proper record and evidence of expenditure because financial accounting is a very important activity in administering school finance.

Performance refers to the ability of a school to meet the required standards, increased number of students, improved facilities and total cost reduction; once this is achieved, a school is believed to be performing effectively and efficiently (Fitzgerald et al 2006). Typically, these criteria are represented as component parts of an internal system and cover the institution's ability to; control financial expenses, satisfy staff, deliver timely interventions and respond to target group reactions to interventions. Fiddler (2010) noted that public schools must improve performance if they are to effectively compete in this era of rapid economic and technical change. Improved performance requires both capital investment as well as a work force that has the flexibility to acquire new skills for newly created jobs resulting from structural changes in the economy (Fitzgerald et al, 2006).

1.2 Statement of the problem

Parents and local communities have been paying school fees for their children and, in addition, have taken a bigger share in capital expenditure. With the setting up of the Parents Teachers Associations (PTAs), parents have had to raise more money for school development fund, purchase of text books, school buses and computers (Bogonko 2012). The principal must take care of the many tasks involved in the management of expenditures based on the revenue secured. The government audit department should also keep track of the financial performance of the schools to ensure they perform according to standards (Waihenya, 2013). This will help bring down the financial impropriety caused by most school principals. Macharia (2012) confirmed that the audit department has been having difficulties in keeping track of the financial performance of schools as bursars decline to forward trial balances. According to Wangai, (2010) 10 percent of public secondary schools were facing financial impropriety and therefore there was need for government auditing. Macharia (2012) observed that the audit department had difficulties in keeping track with the financial performance of schools because bursars declined to forward financial records for scrutiny. Due to this,

parents have complained of financial mismanagement. Musvosvi (2011) felt that society has vested interest in education and they must be assured that they are spending their money on a worthy cause. The demand for greater accountability in public secondary schools has challenged the control of such schools and therefore this prompted the researcher to carry out an investigation into the knowledge, skills and attitudes required by principals of public secondary schools in Kachumbala Sub County for effective financial management. This reveals the gap between the ideal and the reason to carry out a research in areas of financial management in determining public school performance.

1.3 Objectives of the study.

1.3.1 Major objective of the study

To assess the effect of financial management practices on the performance of public secondary schools in Uganda

1.3.2 Specific objectives of the study

- I. To examine the relationship between budgeting and performance of public secondary schools
- II. To assess the relationship between bookkeeping and performance of public secondary schools
- III. To assess the relationship between financial reporting and performance of public secondary schools

1.4 Research questions

- 1) What is the relationship between budgeting and performance of public secondary schools?
- 2) What is the relationship between bookkeeping and performance of public secondary schools?

- 3) What is the relationship between financial reporting and performance of public secondary schools?

1.5 Scope of the study

1.5.1 Geographical scope

The study is focused on schools in Kachumbala Sub County in Bukedea district. The researcher chose this area because public schools are so many due to low incomes of the populace still most of the population are peasants so they can't afford high school fees that are charged by public institutions and also a high number of pupils who finish primary level and are not on government or district sponsorship to accord them descent education, so public secondary schools provide them with them cheapest alternative.

1.5.2 Content scope

The study will aim at assessing the role of financial management practices on performance of public secondary schools, the independent variable of the study will be financial management practices; using the dimensions budgeting, record keeping and financial reporting, and on the other hand the dependent variable will be Performance of public secondary schools using dimensions; level of efficiency, level of effectiveness and level of costs.

1.5.3 Time scope

The study will be in the range period of 2004-2016 because during this period many more public secondary schools mushroomed due to the importance and high demand for secondary education and yet most of the schools available were performing poorly or collapsing due to lack of information about how best they could minimize their operating costs, ineffectiveness of their systems, and inappropriate financial management practices being applied.

1.6 Significance of the study

The findings of this research may be used by:

Principals of public secondary schools to improve on their budget preparation, monitoring and control considering the wide range of departmental activities including line activities e.g timetable subject allocation to teachers and non-line activities e.g. feeding program, boarding and co-curricular activities. This is where plans produced are linked to the budget using technical know-how.

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.

Board of governors of public secondary schools to improve on their financial management decision making techniques and help improve on the overall school performance.

The government on improving or fixing proper financial monitoring and control systems in public secondary schools to ensure that these schools offer quality services to the citizens.

1.7 Justification of the study

The current study investigated factors affecting financial management of public secondary schools. The reason of choice is that public schools receive finances from the government and it is a constant offer as compared to public schools which rely on fluctuating source of finances. Furthermore, public schools dedicate effort and attention to the management of finances; hence the problem is not common in such schools. Since public schools rely on school fee, it may be fluctuating.

There are problems in schools over the management of funds. Parents have been kept in the dark over how much money has been received and spent in the schools. In fact parents have complained of financial mismanagement. A good number of audit reports indicate that books of accounts are not properly kept in some schools. Such circumstances normally leave room for manipulation by unscrupulous persons who have access to school funds and therefore there is need to find out ways of ensuring efficient and effective financial management in public secondary schools.

1.8 Definition of key terms

Financial Management: Joubert and Bray (2007) describe a school's financial management as the performance of management actions connected with the financial aspects of a school for the achievement of effective education.

Performance: The accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

Public school: This is a school that is operated or owned by a public person, firm, association, organization, or corporation but not government agency.

Budgeting: This is a quantitative expression of a plan for a defined period of time. It may include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and cash flows.

Bookkeeping: This is the recording of business transaction in a systematic and orderly manner while accounting is the classification, analysis and interpretation of the business record for decision making.

Financial reporting: is the process of producing statements that disclose an organization's financial status to management, investors and the government.

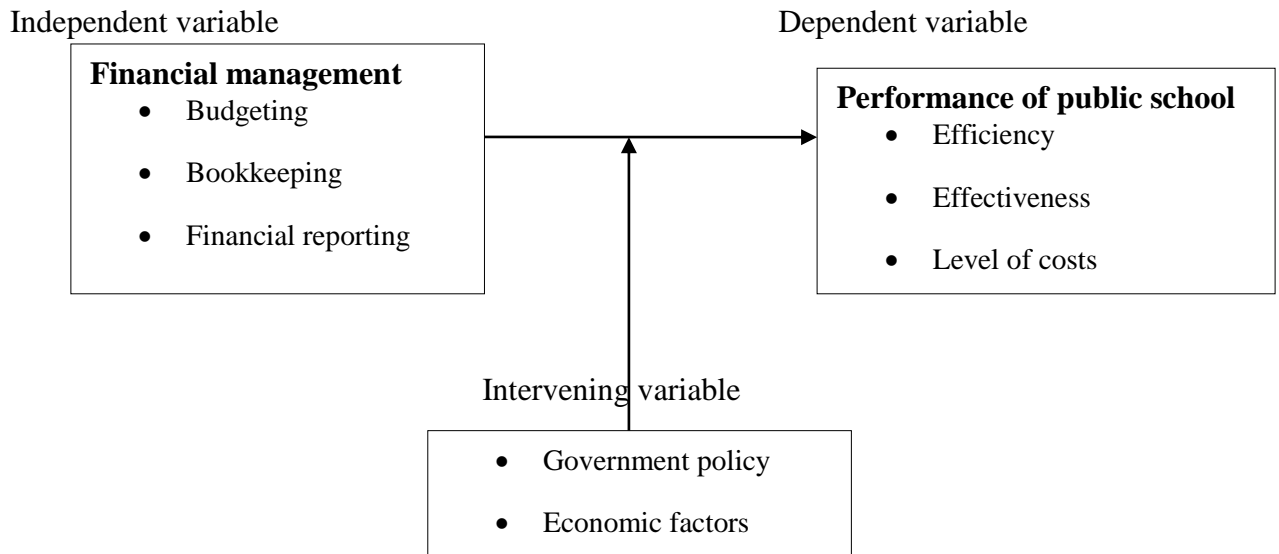
Effectiveness: The degrees to which objectives are achieved and the extent to which targeted problems are solved. Effectiveness is determined without reference to costs.

Efficiency: This is comparison of what is actually produced or performed with what can be achieved with the same consumption of resources (money, time, labor, etc.).

1.9 Conceptual framework

To determine good performance in public schools, financial management practices like budgeting, bookkeeping and financial reporting have to be well administered and this has to be in consideration of government policies in line with economic factors in an economy. Based on the above, the conceptual framework is given in figure 1 below.

Fig 1.0 Relationship between variables



Source: Pandey (2010) and modified by researcher (2016)

The diagram above indicates that financial management practices like; budgeting, bookkeeping and financial reporting affect the dependent variable that is performance of public schools in terms of profitability, productivity, efficiency and effectiveness. In addition to Independent Variable and Dependent Variable, there are mediating variables which influence the occurrence of the independent-dependent variable relationship. These include government policies like taxes, performance of an economy in line with prices of different commodities that a school purchases since prices of different resources fluctuate.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section discusses the different literature written by other authors about financial management that has contributed to the on-going performance of public schools. A clear understanding of literature shall help to acknowledge the importance of financial management in public schools. As stated by (Ntseto 2009), the administration of school's finances is an integral part of effective school administration. Therefore each of aforementioned tasks shall briefly be considered in regard to financial management.

2.1 Budgeting and performance of public schools

Pandey (2010) considered budgeting as a process by which an organization's management states and communicates, finances in terms of expectations, goals and objectives in order to avoid confusion and to facilitate their attainment at all levels of management and funding agencies. The planning of school finances usually begins with the drafting of a budget (Kruger 2005). Budgeting is a forward-looking process which should be guided by the school's vision for the future and a realistic assessment of the risks (Clarke 2007). Therefore, if it covers financial aspects, then it will reflect the management's expectations regarding revenues and financial position in monetary terms. Horngren (2009) further goes on to point out that budgeting focuses on future accounting period, rather than past periods on which the accounting is based to make records. Therefore, budgeting focuses more on a forecast purpose to estimate what is likely to occur in the future and how public schools in Kachumbala sub county resources are allocated to realize future operations.

Budgeting process can provide better program and financial decisions that can lead to improved operations and performance in schools (Dugdale and Lyne, 2010). National Advisory Council on State and Local Budgeting (2009) stressed that, the principles of

budgeting process can be accomplished by having budgeting practices. As stated in (National Advisory Council on State and Local Budgeting, 2009), a budget process that is well planned and integrated with other activities of an organization for instance management will provide better program and financial decisions that can lead to improved organizational operations. This implies that practices that involve all stakeholders and incorporates their priorities and needs, can have a positive impact in maintaining good relationships with the public, students and teachers overall in public schools in Kachumbala sub county.

The American Accounting Association (2005), emphasized that budget planning as a process helps to come up with how much revenue (fees) a school expects to raise as well as how much of the expected funds is to be spent and that is to say when and on what function, program, activity or operation and by which department. Similar observation was made by Fozzard, (2008), that budget planning is all about committing, prioritizing, and allocating financial resources to the various programs to be implemented in a specified period of time. Hartman (2008) further argues that, budget planning and stakeholder involvement ensures that realistic expenditure and revenue forecasts are incorporated in the budget to aids smooth running of school activities throughout the entire academic year. Additionally, budgeting process is a way of providing incentives and a mean of empowerment to teachers and other employees in public schools in Kachumbala Sub County to implement effective practices and achieve the required level of performance.

Scarcity of resources requires budget allocation decisions to focus on effectiveness of spending funds (Breul and Moravitz (2007). This implies that schools must ensure efficient use of funds through budget allocation for effective planning, performance measurements and cost measurement. Robinson and Last (2009) affirm that, the process of allocating funds should be in line with maximization of an appropriate social welfare function. Thus, in

allocating and implementing budgets, schools should look for other source of funds that would maximize their overall performance. Budgeting focuses on drawing a detailed financial program of action with clear goals and objectives aimed at reducing uncertainty therefore giving proper direction on how resources and performance efforts should be spent in order to achieve them (Joshi et al., 2006; Malinga, 2004). This implies that resources of public schools in Kachumbala Sub County can use their limited resources basing on a planned budget.

It involves drawing up a financial plan that not only shows required funds (fees) and how they should be raised and spent but also coordinates activities and efforts in a way that promotes optimal use of resources (Hanushek and Harbison, 2004). Massy (2007) observed that budget allocation and implementation in schools involves decentralizing responsibilities to prevent conflict of interest between different stakeholders and when a budget is decentralized and implemented, it enables different departments to be involved in the process and serves as a motivation of improving school performance. National Advisory Council on State and Local Budgeting (2009) noted that it should focus the priorities and the future preferred state of the school. This ensures that all the stakeholders support the approved budget and this guarantees its successful implementation in public schools in Kachumbala Sub County.

Budget control involves using budgets in controlling the operations of an organization (Waygandt et al, 2009). Therefore it encompasses the use of budget reports to ensure that the planned objectives are achieved. This implies that school departments must prepare periodic reports to the management that analyze any differences between the actual and the planned level of performances. Budget control provides an organization with the necessary information which is relevant to its operations and performance and this has made schools

achieve their performance objectives by ensuring effective budget control (Kung at el 2013). This implies that public schools in Kachumbala Sub County can be more successful in terms of using their resource if they put practice goo budgeting control mechanism which ensures that finances are not lost due to misallocation.

According to Hildreth (2006), the use of budget as a control mechanism makes sure that funds are used according to an established set of objectives and priorities by ensuring that an organization is able to achieve its objectives in an efficient manner. This therefore mean, budget control can provide a school management with a way of ensuring that funds are used proficiently towards the achievement of the set performance standard. Breul and Moravitz (2007) observe that budget control is a mean of placing greater importance on the achievement of the overall objectives of the school by being effective in planning schools activities. This implies that budget control assist in assuring that management and departments are devoted towards improving performance. Public schools in Kachumbala sub county can put budget control in practice in order to facilitate implementation of their strategies thereby improving their performance.

2.2 Bookkeeping and performance of public schools

Bookkeeping is the recording, on a day-today basis of the financial transactions and information pertaining to a business. It is concerned with ensuring that records of those individual financial transactions are accurate, up-to-date and comprehensive (Tilly 2015). Therefore bookkeeping is one of the ways through which an organization can keep track of its financial activities in order to ensure proper financial discipline. Pushpanadhun (2006) carried out research on school and found out that effective book keeping providing the information you need to make decisions in schools. The researcher noted that principals needed a comprehensive training in general administration of schools, planning and financial management in bookkeeping, cash flows, debtors, and creditors. This is so because the jobs

of principals have changed dramatically and thus pre-service training of such leaders has remained inadequate for effective delivery of their service and therefore in service training is the way to go for better financial performance in public schools in Kachumbala Sub County.

Ademola et al (2012), adds that, record keeping is essential for school management because efficient book keeping ensures systematic and well organized financial documents. It involves identification, classification, storage and protection, receipt and transmission, retention and disposal of records for preparation of financial statements. Therefore record keeping, policies, systems, procedures, operations and personnel are required to administer the records since it plays a key role in management of knowledge necessary for good school performance. Bookkeeping records include entries from day to day transactions of the school for instance transactions in respect to receipts and expenditure and these records may include a list of assets and liabilities (Reed, 2010). These help the school to evaluate its performance in a particular period of time usually at the end of a financial period. Proper record keeping provides evidence of how the transactions of finances in public schools in Kachumbala Sub County are handled and substantiates the steps that were taken in order to comply with standards.

Bookkeeping is a foundation on which a compliance program should be built upon and measures put in place to capture the documentation and events that take place throughout a transaction commencing from delivery and payment (Reed, 2010). Accounting skills are required for transaction entry in books of account as stressed. There are two basic types of bookkeeping methods: single entry and double entry systems. Standardized bookkeeping systems can be found in business or stationery stores. Barbara (2010) noted that record keeping help school accountants to easily record their financial transactions and easily trace their source documents when there is urgency. This implies that public schools in

Kachumbala Sub County can use computerized bookkeeping to record their financial transaction and improve their performance. According to Eric and Gabriel (2012), bookkeeping enables management to efficiently increases productivity and saves time and money. Reed, (2010) noted that schools incur costs mainly in buying source documents like invoices, sales order, and other slips.

Bookkeeping provides information that is used by managers, investors, leaders, customers, suppliers, and regulators (Alvaro, 2010). An analysis of its statements can highlight a school's strength and shortcomings, and management can still use this information to improve performance. If management of public schools in Kachumbala Sub County are to maximize value, then they must take advantage of its strength and correct its weaknesses hence efficiency and effectiveness and this is done through analysis of a school's financial statements. Bookkeeping enables schools keep track of it its activities to ensure that proper financial discipline is maintained (Fitzgerald et al 2006). Effective book keeping avails information which helps schools to obtain bank financing (Alvaro, 2010). Financial statements analysis is useful both to help anticipate future conditions and, more important, as a starting point for planning actions that will improve future performance.

Bookkeeping convey substantial information about the financial strength and current performance of a school. Although they are prepared primarily for users outside the organization such as the banks and other institutions, management also finds these financial statements useful in making decisions (Williams et al, 2008). As management develop operating plans, they think about how those plans will affect performance, as conveyed by the financial statements. Hildreth (2006) noted that from bookkeeping, financial statements such as the comprehensive income, financial position, Retained earnings and cash flows Statements are obtained. The balance sheet statement shows assets, liabilities and equity of an

organization at a point in time. Thus, the balance sheet portrays the financial position of a school at a point in time. The income statement reports incomes for the period between two balance sheet dates. The retained earnings statement shows how income and dividends for the period have changed. This implies that public schools in Kachumbala Sub County can benefit from use of bookkeeping.

2.2.1 Single entry system

According to Eric and Gabriel (2012), single entry system is an informal bookkeeping system where a user makes only one entry to enter a financial transaction. It generally includes a daily summary of cash receipts and a monthly record of receipts and disbursements. Receipts are entered as a deposit and a source of revenue. Deposit slips and withdrawals are entered as expenses. If a manual system is used, in order to determine the revenues and expenses, worksheets to summarize the income and expenses in different categories are to be prepared. Bookkeeping soft ware's are also available to do this. The emphasis of this system is placed on determining the profit or loss of a school. Since each entry is recorded only once, debits and credits are not used to record a financial event. While the single entry system may be acceptable for tax purposes, it does not provide a school with all the financial information needed to adequately report the financial affairs of a school.

According to Barbara (2010), this system uses a cash receipts journal and a cash disbursements journal in addition to the checkbook. All transactions are recorded in one of these journals. It records the flow of income and expenses. The cash receipts journal records all the cash received. It has columns for various categories of receipts with a line for each receipt, including date, source of cash and total amount. The cash disbursements journal records the money spent. It has columns for various categories of expenditures which include date, check number, payee, description of expense and total amount. The choice of column categories in both journals is critical to future analysis. All columns in both journals should

be totaled each month this will improve the financial performance of public schools.

2.2.2 Double entry system

The double entry accounting systems records financial transactions in relation to asset, liability, income or expense related to it through accounting entries. Any accounting entry in the double entry accounting system has two effects: one of increasing one account, the other of decreasing another account by an equal amount. If the accounting entries are recorded without error, at any point in time the aggregate balance of all accounts having positive balances will be equal to the aggregate balance of all accounts having negative balances. The double entry bookkeeping system ensures that the financial transaction has equal and opposite effects in two different accounts. Decision making at times involves incurring some costs on consultations among others in relation to financial statements provided through bookkeeping (Williams et al, 2008).

According to Alvaro (2010), recording a transaction requires recording what is given up and what is received, a transaction requires the noting of two changes every time a change in property occurs and an entry is made in the record system. It is important to observe the relationship between the left side and right side of entries. In other words, increases in property are recorded on the left side of an asset account, increase in money owed are recorded on the right side of the of a liability account. He further stresses that double entry system creates a convenient relationship which permits an interim check of accuracy of recording work at any time during the process. If one is not sure that an entry has been made correctly, one may stop and add up all the left side and then all right side, the two totals should be equal.

2.3 Financial reporting and performance of public school

The development of a common set of international reporting standards has long been the goal

of the International Accounting Standards Board (IASB) and its predecessor, the International Accounting Standards Committee (IASC) to enhance financial statements comparability across jurisdictions IASB (2008). In the absence of a global standard, each country sets local generally accepted accounting principles (GAAP). Since these standards differ from country to country, it is then difficult to compare financial reporting in different jurisdictions. The objective of financial statement is to provide a fair presentation of financial performance (income statement) and financial position of a school. This information is useful for making economic decisions by the users of the financial statements, who cannot dictate the information to be provided (Van 2009). This information along with financial statement, assists users in determining future cash-flows in particular their timing and certainty. In order to meet this objective, financial statements provide information about public schools in Kachumbala Sub County assets, equity, liabilities, income and expenses.

Therefore the reporting school must accurately describe the legal and accounting standards in the Statement of Financial Responsibility. A manager through financial management defines the goals of the organization, developing programs that will achieve these goals into quantitative terms through financial report analysis (Carsberg, et al, 2004). The daily decision making by owner/directors is most often based on accounting information. Furthermore taxation authorities also form part of users of these financial statements. However, accounting standard setting bodies also consider it on the general purpose of financial statements and exclude the specific needs of these two users (Son et al., 2006). Deakins & Husain (2007) indicated that financial management is therefore a control system that determines how to use the available resources optimally to produce quality results and improve performance. This implies that public schools in Kachumbala Sub County can

access improve performance if they have financial reports which are well prepared according to accounting principles.

Son et al., (2006) strongly suggested that the usefulness of financial information is ascertained by how it aids the users in making rational decisions and the perspectives of the financial reporting also make it easier to choose accounting treatments if controls are put into serious consideration and therefore a school achieve efficiency and effectiveness in terms of performance since resources are used more appropriately. When it comes to limitations on the use of school financial reports, Son et al. (2006) found out that the accounting expertise was viewed as the prime challenge to the use of financial information by the school directors. He further argues that the directors of school perceive little benefits from the current reporting practices, because they did not understand the information and because the quality of information produced is low. As a result, the directors of public schools in Kachumbala Sub County have a low awareness of cost-benefit considerations of reporting tasks.

2.3.1 Cash-flow statements

Cash flow projections are very important. They show in financial terms the ability of a school to generate funds in order to pay for its expenses. The above are done by an accountant of the lender while the borrowers (firm) accountant prepares the financial statement which are evaluated and often advice on the cheaper source of fund. Cash flow is an index of money that is received or paid out for certain time period (Albrecht, 2003). This index is not inclusive of non-cash accounting charges such as depreciation. James (2014), states that cash represents the firm's vascular system, if it dwindles, the school will not survive. The flexibility, integrity and proper financial performance of a school is set on ability to generate positive cash flows from the operating, investing and financing activities (Turcas, 2011). James (2014) adds that cash flows represent all inputs and output liquidities and cash equivalents. Adelegan (2003), further adds that cash flows are more direct measure of

liquidity and this contributes to school performance. This information generated from preparation of cash flow statements, assist users in obtaining relevant information concerning the use of resources over a given time period.

Cash flow of a company is a crucial factor that enhances operations. Efobi (2008), stresses that due to the relevance of cash flows in operations and performance, organizations need to develop a suitable cash flow mix and apply it in order to maximize shareholders values. Uremadu (2004), pointed out that, cash flows of an organization is a pool of funds that the entity commits to its assets. The ability of public schools in Kachumbala Sub County to effectively choose adequate source of funds to fiancé its operations will make a difference in cash flow governance. For cash flows to be well structured and effectively utilized, a school must be able to devise various ways for selecting the best components of its cash-flows which would be used in its operation to raise its productivity or achieve performance. This process should be based on the criteria well drawn up by the finance manager after making a careful financial planning and control for the company (Uremadu, 2004)

The statement shows where an entity's cash is coming from and where it is going to. A statement of cash-flow separates the cash flow from operation, investing, and financing activities in a consolidated statement Faulkenberry (2012). An accounting system records, retains and reproduces financial information relating to financial transaction flows and financial position. A financial flow comprises of primarily inflows on account of incomes and out flows on account of expenses. Therefore the elements of financial position including property, revenues or expenses are assigned to the assets, liabilities and equity of an organization. Within these groups, each asset, liability and expense is represented by respective account (Rahamon 2014). Siekei et al (2013), states that an account is a record of cash inflows and outflows in relation to asset, liability, income or expense. Income and

expense accounts are considered temporally accounts since they represent only the inflows and outflows absorbed in the financial position elements on completion of the time period Williams (2008). If proper documentation of financial transactions of public schools in Kachumbala Sub County are properly recorded then effectiveness and efficiency will be achieved.

2.3.2 Statement of comprehensive income

Comprehensive income is defined by FASB as a change in equity of an entity during a period of transactions and other events and circumstances from other sources not from the owner. It includes all changes in equity over a period with exception of those resulting from investment by owners. Faulkenberry (2012), points that the financial statements provide revenues, expenses, and profits (or losses) of an entity over a specific period of time. Accounts types include real account which represents physically tangible assets. These include furniture and fixtures, plant and machinery, and computers. Intangibles include; patents, goodwill, copyrights, personal accounts which represent school and government. Nominal accounts temporally represent income and expenditure and recognition of the implication of the financial transactions during each fiscal year till finalization of accounts at the end of the year. Williams (2008), goes on to say that expenses during the financial period are recorded using the respective accounts which are also transferred to the revenue statement account. The net positive or negative balance of the revenue statement account is transferred to reserves or capital account.

2.3.3 Statement of financial position

Faulkenberry (2012) defines a financial position as a snapshot of assets, liabilities, and net worth of an entity at a specific point in time. The balance sheet reports total assets, liabilities, and stockholders' equity as of a moment in time. It is the best accounting statement for analyzing the financial position of an individual or an institution. As observed, revenues

cause stockholders' equity to increase while expenses cause stockholders' equity to decrease. Therefore, a positive net income reported on the income statement, will cause stockholders' equity to increase. A negative balance will cause stockholders' equity to decrease. The income statement account is a temporary account because their balances will be closed at the end of each accounting year to the stockholders' equity account Retained Earnings.

The link between the balance sheet and income statement is helpful for bookkeepers and accountants who want some assurance that the amount of net income appearing on the income statement is correct (Rahamon 2014). For verification purposes, the ending balances in the balance sheet account should balance in order to have confidence that the income statement has the proper net income. Faulkenberry (2012) stressed that money lenders like Bankers will look at the balance sheet to determine the amount of a school's capital and this capital is the amount of current assets minus the amount of current liabilities. They will also review the assets and the liabilities and compare these amounts to the amount of stockholder's equity and if this is noticed, therefore performance of a school is evaluated and if the results are positive, it then shows that a school is good at financial management and this is a good sign of efficiency and effectiveness in operation.

2.4 Education efficiency

Ziebel et al (2011) stressed that efficient financial management relies on a careful use of resources and therefore avoiding expenditure that goes above a stipulated minimum mainly budgeted for. Economizing resources and especially financial resources is necessary because needs and wants are so numerous while the resources are limited. Efficiency is, in effect, the management of resources so as to make them go as far as possible towards the fulfillment of needs and wants effectively (Spinks, 2010). Management starts with the setting of goals to be achieved at some future date. What needs to be done to achieve the set goals and the means of attaining them, as well as the manner of attainment, constitutes economic planning. Campbel

(2009) noted that to economize requires a comparison of inputs and outputs. Such comparison brings in the issue of quantification that is so central in economics.

Economizing resources should go hand in hand with the concept of optimizing returns. Efficiency ensures that a school attains maximum benefit in order to achieve the goals and objectives set (Fiddler, 2009). Economy and efficiency go hand in hand. One cannot economize resources without considering whether there is efficiency. Macharia (2002) emphasized that a balance between the must be established. Effectiveness refers to the attainment of the goals and objectives of the school. Whatever activities are programmed in school must be cost effective. Principals of schools need the skill of costing as they manage their finances. This is important more so when schools have to handle new projects and/or changes in the curriculum. The manager must, before engaging in a given project, make sure that whatever project they enter into is cost effective and that each project is roped in according to priority (Campbel, 2009). Therefore, economy, efficiency and effectiveness if carefully combined in their rightful proportion can increase productivity and reduce costs.

2.5 Educational Effectiveness

Tooley and Guthrie (2007) stated that the key aim of reform in education administration is the creation of a style of school that is to be more economical, efficiently and effectively set up in a public sector ideal. This implies that increased attention to efficiency and effectiveness in a given level of expenditure can lead to educational benefits. Therefore schools can regulate their finances with internal controls (Tam, 2008). If the school does not have proper procedures and policies, there is a risk that internal controls are not set. The ever increasing cost of education to government and to the citizens calls for effective management of school resources by administrators. Therefore the study basically focused on how financial managers are able to effectively and efficiently manage the resources of the organization without causing financial discrepancies in public school setting so as to achieve their set goals and objectives.

Therefore, in order to ensure educational effectiveness there is need to enhance control of funds in schools and this can be achieved through budgeting. Townsend (2007) emphasizes that the policy of school effectiveness evaluation has changed gradually and this has been coupled by increased demands on accountability from the society. Thus, budgeting assists in ensuring accountability in the use of funds and this can lead to increased efficiency and effectiveness in operations. Furthermore, schools to achieve the desired quality of educational services, all the necessary input resources have to be well budgeted for (Tam Wai-Ming, 2008). In other words, a program aimed at delivering the desired quality of educational services has to be financially well facilitated as regards its required inputs (Muyimbwa, 2004; Kayongo, 2007).

This has been well articulated by Orszag and Kane (2008) who observed that schools cannot achieve much in terms of educational service quality when their budgets are not effectively planned, implemented, and controlled. This is the essence of effective budget management (Smith et al., 2006). Effective implementation of a budget involves mobilization of all the proposed funds and spending them as planned (Tam, 2008). This ensures that the service delivery programs are efficiently and effectively implemented and this leads to realization of desired quality of the educational services (Musaazi, 2005). More so, effective control of a budget should ensure that proposed educational programs are achieved without deviating from the planned budget as stated by (Emojorho, 2004). Hence, when effectively control is exercised, the result is realization of the desired quality of educational services (Ching-Yaw et al., 2007).

2.6 Conclusion

Schools as an institutions and an indirect user of a budget, is obliged to organize their management in such a manner that will assure legality, entitlement and the intended purpose of using the funds as well as full and timely collection of revenues and other receipts from the

budget within their competence. The objective of financial statement is to provide a fair presentation of financial performance (income statement) and the financial position of an entity. This information should be useful for making economic decisions by the users of the financial statements. Schools have realized that by providing good services alone is not enough in today's competitive economic environment as performance is a paramount need for all organizations and institutions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, the researcher discusses the methodology of the study including the source of data, sample and sampling technique, data instrument, pilot testing of instrument, data distribution and collection as well as data management and analysis are described in this section. To be able to accomplish the task at hand, there is a need to gather adequate and comprehensive data. This chapter explains the research instruments used in collecting data, the population of the research, sampling procedure, the type of data collected and the difficulties encountered during the research.

3.1 Research design

Research design provides the conceptual framework within which research is conducted; it constituted the blueprint or roadmap for the collection, measurement and analysis of data (Kothari, 2007). According to Bryman and Bell (2007), the selection of the research design ought to be linked to the research question. A survey study design will be adapted for this study. The researcher will use qualitative and quantitative approaches for data collection. The survey study design includes questionnaire survey and in-depth interview methods from which data is used for analysis (Kombo and Tromp, 2006). The quantitative approach yields numbers, graphs and tables which can easily be analyzed.

3.2 Area of study

The study is conducted in public schools in Kachumbala Sub County in Bukedea district. The area of study is sufficient for the researcher since public schools in this area have been in operation and been performing quite better..

3.3 Study population

Kumar (2005) defines research population as a group of individuals, objects, or items from which the items are taken for measurement. The target population of this study is 200 respondents from which information will be obtained.

3.4 Sampling procedures.

Sampling procedure is a method of selecting a part of population on which research can be conducted, which ensures that conclusions from the study can be generalized to the entire population. The research used Krejcie and Morgan table (1970) to determine the sample size since it gave a sample which was appropriate for the study.

3.4.1 Sample size

The clear sample size of the study population is 200 and the sample size will be 127 and this is based on the statistical model of Krejcie and Morgan (1970) table to establish the sample size which will be attached as an appendix.

3.4.2 Sampling technique

The process of defining a representative subpopulation to study is called sampling. For the purpose of this study will use purposive sampling because elements are chosen purposely for the study.

3.5 Data source

3.5.1 Primary Data

Greener (2008), explained that primary sources are those which come into existence in the period under research for example questionnaires completed for the study. Primary data will be collected through a self-administered questionnaire; interview guide and observation presented to respondents and their responses will be based on for analysis.

3.5.2 Secondary Data

Greener (2008), further explained that secondary data sources are interpretations of events of that period based on primary sources. This information will be obtained from published materials, which included text books, journals, magazines, internal reports, minutes and newspapers, unpublished reports and articles.

3.6 Data collection methods and instruments

The researcher will use two methods of data collection namely; questionnaire and interview guide for this study.

3.6.1 Questionnaire

The primary data was collected through use of questionnaires as the major instrument for collecting data which will be constructed and administered in form of self-administered questionnaires with both open and close ended questions. The respondents are to answer on how they agree or disagree with the statements in the questionnaire.

3.6.2 Interview guide

These are in forms of face to face meeting, where the researcher interacts with the respondents by asking them questions and recording their feedback (Bryman and Bell 2011). They are normally of two types i.e. telephone interviews and face to face interviews. The researcher will use face to face interviews because they will be cheap to conduct and the researcher could observe the conducts of respondents to note their reactions.

3.7.1 Validity

Validity refers to truthfulness of findings or extent to which the instrument is relevant in measuring what it is supposed to be measured (Amin, 2003). Before the actual study, the instrument will be discussed with the supervisor and research experts. The feedback and recommendations from the supervisor and research experts will help in modifying the instruments such that correct valid data was captured for analysis.

3.7.2 Reliability

According to Bryman and Bell (2011), reliability in business research refers to the question of whether the results of the study are repeatable”; in other words, reliability is concerned about whether the results of the specific research can be repeated to some extent by other researchers. The researcher will conduct a test and re-test method from the same respondents to ensure a degree of consistency and precision in case the same instrument was employed the second time to the same respondents. This will be performed through presenting the formulated questionnaires to the respondents the first time of collecting data and then presented the same questionnaires to the same respondents after a period of two weeks to enable the researcher establish whether the results acquired the first time are close or exact as those acquired the second time data will be collected.

3.8 Measurement of variables

The independent variable is information technology and the dependent variable is profitability. A structured standard questionnaire will be used. The tool will help to solicit responses on a five point likert scale with the following verbal anchors: would be: 1) Strongly disagree, 2) Disagree, 3) Not sure, 4) Agree, 5) strongly agree which will be used to measure the variables.

3.9 Data management and Analysis

The field data will be managed, analyzed and presented using both qualitative and quantitative method.

3.9.1 Quantitative data

Data from questionnaires will be summarized, coded, tabulated and analyzed. Editing will be done to improve the quality of data for coding. Coded data will then fed into the statistical package for social sciences (SPSS) version 16. This version of SPSS will be selected for analysis since it offers a more user friendly interface and can easily be linked with Microsoft

office utility programs. Descriptive statistics will be employed to analyze the data since it helps to generate mean scores, standard deviation, correlation analysis and regression analysis in form of tables and graphs.

3.9.2 Qualitative data

The researcher will use the interview guide and observation to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the current phenomenon. The data was analyzed using content analysis and theme analysis whereby responses would be grouped into themes, interpreted and presented together with descriptive statistics of quantitative data.

3.10 Ethical issues.

The researcher will request permission from the Administration to carry out this research hence presented a letter to the management where the research was conducted prior to the date when the data collection was carried out.

The researcher will also ensure that responses from recipient especially personal or sensitive matters are kept confidential and well protected by making sure that information on respondent's attitude, feelings or personal life will not be disclosed.

The researcher will cite all the sources used in the study either in the literature or appendices and also accessed data through official channels

3.11 Limitations of the study.

The researcher found a challenge with the cross-sectional time dimension used for collecting data since it is a short period to get information and this will be minimized by use of case study design.

Again the outcomes were based on the information solicited from the respondents and therefore subject to human errors, omissions and possible misstatements. However, in spite of the above, the researchers will ensure that the research meets all the relevant requirements for

a scientific research and thereby reducing errors to the barest minimum if not to eradicate it completely.

The study was also be limited by scope due to the fact that it is carried out in a single saving group and this will not permit a comparison of information with two or more saving groups.

3.12 Conclusion

This chapter will give a researcher an understanding on how data will be collected and analyzed during the study. This will include understanding the population and the sample size which will be sampled during the research. Therefore through these methods, the researcher believes the information presented will be of a required result that is valid and reliable.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

In this chapter, results on the background of respondents are analyzed and interpreted. This is followed by results on objective one, two and three respectively which are also analyzed and interpreted. The researcher sent out 127 questionnaires but managed to get 102 filled questionnaires and this implied that the response rate was 80.3%. According to Mugenda and Mugenda (2003), a response rate of 80% and over is excellent. Therefore the study registered an excellent response rate and this possibly means that the information collected was enough for the study.

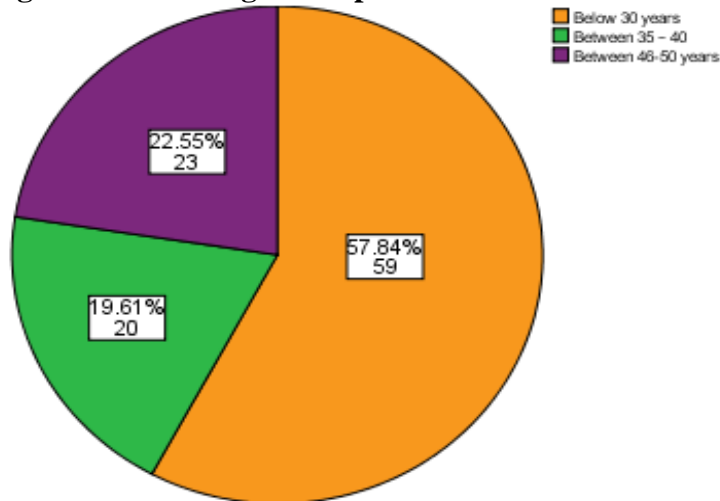
4.1 Background of respondents

This section presents the background information of the respondents, in regard to their age, gender, duration and ethical code. This information was considered useful in that it would reveal the professional relevance and knowledge base of the respondents to give informed responses.

4.1.1 Age of Respondents

The following table presents findings about age group of respondents and analysis is as follows.

Figure 2: Shows Age of respondents



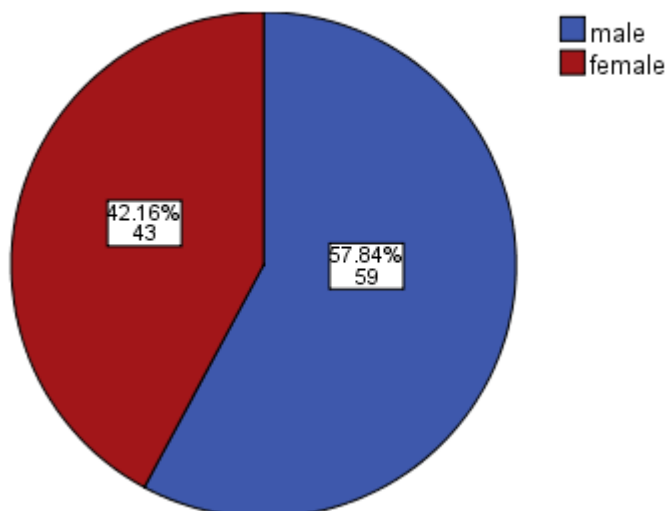
Source: Primary Data (2017)

Findings show that most respondents (57.6%) were aged below 30 years, (22.5%) aged Between 46-50 years and (19.6%) aged Above 50 years. Respondents were mature enough to have the mental capacity and strength to familiarize and interpret the contents of the questionnaire and to be able to complete it. The demographic results further indicate that the majority respondents were youthful since they have curiosity and knowledge of the facts about the effect of financial management and performance of public secondary schools

4.1.2 Gender of the respondents

The following figure presents findings about the gender of respondents and analysis follows. Gender is an important variable in a given organization which is variably affected by any social or economic phenomenon and the role of micro finance on poverty reduction. Hence the variable gender was studied for this research. Data related to gender of the respondents is presented in the figure below

Figure 3 : Shows Pie chart of Gender respondents



Source: Primary Data(2017)

As shown in the above pie, the majority of respondents (57.8%) were males and females were only (42.2%). This was found relevant because respondents of different genders could be having varying views and knowledge on the effect of financial management and performance of public secondary schools

4.1.3 Duration in the organization

The study established the duration respondents have spent working with public schools

Table 1: Duration in the organization

	Frequency	Percentage
Valid Below 5 years	53	52.0
Between 5-10 years	25	24.5
Between 10-15 years	24	23.5
Total	102	100.0

Source: Primary Data (2017)

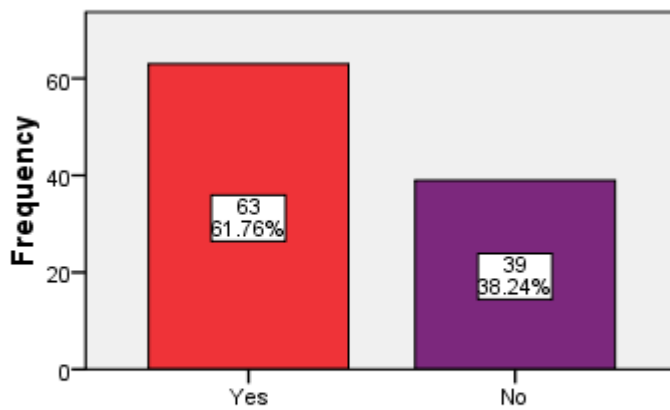
Findings revealed that (52.0%) have worked with the organization for 0-5 years, (24.5%) for a period of 6-10 years (23.5%) for 11 years and above. This implies that almost all the

respondents had worked for some time in the organization and therefore they have knowledge about financial management and its effect on performance of public schools since they provided valid data and in addition, they are competent to have kept their jobs for this particular period.

4.1.4 Code of conduct

The study established the code of conduct in the organization and the following result were revealed.

Figure 4: Ethical code of conduct



Source: Primary Data (2017)

Findings revealed that (61.8%) noted that there are ethics in their schools and (36.2%) stated that there. This implies that in most schools, they have code of ethics which has help them to be good at financial management.

4.2 Presentation according to objectives

The findings were presented, analyzed and interpreted in mean and standard Deviation scores as indicated below. They are categorized on how the respondents agreed or disagreed (strongly agree, 5(SA), agree 4(A), neutral 3(N), disagree 2(D) and strongly disagree 1(SD).

Table 2: Descriptive statistics on financial management practices and performance of secondary schools

Details	N	Min	Max	Mean	Std. Deviation
The managers monitor their progress towards meeting goals and objectives by using reports for analysis.	102	1	5	4.01	.982
Financial management practices have greatly contributed to the performance within the school.	102	1	5	4.20	.767
Financial management practices are positively associated with the various performance indicators	102	1	5	4.04	.988
Valid N (listwise)	102				

Source: Primary Data (2017)

The managers monitor their progress towards meeting goals and objectives by using reports for analysis

The findings determined that respondents with a mean of 4.01 agreed that the managers monitor their progress towards meeting goals and objectives by using reports for analysis. This agreement means that management uses financial reports to monitor their operations since financial reports reveal the financial strength of the school in terms of performance. This is supported by Carsberg, et al, (2004) who explained that a manager through financial management defines the goals of the organization, developing programs that will achieve these goals into quantitative terms through financial report analysis. However a standard deviation of 0.982 existed was in a variance with the statement which means that financial reports alone may not reveal the progress of the organization but how students perform academically may prove that fact. This can mean that through progress can be monitored by

managers through financial statement analysis

Financial management practices have greatly contributed to the performance within the school.

The field data collected indicated that respondents with a mean of 4.20 agreed that financial management practices have greatly contributed to the performance within the school. This means that proper use of finances can help a school to finance its programs and achieve its objectives in terms of improved performance in terms of timely payment of teachers, availing materials to be used in administering school activities. This is line with Deakins & Husain (2007) who indicated that financial management is therefore a control system that determines how to use the available resources optimally to produce quality results and improve performance. However a standard deviation of 0.767 was determined in relation to a variance with the statement which means that it may not be only proper financial management that may lead to improve performance but consideration should also be made policies set by management to ensure that performance targets are achieved. This can probably mean that a school has to be good at financial management practices in order to boost performance

Financial management practices are positively associated with the various performance indicators

The findings indicated that respondents with a mean of 4.04 agreed that saved money accumulated helps me to buy assets which can be used as collateral for bigger loans. This means that success in academic results, proper accountability, being effective and efficient in resource utilization can be due to proper financial management practices a school has in place. This concurs with Kahavizakiriza, (2015) who stressed that financial management is a very important aspect of management in any organization because it embraces all accounting techniques that will help provide information designed to assist management in planning and controlling the activities of the organization. However a standard deviation of value 0.988 of respondents was in a variance with the statement though minimal which means that

efficiency and effectiveness in financial utilization may be due to internal controls that a school has in place to monitor the use of funds towards goal achievement. This can possibly mean that organization has to focus on financial management practices in order to performance better in term of efficiency and effectiveness

Table 3: Descriptive statistics on the relationship between budgeting and performance of secondary schools

Details	N	Min	Max	Mean	Std. Deviation
Budgeting improves and aids on the performance of secondary schools	102	1	5	4.10	1.020
Budgeting provides better programs and financial decisions that lead to improved operations and performance of secondary schools.	102	1	5	4.10	1.033
Budgeting helps schools in coming up with how much revenue (fees) a schools expects to raise and how much of the expected revenue is to be spent.	102	1	5	4.02	1.105
Budgeting ensures optimal utilization of the scare resources by making sure that they are out to the best possible usage.	102	1	5	4.20	.767
Budgeting process involves all the various heads of departments	102	1	5	4.04	.988
Valid N (listwise)	102				

Budgeting improves and aids on the performance of secondary schools

The findings estimated that respondents with a mean of 3.93 agreed that budgeting improves

and aids on the performance of secondary schools. This means that for a school to perform better in terms of financial management, schools have to draw budgets for every program and this reduces tendencies of deficit budget gives a school a road map on how to use funds to achieve improved performance. This is in line with National Advisory Council on State and Local Budgeting, (2009), a budget process that is well planned and integrated with other activities of an organization for instance management will provide better program and financial decisions that can lead to improved organizational operations. However a standard deviation of value 1.020 of respondents was in a variance with the statement which means that performance can be achieved if the funds are sufficient enough to run the school in terms meeting expenses and having surplus. This can imply that budgeting is important as far as management and allocation of schools resources

Budgeting provides better programs and financial decisions that lead to improved operations and performance of secondary schools.

The study revealed that respondents with a mean of 4.10 agreed that Budgeting provides better programs and financial decisions that lead to improved operations and performance of secondary schools. This means that better programs can be achieved when a school has a budget to control financial resources. A school can operate efficiently and effectively if they have budgets for every activity being engaged in. This is in line with Dugdale and Lyne, (2010) who affirmed that Budgeting process can provide better program and financial decisions that can lead to improved operations and performance in schools. However a standard deviation of 1.033 indicated a variance with the statement which means that programs can be achieved if the personals administering finances are competent enough to draw a budget which makes school achieve its objective. This can imply that schools can come up with better decision if they have budgets for their operations.

Budgeting helps schools in coming up with how much revenue (fees) a schools expects to raise and how much of the expected revenue is to be spent.

Findings further revealed that respondents with a mean of 4.02 agreed Budgeting helps schools in coming up with how much revenue (fees) a schools expects to raise and how much of the expected revenue is to be spent. This means that a school can know how much they expect from students since they have the total number of students and in addition, a school can know the amount they will spend in a term. This is possible due to a budget. This is in line with The American Accounting Association (2005) which emphasized that budget planning as a process helps to come up with how much revenue (fees) a school expects to raise as well as how much of the expected funds is to be spent and that is to say when and on what function, program, activity or operation and by which department. However a standard deviation of 1.105 determined a variance with the statement which means that at times funds may not come in time which may affect the proposed budget since a school base on funds released by the government though small portion came from parents which may delay. This can imply that a school can know in advance the amount of money they are expecting from their students and they determine how much they hope to spend

Budgeting ensures optimal utilization of the scare resources by making sure that they are out to the best possible usage.

The field data collected indicated that respondents with a mean of 4.20 agreed that Budgeting ensures optimal utilization of the scare resources by making sure that they are out to the best possible usage. This means that resources can be effectively and efficiently utilized to meet school objective through proper budgeting where by every department is optimal in utilizing resources as per the allocated budget. This is line with Breul and Moravitz (2007) who noted that scarcity of resources requires budget allocation decisions to focus on effectiveness of spending funds. However a standard deviation of 0.767 was determined in relation to a

variance with the statement which means optimization in resource utilization can be achieved depending on size of the school and the amount of resource available for use. School can still be optimum the use of resources when they are not put to better use. This can probably mean that management of school can manage funds through use of budget and this reduces the chances of resource wastage

Budgeting process involves all the various heads of departments

The findings indicated that respondents with a mean of 4.04 agreed that Budgeting process involves all the various heads of departments. This means that schools cannot do budgeting without involving all department heads because those department heads know how much can spent in the due of operations. This concurs with Massy (2007) observed that budget allocation and implementation in schools involves decentralizing responsibilities to prevent conflict of interest between different stakeholders and when a budget is decentralized and implemented, it enables different departments to be involved in the process and serves as a motivation of improving school performance. However a standard deviation of value 0.988 of respondents was in a variance with the statement though minimal meaning that at times only the bursar and the principals do the budgeting because not all budgeting activities need heads of departments. This can possibly mean that when a school is carrying out budgeting, all heads of different departments have to be present to reduce tendencies of poor resource allocation.

Table 4: Descriptive statistics on Budgeting and efficiency

Details	N	Min	Max	Mean	Std. Deviation
Efficient budgeting enables schools achieve their set objectives.	102	1	5	4.09	1.029
Efficient budgeting acts as a control tool to school management in ensuring that funds are used proficiently towards achievement of the set standard.	102	1	5	4.00	1.116
Valid N (listwise)	102				

Source: Primary data (2017)

Efficient budgeting enables schools achieve their set objectives.

The findings indicated that respondents with a mean of 4.09 agreed that efficient budgeting enables schools achieve their set objectives. This implies that unless a school has a proper budget, then it will be in position to achieve set objective and this was proved by the means of agreement since respondents agreed that school can achieve objective through proper budgeting. This is supported by Kung et al (2013) who stressed that budget control provides an organization with the necessary information which is relevant to its operations and performance and this has made schools achieve their performance objectives by ensuring effective budget control. However a standard deviation of 1.029 represents a variance with the statement meaning that objectives can still be achieved when a budget is not effectively done. Objectives can be achieved when staff is motivated this can possibly mean that set objectives can be achieved through proper budgeting

Efficient budgeting acts as a control tool to school management in ensuring that funds are used proficiently towards achievement of the set standard.

The findings determined that respondents with a mean of 4.00 agreed that efficient budgeting acts as a control tool to school management in ensuring that funds are used proficiently towards achievement of the set standard. This means that school can be successful in controlling through use of a budget and makes schools to achieve their financial goals towards improved performance. This is supported by Hildreth (2006) who explained that the use of budget as a control mechanism makes sure that funds are used according to an established set of objectives and priorities by ensuring that an organization is able to achieve its objectives in an efficient manner. However a standard deviation of 1.116 determined a variance with the statement meaning that efficiency can be achieved if management of schools are good at financial management in areas of budgeting. This can mean that a school can use a budget to ensure that resources are used in accordance with the set goals of the school through proper accountability.

Table 5: Descriptive statistics budgeting and effectiveness

Details	N	Min	Max	Mean	Std. Deviation
An effective budgeting aids smooth running of school activities throughout the entire academic year.	102	1	5	4.07	1.143
Effective budgeting has a major impact on individual and organizational performance.	102	1	5	4.04	1.074
Effective budgeting acts a key factor for planning schools activities.	102	1	5	4.22	0.548
Valid N (listwise)	102				

Source: Primary data (2017)

An effective budgeting aids smooth running of school activities throughout the entire academic year.

The findings estimated that respondents with a mean value of 4.07 agreed that an effective budgeting aids smooth running of school activities throughout the entire academic year. This means that a school to run effectively they properly budget for their finances since budgeting aids them to carry out operations through the academic period. This is in line with Hartman (2008) who argued that, budget planning and stakeholder involvement ensures that realistic expenditure and revenue forecasts are incorporated in the budget to aids smooth running of school activities throughout the entire academic year. However a standard deviation of value 1.143 of respondents was in a variance with the statement which means that to achieve that effectiveness in budgeting, schools have proper accountability because good financial management needed accountability. This can imply that school activities can go on without interruption as a result of financial issues

Effective budgeting has a major impact on individual and organizational performance.

The field data collected indicated that respondents with a mean of 4.04 agreed that effective budgeting has a major impact on individual and organizational performance. This means that that individuals and can perform better in running the school affairs due to proper budgeting. This is line with Kung at el (2013) who noted that Budget control provides an organization with the necessary information which is relevant to its operations and performance and this has made schools achieve their performance objectives by ensuring effective budget control. However a standard deviation of 1.074 was a variance with the statement which means that individual or organization performance may be improved due to timely availability of financial resources though having an effective budgeting is important. This can means that through a school or an organization can improves performance as result of having proper budgeting scheme to control flow of funds.

Effective budgeting acts a key factor for planning schools activities.

Findings further revealed that respondents with a mean value of 4.22 agreed that effective budgeting acts a key factor for planning schools activities. This means that schools can be effecting in carrying out programs, finance constructions and pay their dues when they have a proper budget in place. This is in line with Breul and Moravitz (2007) who observe that budget control is a mean of placing greater importance on the achievement of the overall objectives of the school by being effective in planning schools activities. However a standard deviation of value 0.548 of respondents was in a variance with the statement which means that proper planning on how to use finances to achieve schools goals may need proper accountability since budget may be inflated. This can imply that through a school can plan its activities when they have a budget in place to ad their operations.

Table 6: Descriptive statistics on Budgeting and level of costs

Details	N	Min	Max	Mean	Std. Deviation
When schools plan for their activities, they tend to reduce costs by limiting on some activities that are not very vital depending on their budgets	102	1	5	4.20	.675
Valid N (list wise)	102				

Source: primary data (2017)

When schools plan for their activities, they tend to reduce costs by limiting on some activities that are not very vital depending on their budgets

The findings noted that respondents agreed that when schools plan for their activities, they tend to reduce costs by limiting on some activities that are not very vital depending on their budgets with a mean of 4.20. This means that cost reduction is a major priority since a

budget help to manage misuse of funds and ensures that all operations are met cost effectively. This was in agreement with Joshi et al., (2006) who explained that budgeting focuses on drawing a detailed financial program of action with clear goals and objectives aimed at reducing uncertainty therefore giving proper direction on how resources and performance efforts should be spent in order to achieve them. However a standard deviation of 0.675 represented a variance with the statement which means that may still have to incur costs though a budget help to minimize over spending on other elements which not budgeted for. This can thus imply that effective use of finances in schools, they must ensure that they reduce on cost of carrying out operations.

Table 7: Descriptive statistics on the role of book keeping and performance of secondary schools

Details	N	Min	Max	Mean	Std. Deviation
Book keeping provides information used by the managers, investors, leaders, customers, suppliers and regulators.	102	1	5	4.03	1.143
Book keeping is a foundation on which compliance programs should be built upon and measures put in place to capture documentation and events that take place throughout the transaction.	102	1	5	4.00	1.067
It enables schools keep track of it its activities to ensure that proper financial discipline is maintained.	102	1	5	4.07	1.052

Details	N	Min	Max	Mean	Std. Deviation
Book keeping provides information used by the managers, investors, leaders, customers, suppliers and regulators.	102	1	5	4.03	1.143
Book keeping is a foundation on which compliance programs should be built upon and measures put in place to capture documentation and events that take place throughout the transaction.	102	1	5	4.00	1.067
Book keeping involves ensuring that records of individual financial transactions are accurate, up to date and comprehensive.	102	1	5	3.85	1.032
Valid N (listwise)	102				

Source: primary data (2017)

Book keeping provides information used by the managers, investors, leaders, customers, suppliers and regulators.

The findings estimated that respondents with a mean of 4.03 agreed that book keeping provides information used by the managers, investors, leaders, customers, suppliers and regulators. This means that school management can make informed decisions due to availability of having financial records through proper bookkeeping. This is in line with Bookkeeping provides information that is used by managers, investors, leaders, customers, suppliers, and regulators (Alvaro, 2010). However a standard deviation of 1.143 of respondents was in a variance with the statement which means that management of the school many to base on financial statements provided through bookkeeping they ensure that the

information provided is accurate and reliable. This can imply that financial statements produced through bookkeeping can management and other stakeholders in the business to know the financial performance in terms of efficiency and effectiveness.

Book keeping is a foundation on which compliance programs should be built upon and measures put in place to capture documentation and events that take place throughout the transaction

Findings still indicated that respondents with a mean value of 4.00 agreed that book keeping is a foundation on which compliance programs should be built upon and measures put in place to capture documentation and events that take place throughout the transaction. This means that during recording time, accountants have to comply with accounting rules and procedures to ensure that transactions are recorded as per the required procedure. This is in line with Bookkeeping is a foundation on which a compliance program should be built upon and measures put in place to capture the documentation and events that take place throughout a transaction commencing from delivery and payment (Reed, 2010). However a standard deviation of 1.067 represented a variance with the statement which means that at times compliance is not followed and this result in misstatements and misappropriation in financial reports. This can imply that compliance can be ensured through use of bookkeeping records

It enables schools keep track of it its activities to ensure that proper financial discipline is maintained.

The findings estimated that respondents with a mean value of 4.07 agreed that it enables schools keep track of it its activities to ensure that proper financial discipline is maintained. This means that through proper bookkeeping, a school can verify all areas where finances are spent in order to eliminate errors that may lead to financial loss due to poor recoding. This is in line with Fitzgerald et al (2006) who stressed that bookkeeping enables schools keep track of it its activities to ensure that proper financial discipline is maintained. However a standard deviation of value 1.052 of respondents was in a variance with the statement which means

that keeping financial records alone may not eliminate misstatements in finance records and therefore management has to ensure that proper auditing is done to improve financial discipline in schools. This can imply that a school can track the use of its finances through having financial records.

Book keeping involves ensuring that records of individual financial transactions are accurate, up to date and comprehensive.

Findings still indicated that respondents with a mean of 3.85 agreed that they have been able to get outright advice before starting a new venture. This means that through proper bookkeeping, school management ensures that financial records are accurate and well updated to avoid misappropriations. This is in line with Reed, (2010) who elaborated that bookkeeping records include entries from day to day transactions of the school for instance transactions in respect to receipts and expenditure and these records may include a list of assets and liabilities. However a standard deviation of value 1.032 of respondents was in a variance with the statement which means that accuracy, update accounting information depends on the proficiency of the accountant who ensures financial records are accurate. This can imply that for accuracy, management has to ensure that they make financial records to eliminate the chances of fraud by financial managers.

Table 8: Descriptive statistics on Book keeping and efficiency

Details	N	Min	Max	Mean	Std. Deviation
Efficient book keeping ensures systematic and well organized documents.	102	1	5	4.07	1.143
Efficient book keeping enables the school management to easily trace their source documents when there is urgency.	102	1	5	4.04	1.074
Efficient book keeping increases productivity and saves time and money.	102	1	5	4.22	0.548
Valid N (listwise)	102				

Source: Primary data (2017)

Efficient book keeping ensures systematic and well organized documents.

The findings estimated that respondents with a mean value of 4.07 agreed that efficient book keeping ensures systematic and well organized documents. This means that proper finance 1 documentation is possible if management has a good bookkeeping procedure in place. This ensures that financial statements are well organized. This is in line with Ademola et al (2012) who noted that record keeping is essential for school management because efficient book keeping ensures systematic and well organized financial documents. However a standard deviation of value 1.143 of respondents was in a variance with the statement organized documents can only be achieved when the accountant is conversant with the recording procedures then financial statements can be well organized. This can imply that documents can be well organized if they are prepared by the book keeper.

Efficient book keeping enables the school management to easily trace their source documents when there is urgency.

The field data collected indicated that respondents with a mean of 4.04 agreed efficient book keeping enables the school management to easily trace their source documents when there is urgency. This means that proper bookkeeping helps a school to know where financial reports are kept and these reports can easily be made available through proper storage. This is line with Barbara (2010) who noted that record keeping help school accountants to easily record their financial transactions and easily trace their source documents when there is urgency. However a standard deviation of 1.074 were in a variance with the statement which can means that through source document may be traced but still may not reveal the actual amount spending in the course of operations. Therefore management has to ensure that the traced document represents the actual financial figures of transactions.. This means that getting financial documents becomes easy if they are prepared and stored properly.

Efficient book keeping increases productivity and saves time and money

Findings further revealed that respondents with a mean value of 4.22 agreed that Effective

budgeting acts a key factor for planning schools activities. This means that money and time can be saved at the same as a result of efficiency in bookkeeping. Therefore the school has to ensure that there is proper keeping of financial records. This is in line with Eric and Gabriel (2012) who stressed that bookkeeping enables management to efficiently increases productivity and saves time and money. However a standard deviation of value 0.548 of respondents was in a variance with the statement which means that time and money can be saved when school fees come in time since the research focused on schools aided by government. This can imply that through productivity can be increased if the organization keeps financial records and this can help a school to save money and time in handling financial matters.

Table 9: Descriptive statistics on book keeping and effectiveness

Details	N	Min	Max	Mean	Std. Deviation
Effective book keeping helps in obtaining bank financing	102	1	5	4.01	.982
Effective book keeping providing the information you need to make decisions in schools.	102	1	5	4.20	.767
It further helps in monitoring the success or failure of a given school.	102	1	5	4.09	1.029
Valid N (listwise)	102				

Source: primary data (2017)

Effective book keeping helps in obtaining bank financing

The findings determined that respondents with a mean of 4.01 agreed that effective book keeping helps in obtaining bank financing. This means that availability of financial records

help a school to get credit financés from lending institutions in order to boost their operations since decision to grant a loan depends on how a bank assesses the financial records of the school. This is supported by Alvaro, (2010) who explained that effective book keeping avails information which helps schools to obtain bank financing. However a standard deviation of 0.982 existed was in a variance with the statement which means that a school may also get a loan due how long it has been operating with bank and this can be achieved through school credibility. This can mean that banks consider the information in the financial statements in order to issues out loan to schools which means that management has to prepare financial reports to reveal their performance in order to get loan financing.

Effective book keeping providing the information you need to make decisions in schools.

The field data collected indicated that respondents with a mean of 4.20 agreed that effective book keeping providing the information you need to make decisions in schools. This means that all decisions made by schools in relation to financial matters, depend on the financial information provided through proper bookkeeping. A school has to make informed decision basing on how much is available in terms of financés. This is line with (Williams et al, 2008) who stated that although they are prepared primarily for users outside the organization such as the banks and other institutions, management also finds these financial statements useful in making decisions. However a standard deviation of 0.767 was determined in relation to a variance with the statement which means that information provided may not be effective but still it cb be relied on since financial records may not be accurate all the time. This can probably mean that record keeping through use bookkeeping can help management of a schools to get the needed financial data for making decisions for the benefit of the school.

It further helps in monitoring the success or failure of a given school.

The findings indicated that respondents with a mean of 4.09 agreed that it further helps in monitoring the success or failure of a given school. This means that proper documentation of financial records help a school to have good financial monitoring procedure since failure and

success of a school depends on good financial management. This is supported by Pushpanadhum (2006) who noted that effective book keeping providing the information you need to make decisions in schools. However a standard deviation of 1.029 represents a variance with the statement which means that success or failure of a school may not necessarily depend on keeping financial records but it may also depend on management team a school has since a good management team lead to a school success and a bad team, leads to failure of the school. This can possibly mean that management can base on information in order to evaluate their performance and work on areas where they are failing.

Table 10: Descriptive statistics on book keeping and level of costs

Details	N	Min	Max	Mean	Std. Deviation
Decision making at times involves incurring some costs on consultations among others.	102	1	5	4.00	1.116
Schools incur costs mainly in buying source documents like invoices, sales order, and other slips.	102	1	5	4.20	.675
Valid N (listwise)	102				

Source: primary data (2017)

Decision making at times involves incurring some costs on consultations among others.

The findings determined that respondents with a mean of 4.00 agreed that decision making at times involves incurring some costs on consultations among others. This means that at times schools have to make consultations and these consultations need finances since decision making depend on how other schools achieve their objectives. This is supported by Williams et al, (2008) who noted that decision making at times involves incurring some costs on consultations among others in relation to financial statements provided through bookkeeping.

However a standard deviation of 1.116 determined a variance with the statement which means that not all consultations need to be financed since some are so minor. This can mean that a school has to incur cost while making consultation about financial matters.

Schools incur costs mainly in buying source documents like invoices, sales order, and other slips.

The findings noted that respondents agreed that schools incur costs mainly in buying source documents like invoices, sales order, and other slips with a mean of 4.20. This means that for a school to carry out operations effectively and efficiently, they have to spend on utilities since they aid good record keeping. This was in agreement Reed, (2010) who noted that schools incur costs mainly in buying source documents like invoices, sales order, and other slips. However a standard deviation of 0.675 represented a variance with the statement which means that certain costs are avoidable if a school has a name a reputation of good student performance, costs like for sales can be voided. This can thus imply that a school has to incur costs in order to meet operation and administration needs.

4.6 Conclusion

The analysis of the primary data indicates that the independent variables through the predictor variables; budgeting, bookkeeping and financial reporting all have a positive effect on performance of public schools in Kachumbala Sub County. This implies that those minor deviations of performance still exist in relation to effect of financial management and performance of public schools. Further explanation and summary of findings are presented in the next chapter.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

The chapter presents the summary of the main findings from the study, the conclusions and the recommendations which are based on the conclusions made by the study. The major objective of the study was to examine the role of financial management on the performance of public secondary schools in Uganda.

5.1 Summary of major findings

5.1.1 Budgeting of public secondary schools

The study revealed that the majority of the respondents agreed that there are good budgeting practices in their school because the majority of the responses were positive in nature. The study also revealed that the majority of the respondents practiced good budgeting and this was evaluated through asking questions such as Budgeting helping in decision making, preparation of a budget, having records of cash and budgetary policies. However, in the area of budgetary deficit, many respondents agreed that the school experience budgetary deficit which is a sign of bad cash management because it is not good for a school to run on deficit budgets.

5.1.2 Bookkeeping of public secondary schools

Findings showed that there is a strong positive relationship between bookkeeping and performance of the public school. This implies that bookkeeping affects performance of public school. Bookkeeping is essential for decision making. School's adjustment and records also help to improve efficiency and productivity for effective school performance. It was also found that Bookkeeping increases the chances of the school operating and achieving success, and provides information to enable the control of cash in the school.

The study also revealed that the school was good at carrying out bookkeeping which included, preparation of financial statements, keeping business records up to date, time allocated for reconciling books of accounts, use of computers in accounting records and others. More so from the study it is evident that public schools have sound bookkeeping practices in place to manage financial issues. The use of computers has made work easy for recording financial related matters.

5.1.3 Financial reporting of public schools

The findings revealed that the school was carrying out good financial reporting and these included the following aspects; School prepares financial reports, school uses accounting software, school uses financial reports to formulate decisions, school has internal controls over financial reports and there are physical safeguards of reports to keep reports very safe against theft for example.

5.2 Conclusions

Findings of this study repudiate the argument that the existence of good financial practices will inevitably lead to sound financial management in public schools, and consequently quality education.

Schools' financial administration theory comprises of planning, organizing, leading and controlling. The findings furthermore emphasize the limited involvement of stakeholders in the budgetary process. This may be attributed to, amongst others, a lack of knowledge and apathy. The lack of involvement may have a negatively impact on transparency.

In view of the involvement of all stakeholders, there is a need for the meticulous organization of all issues surrounding school finances. For instance, stakeholders should have the policies at hand that guide them on how they should be involved.

Furthermore, it also has to be clearly spelt out that financial reporting facilitates good decision making and this is important in management of school financial activities and this

makes it easy for a public school to achieve their goals and objectives. This implies that there should be in place good bookkeeping procedures like single entry and double entry systems to ensure all financial entries are made. It is, thus, imperative that there should be an Accountant who will maintain good financial records and this ensures effectiveness and efficiency. In essence, financial management is done in order to achieve the school's objectives as reflected in the school's vision, mission statement and development plans. That said, these objectives may not be achievable if there is no control in budgeting, bookkeeping and financial reporting of the school.

5.3 Recommendations

The findings of the study showed that there is more need for public schools to improve their performance through proper financial management practices as described by the respondents on the performance of schools. Although financial management may not be the only contributing factor to school performance, it is imperative that schools review their existing financial management systems in order to identify the weak points and strengthen them accordingly as this directly affects their efficiency and effectiveness

Based on the findings made in the course of this study, the following recommendations are hereby suggested:

5.3.1 The role of budgeting on the performance of public secondary schools in Uganda

There is a need to increasingly adopt and strengthen budgetary practices especially budget planning and allocation. This is done through stakeholders' involvement in order to achieve a higher level of performance in public schools. Stakeholder involvement is important for successful formulation and implementation of budgets. Thus, schools need to identify with their stakeholders and involve them throughout the budgeting process to ensure increased chances of success.

5.4.2 The role of Bookkeeping on the performance of public secondary schools in Uganda

Schools should ensure that complete and accurate financial records are kept because they are essential for decision making. This can be ensured by records keeping, and hiring knowledgeable and skilled accountants.

There is need for the stakeholders and management of the school to embrace proper bookkeeping practices in order to be successful in their financial performance

More efforts need to be channeled on bookkeeping for effective performance of public school because record keeping strongly affects performance of schools.

5.4.3 The role of financial reporting on the performance of public secondary schools in Uganda

For a school, it needs to be fed with adequate, quality and complete accounting financial information from the accounting department, which the school is obliged to do.

For the purpose of taxation by the new government policy of taxation public schools, schools should have well prepared financial reports in order to avoid being over taxed and this is done by availing well audited financial reports.

5.5 Suggestions for further research

Further research should be made in the area of financial management on the performance of public schools with more emphasis given to the budgetary deficit.

It should also focus on other sources of revenue generating activities by schools rather than depending on fees directly generated from parents and guardians.

The research should also try to focus on many schools not only focusing on a single school in line with financial management so the financial management is measured efficiently and effectively.

REREFRENCES

- ADEMOLA, G. O. et al, (2012), International Journal of Academic Research in Business and Social Sciences Vol. 4, No. 1
- AASE B (2009), Measuring Charter School Financial Health: Issue Brief No20
- Barbara, R. (2010). Record Management, Change Management, Service Systems. Management Journal Vol 20. No 1, 2010. pp 124-137
- BREUL, J., & MORAVITZ, C. (2007). Integrating Performance and Budgets. Rowman & Littlefield Publishers, Plymouth
- BRYD, MJ, AND MECCINSON, L (2009) Small Business Management 6th edition. Mac Graw Hill, New York.
- CRAIKE. E, and DOWIDAT.T (2014), Tax effect accounting Tips and tricks PDF accessed on 218-04-2015
- CONWAY, LG, & SCHALLER, M. (2007). How communication shapes culture. In K Fiedler (Ed.), (pp. 107–127). New York: Psychology Press.
- CLARKE A (2007). The Handbook of School Management. Cape Town: Kate McCallum.
- CHING Y C et al (2007). Benchmarking potential factors leading to education quality: A study of Cambodian higher education. Qual. Assur. Educ. 2:15. Accessed on 12th May 2008 at <http://www.emeraldinsight.com>.
- DUGDALE, D., & LYNE, S. (2010). Budgeting Practice and Organizational Structure. Research Executive Summaries Series, 6, 1-6.
- DU et al (2003). Effective Education Management Series, Module 5: Managing School Finances. Sandown: Heinemann Publishers.
- EMOJORHO D (2004). Budgets and budgeting in selected Nigerian university libraries. J. Financial Manage. 17(3):98-101. Accessed on 3rd March 2008 at <http://www.emeraldinsight.com>.
- ERIC E. O. GABRIEL D. (2012), International Journal of Business and Management Cases

Vol. 1 No. 2 pp 1-12

Financial Management Environment. *Journal of Accounting & Organizational Change*, 3, 4 – 28

FITZGERALD, et al (2006), *Performance Measurement in Service Business*. London (CIMA).

HARRISON B. et al (2014) *Research Journal of Finance and Accounting* www.iiste.org ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online) Vol.5, No.8,

HORNGREN, C., & FOSTER, D. (2006). *Cost Accounting*. Pearson Education Limited, Upper Saddle

HARTMAN, W. (2003). *School District Budgeting*. Scarecrow Education, Oxford.

HILDRETH, B. (2003). *Case Studies in Public Budgeting and Financial Management*, New York, Kendall Hunt Publishing Company.

HOUSE, RJ, ET AL. (2004). *Culture, leadership and organizations – the GLOBE study of 62 societies*. Thousand Oaks, CA: Sage Publications

Horvat T (2015), *Leader Accountability for School Financial Management pdf* accessed on 21-04-2015

International Journal of Academic Research in Business and Social Sciences Vol. 4, No. 1

JUDITH, B (2005). *Doing your Research Project*. 4TH Ed. Cromwell Press. UK.

JOUBERT R, BRAY E (2007). *Public School Governance in South Africa*. (CELP).

KOTHARI S. P. (2015), *the role of financial reporting in reducing financial risks in the market pdf* accessed on 21-04-2015

KAMEDA (Eds.), *Evolution, culture, and the human mind* (pp. 9–22). New York: Psychology Press.

MESTRY R (2004). *South African Journal of Education*, 24: 126-132.

MASSY, W. (2007). *Resource Allocation in Higher Education*. Michigan, University of Michigan Press.

MILLAR L AND ROPER M (2015), Managing financial records pdf accessed on 21-04-2015

MESOUDI, A. (2011). Cultural evolution: Chicago, IL: University of Chicago Press

MUSAAZI JCS (2005). Educational planning: Principals, tools and applications in the developing world. Kampala: Makerere University.

MUYIMBWA P (2004). Unpublished M. A. Ed Management Dissertation.

National Advisory Council on State and Local Budgeting. (2009). A Framework for Improved State and Local Government Budgeting and Recommended Budget Practices. Nevada, GFOA.

NTSETO VE (2009). Unpublished. Bloemfontein: University of the Free State.

OYADONGHAN K J (2014), European Journal of Accounting Auditing and Finance Research UK Vol.2, No.7, pp.77-87

OKWACH S (2000). Revitalizing Financing of Higher education in Kenya: Education No. 1.

ORSZAG PR, KANE TJ (2008). Funding Restrictions at Public Universities: Effects and Policy Implications Education, accessed on 23rd February 2008 at http://www.brookingsedu/papers/2008/0910education_kane.pdf

PANDEY IM (1996). Financial management (2nd Ed). New Delhi: Vikas.

.PUSHPANADHUM (2006). International Journal of Academic Research in Business and Social Sciences, Vol. 3, No. 10, ISSN: 2222-6990

PETRAKIS PE AND KOSTIS PC (2014), Journal of Innovation and Entrepreneurship

PETRAKIS, PE, & KOSTIS, PC. (2013b). the effects of cultural background, and knowledge creation.

ROBINSON, M., & LAST, D. (2009). The Basic Model of Performance-Based Budgeting. New York, International Monetary Fund.

RICHARD G S (2014). NEA research paper pg3

ROZIN, P. (2010). Evolutionary and cultural psychology: complementing each other in the study of culture and cultural evolution.

TOWNSEND, T. (2007). International Handbook of School Effectiveness and Improvement; Review. Springer, Dordrecht.

TAM WAI-MING F (2008). The Management of Education Quality: Comparison of Competing Perspectives, accessed on 6th March 2008 at <http://sunzi1.lib.hku.hk/hkjo/view/33/3300>.

TOOLEY, S. & GUTHRIE, J. (2007). Budgeting In New Zealand Secondary Schools in a Changing Devolved

TILLY. B (2015), e-conomic.co.uk/accountingsystem/glossary/bookkeeping

WAYGANDT, D.et al. (2009). Managerial Accounting: Tools for Business Decision Making.

WEYGANDT, D.et al. (2009). Managerial Accounting: Tools for Business Decision Making.

123helpme (2009).[view.asp?id=10743](http://123helpme.view.asp?id=10743) accessed on 20-02-2015

APPENDICES

APPENDIX 1: DATA COLLECTION INSTRUMENT.

QUESTIONNAIRE

Dear respondent,

I am a third year student at Uganda Martyrs University pursuing a Bachelor's degree in accounting and finance. As part of my academic requirement, I am carrying out research on a topic "*The effect of financial management on the performance of public secondary schools in Uganda*". You have therefore been purposively identified as a resourceful person in providing the required information. The purpose of this research is purely academic and the information you give will be anonymously treated with confidentiality.

SECTION A: Background Information.

1. Sex: a) Male b) Female

2. Marital status: a) Married b) Single

3. Level of academic qualification

a) Certificate b) Diploma

c) Degree d) Masters and above e) other levels

4. Years worked in the organization

a) 0-5 years b) 6-10 years c) 10 years and above

Tick in the appropriate box basing on this scale.

scale	5	4	3	2	1
particulars	Strongly disagree (S.D)	Disagree (D)	Neutral (N)	Agree (A)	Strongly agree (S.A)

SECTION B: Budgeting and performance of public schools.

Details	1(S.D)	2(D)	3(N)	4(A)	5(S.A)
The budget preparation process begin the completion and submission of budgets forms by budget holders to the finance department?					
Budget hearings held after the first draft is prepared for budget holders to justify their request?					
Budget holders notified of their budget allocation for the period so that they can spend within their budgets after every quarter of the financial year?					
Budgets are monitored and reported against internal budgets on a consistent and regular basis to assess whether targets are being met?					
Forecasting is always done to manage the gaps between the budgets estimates and actual results in order to identify quickly and respond to changes in the external environment or internal activities?					
Internal budgets are revised through a coordinated process?					
The proper allocation of finances helps schools to achieve their objectives					

Through proper accountability of finances, financial irregularities are minimized					
Allocation of finances provide better program and financial decisions that can lead to improved operations and performance in schools					
Planning through use of budget helps a school to come up with how much fees a school expects to raise					
Schools ensures that realistic expenditure and revenue forecasts are incorporated in the budget to reduces cases of budget deficit					
Scarcity of resources requires budget allocation decisions to focus on effectiveness of spending funds					
Budget allocation and implementation in schools involves decentralizing responsibilities to prevent conflict of interest between different departments					
Budget reports are used to ensure that the planned objectives are achieved					
The use of a budget as a control mechanism makes sure that funds are used according to an established set of objectives and priorities					

Are there any challenges faced while carrying out budgeting for the school? If yes, state them

.....
.....

SECTION C: Bookkeeping and performance of public schools

Details	1(S.D)	2(D)	3(N)	4(A)	5(S.A)
Financial records help schools to keep track of their financial activities in order to ensure proper financial discipline					
Record keeping is essential for school management through protection of financial information					
The schools make day to day records of transactions					

in respect to receipts and expenditure					
The schools use computer record keeping systems to help accountants to easily record their financial transactions					
Having financial records enables management to know the financial positions of their entities and to take control measures to improve performance					
Through the use of financial records management is availed with information that is used for decision making					
The schools have cash receipts to record detail of expenses on a daily basis for accountability purpose					
Bookkeeping convey substantial information about the financial strength and current performance of a school					
Bookkeeping enables management to know the financial positions of their entities and to take control measures to improve performance					
management of schools are trained to carry out proper financial record keeping and financial management					

How does bookkeeping improve financial performance of the school?

.....

.....

SECTION D: Financial reporting and performance of public schools

Details	1(S.D)	2(D)	3(N)	4(A)	5(S.A)
Financial report information help school management to make economic decisions to improve performance					
This information provided in the financial statement assists users to determining future cash-flows in particular their timing and certainty					
Financial reporting makes it easier to choose accounting treatments if controls are put into serious consideration					
Cash flows represent all inputs and output liquidities and cash equivalents a school has in a term					
Through preparation of financial statements, the school knows where cash is coming from and where it is going to					
The financial position of a school includes property, assets, liabilities and equity of an organization					
Financial statements provide revenues, expenses, and profits (or losses) of schools over a specific period of time					
Schools prepare financial reports to evaluate their performance in financial matters					
The financial position of a schools represents the financial standing in terms of resource utilization					
Presence of financial reports makes it easy for a school to carry out auditing of their financial transactions					

Does financial reporting improve decision making of the school?

.....

.....

.....

.....

Interview Guide

Dear respondent

I am a student of Uganda Martyrs University currently collecting data for compilation for my dissertation as a partial requirement for the award of Bachelor's Degree in Business Administration and Management of Uganda Martyrs University. The Interview I am conducting is basically aimed at obtaining qualitative information to compliment the quantitative information. Information given will be treated with utmost confidentiality.

1. Do you encourage preparation of a budget in your school? If yes, why?
2. In your view, to what extent has the use of budget contributed to your school performance?
3. How has bookkeeping reduced your financial irregularities?
4. To what extent has the use of bookkeeping reduced your financial challenges?
5. What kinds of financial reports do you normally get from your organization?
6. To what extent has financial reporting contributed to your performance?

THANKS FOR YOUR TIME