FINANCIAL MANAGEMENT PRACTICE AT TPDF SECONDARY SCHOOLS IN DAR ES SALAAM REGION

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CHAPTER ONE
SETTING PROBLEM

1.1 Introduction
This chapter starts with background information, statement of the problem, Statement of the research objectives also divided into general and specific objectives and statement of the research question, divided into general and specific questions, and significance of the research
1.2 Background information

Most of secondary schools owned by Tanzania Peoples Defense Forces have been experiencing Losses in their revenues each year since 2010-2012. For the last three years these schools got a loss of approximately 360,000,000Tshs (TPDF Auditing Report; 2010-2012). Although the auditing department has discovered this problem and issues directives to school bursars, but still the problem is increasing years after years (TPDF Auditing Report; 2010-2012).

If these losses could have not been happened there could be the best infrastructures in these schools, payment of commensurate salary to teachers and other staff so as to increase their morale. Unfortunately most of these schools, they do face deficiency budget in such a way that they delay in payment of commensurate salaries to school workers, Poor students’ enrollment due limited number of classes, demoralization of teachers and other school staffs simply because they are paid insufficient salary.

One of the study conducted in South Africa found that there were many principals and School governing body members who lack the necessary financial knowledge and skills, and are placed under tremendous pressure because they are unable to work at practical solutions to practical problem. These weaknesses resulted into mismanagement of funds through misappropriation, fraud, pilfering cash, theft and improper control of financial records. (Mestry, 2006)

In Kenya management of secondary schools, faced a number of challenges over the past few years. These challenges have been manifested in many ways including lack of financial transparency, which culminate in unaffordable secondary schools fees (Jezovnik, 2006).

It was furthermore reported by Motsamai (2009) that teachers and students of a high school in the district of Qacha’s Nek in Lesotho went on strike in 2006 because their needs were not being met by the principal. It appeared that students were given poor quality food and there was lack of maintenance of buildings and facilities such as printing machines because the school’s finances were not properly managed. (Soni, 2011)
A case study in Uganda on evaluation of internal control system revealed that the organizational structure with defined lines of authority and responsibilities does not ensure effective internal controls because in practice not all employees as depicted by the structure are present in the organization. The authority and responsibilities at times, does not flow as demonstrated by the organization structure because of the nature of working relationships that exist amongst personnel at different levels of the projects. The Interferences caused by working relationships on controls should be addressed and solved. Lack of skills and knowledge in finance to most of headmasters of Secondary School and their subordinates is also a big challenge to be solved. (Adesina, 2001)

It has been believed that most of these losses happen due to fraud committed by school Bursars, and the other opinions shows that The Headmasters of these schools are the ones who contributed to these losses for not setting the school Auditing Committee. This controversial brings the need for doing a research on this area of financial management. Thus the focus of the study is essentially on Financial Management Practice in TPDF Secondary School in Dar es Salaam.

1.3 Statement of the problem

There has been a marked increase in losses of the school revenue year after year. From the last three years, despite the directives of the Chief Investigation General (CIG) to bursars and head of the schools on how to manage the school still loss in the revenue is increasing. For this case, schools under Tanzania Peoples Defense Forces in Dar es Salaam region have been suffering from insufficient budget.

This has resulted into; rising of school fees every year, many debts from its shareholders, fund rising from different agencies introducing unnecessary contribution from students, failure to expand and improve school infrastructures, delaying in payment of salaries to school workers, Poor students enrollment due limited number of classes, demoralization of teachers and other school staffs simply because they do not enjoy the fruits of their work, they believe only Bursars are the ones who enjoys. Also, inadequate availability of teaching and learning aids, insufficient school revenue and failure to employ permanent teachers.
Also this situation has made these Schools to become more dependent on grants and loans from different Agencies such as Banks and Charitable Organization in the implantation of its development activities such as construction of sewage system, buying of School furniture’s and in making renovation of School buildings.

This study helps other researchers to carry out studies on related fields of study particularly the financial management area. It is an input to the efficiency financial management performance in schools. However it guided TPDF Policy Maker to make effective financial management policy to improve schools performance also enabled the schools to expand and improve the school infrastructures, pay commensurate salary to teachers and other staff so as to increase their morale, availability of adequate teaching and learning aids, control and manage their school fund.

1.4 Objectives of the Study
The main aim of the study was to assess financial management practice in TPDF Secondary Schools in Dar es Salaam Region from this three (3) specific objectives were considered which are as follows:-

i. To examine the financial management practices at TPDF Secondary Schools in Dar es Salaam
ii. To assess the effectiveness of financial management of TPDF Secondary Schools in Dar es Salaam
iii. To identify challenges in financial management at TPDF Secondary Schools in Dar es Salaam

1.5 Research Questions
The main research question was; what are the weaknesses and strengths of Financial Management Practice TPDF secondary schools in Dar es Salaam?
Specific research questions are as follow;

i. What are financial management practices at TPDF secondary school in Dar es Salaam?
ii What is the effectiveness of financial management at TPDF secondary schools in Dar es Salaam?

iii What are the challenges facing financial management at TPDF secondary schools in Dar es Salaam

1.6 Significance of the Study

The findings of the study were important because will help other researchers to carry out studies on related fields of study particularly the financial management area in future. It was an input to the efficiency financial management performance in schools.

Also the findings helped the TPDF to make effective decisions on optimal allocation of resources to her secondary schools. However, the study guided to make effective financial management policy to improve schools financial management performance.

The study intended to help Headmasters and School’s management staff to plan, monitoring and evaluating the daily schools activities. This includes authorization and approval of expenditures as means of monitoring and control. Furthermore the management has been equipped with knowledge on management of school finances and hence works as a team with the headmaster to ensure effective financial management of school funds. The findings helped management to detect challenges in financial management performance and solution to alleviate them before reaching at critical

The findings of the study were important to stakeholders in education especially educational administrators and policy makers such as Teachers Service Commission and Ministry of Education as it provided them with a needed description of challenges in developing strategies to effective and efficient Financial Management. It is an input to the efficiency financial management performance in schools

1.7 Scope and the Delimitation of the Study

The study included Management of finances in all Secondary Schools owned by TPDF in Dar es Salaam because they were few within the same region so as to overcome the shortage of time and fund in order to make effective study. The key area covered were
preparation of school budget, school financial policy, monitoring and control of financial activities and lastly management at Kigamboni, Makongo, Air Wing and Jitegemee.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter deals with literature related to Financial Management of Secondary School. The chapter therefore provides a review and critique of various theories on financial management, empirical literature review and conceptual framework

2.2 Financial Management Theories and Model
A theory of corporate financial management is summarized from the broad flow of finance literature. Within this, contributions to a normative theory, amenable to corporate financial modeling, are reviewed in some detail. The central propositions of a normative theory are isolated to provide a basis of comparison for the practice of financial modeling, as observed through a field research study. Differences between theory and practice are identified and discussed.

Compared with the experience of ten years ago, computer-based financial modeling systems are today gaining much greater acceptance in business organizations. Despite this, a wide gap seems to exist between the information and logic structures programmed into financial models, and the precepts and algorithms derived from a normative theory of corporate financial management.

Implementation difficulties in three main, but interdependent, areas are identified as causing the gap between theory and practice. First, there is the difficulty of constructing relevant information in a form which would be meaningful in a normative framework. Within the broad set of managerial activities of an organization, there are several relevant logic structures, including: a financial accounting structure; an economic structure dealing with cash flow, economic value, and marginal rates of return to investment; operating information structures dealing with the conduct of an organization's work; and strategic information structures dealing with an assessment of the external and internal human needs which provide a rationale for an organization's present and future existence.

The systematic provision of information in each logical mode, and the translation between modes, poses a considerable intellectual and practical challenge. Then there is the problem of dealing satisfactorily with strategic uncertainty, and the way that uncertainty is distributed within the managerial organization. Finally, multiple and conflicting goal dimensions pose considerable problems in terms of an explicit modeling of a corporate objective function.

Normative finance theory provides a powerful logic for designing information and decision-making structures to support corporate planning. At present, however, the research reported in this survey paper suggests that the finance model is incomplete,
particularly with regard to inclusion of behavioral and political dimensions of organizational processes under uncertainty. (Innes and Carleton, 1987).

According to Ryan (1994:25) School Finanical Management is a managerial activity which is concerned with the planning and controlling of an organization’s financial resources. It involves the application of general Management principles to financial resources of the School. It is the managerial activities which deals with planning, controlling, organizing the financial resource of an organization; that is, the management of finances of a business in order to achieve the financial objectives of the business in any organization being a private or public sector.

School’s financial management as the performance of management actions connected with the financial aspects of a school for the achievement of effective education (Joubert and Bray, 2007). The common factor in these definitions of financial management is that a connection is made between the management tasks and the financial aspects of a school. The implication is that the management of school finances involves the task of planning (budgeting), organizing (coordinating), leading (communicating and motivating), as well as controlling auditing (Clarke 2007)

In order for a school to manage its finances effectively and efficiently a school finance policy must be developed, adopted by all the relevant stakeholders and implemented accordingly. According to Ryan (1994:25)

The formal model assumes that the school is hierarchical systems in which principals use rational means to peruse agreed goals. Principals possess authority legitimized by their formal positions within the schools and are accountable to school governing bodies for their activities (Bush, 2004).

The backbone of an institution is finance and the principal is the manager of this finance. The principals are therefore the “officers controlling vote”. The administrative effectiveness and efficiency of the principal in management of the school and human resource tend to determine, to a large extent, the organizational climate of the school especially in the area of finance. It is often his responsibility to see that the allocation in
the school budget are spent according to the directives of his employer and in accordance with the financial regulations and procedures (FGN 2004) These may be linked to the school management tasks identified by (Clarke ,2007), namely planning, Organizing, leading and controlling.

Financial management therefore, requires skilled financial managers who in scarce resources, can list their needs in order of preference. This will ensure wise utilization of available funds through the application of sound management principles. Morelus (2001) maintained that where there is wide gap between planned goals and actual performance in most Government establishment of developing countries, it is due to the failure of the financial administrator to perceive the vital aspect of the budget as a bridge between the plan and the action.

On the other hand leadership in financial administration involves three aspects: sound relationships, communication with all stakeholders and internal as well as external and motivation of all the people concerned with school finances (Bisschoff, 1997). Also notes that “harmonious collaboration between academic and administration staff is a prerequisite for successfully achieving financial objectives. Financial activities are dealt with most effectively when both the administrative and academic personnel are involved in the process. Communication is the basis for establishing relationships and for providing motivation”.

Lastly financial control mechanisms contribute effectively to the safe and accurate administration of funds. Key control mechanisms for the following should be developed and form part of the finance policy: Cash receipts and cash payments, School fees, management of assets, stock control cleaning materials and stationery, Petty Cash payments and budgetary control. For example, the policy should clearly outline how the assets of the Schools are controlled or what criteria are applied to appoint a registered audit.

School policy must comply with available legislation such as the Schools Act and it should set direction and give guidance. Schools and systems need policies and the financial policy may eliminate or reduce the mismanagement of School funds.
According to Ryan (1994:25) a good policy identifies and articulates the values and the basic principles to be applied to specific needs in an organization.

In other words, it tells an educator or an administrator what is required and it sets the broad objectives that should be achieved in managing the school's finances. An effective policy should not only set direction but should also give directions. The finance policy should clearly outline the duties or responsibilities of the treasurer, finance officer, auditor, finance committee, the principal, and other persons (for example, educators) delegated for specific tasks (Matutu, 2012).

One of the most important principles in school financial policy is the "separation of powers". The school governing body should ensure that various tasks are delegated to different people who have the necessary knowledge and skills to perform these tasks efficiently. This ensures transparency and accountability and avoids or minimizes fraud, pilfering, theft or collusion (Kinsey 2005).

Principals possess authority legitimized by their formal positions within the schools and are accountable to school governing bodies for their activities (Bush, 2004). Formal models give prominence to official structures, rational processes, the authority of leaders and accountability. The administration of a school’s finances is an integral part of effective school administration (Mestry 2004; Ntseto 2009).

This provides information on various aspects of financial management, where schools should observe the following procedures below in making payments (TETPO, 1995)
Payments shall be properly authorized and that sufficient funds are available to meet the expenditure after taking into account commitments. The Authorization signature shall be in ink or ball-point pen only. The Head of School is the authorizing officer for all SEDP payments based on approved claims for payment. The Head of School shall be responsible for certifying the accuracy of all claims and shall be held personally accountable for miscarriage of this function.

The Head of School may designate in writing and by name specific persons who shall have the authority to sign payment vouchers on behalf, prescribing the financial limits and
any other condition within which this authority may be exercised. A Payment Voucher, in three copies shall be raised in favor of the supplier. Payment vouchers will be processed if sufficient uncommitted funds are available in the respective codes.

The Head of School as Authorization Officer is responsible for ensuring that the preparation of the payment voucher is in order. Schools will obtain all accounting documents from the Sub-Treasury office. Payments in respect of supply expenses shall be supported with the following; a copy of the Purchase Order which accompanies the supplier’s invoice, the suppliers’ original invoice, Goods Received Note (GRN) and Delivery Note.

The school accountant shall maintain a cash book recording all the payments made. The School Accountant shall maintain a register for recording all cheques that are issued to payees. The cheque will then be handed over to the supplier accompanied with a copy of the payment voucher. Before cheques have been issued to a payee the paying officer will stamp the payment voucher and all supporting documents with a 'PAID" stamp and fill the number and date of the cheque on the relevant panels.

The Head of School shall be allowed to maintain a standing imp rest for meeting sundry expenses at school and shall be required to keep receipts for all purchases made. The receipts shall be used to replenish the standing imp rest when the balance is nearing zero.

The guidelines have overlooked the fact that most Tanzanian secondary schools Headmasters have no financial management skills and accounting knowledge, this becomes a barrier for effective monitoring and control of the schools finance.

2.3 Empirical Literature Review
Managing funds is one of the major tasks of principals in schools. A study in Kenya identified three challenges that that principals face; misappropriation of funds; mismanagement of funds, working with incompetent clerks.

A study on Internal Control in South Africa found that there were many principals and School governing body members who lack the necessary financial knowledge and skills,
and are placed under tremendous pressure because they are unable to work at practical solutions to practical problem. These weaknesses resulted into mismanagement of funds through misappropriation, fraud, pilfering cash, theft and improper control of financial records. (Mestry, 2006)

Some studies specifically identify the lack of financial management capacity as a common concern in Lesotho secondary and high schools (Mosoeunyane 1999; Kotele 2001). The mismanagement of funds by principals often leads a shortage of critical resources in schools as money is not available for the purchasing of the necessary books, equipment and so forth. This often results in the unsatisfactory performance of teachers and students (UNESCO, 2000). They will be more productive if they have the opportunity of meeting their needs in an organizations such as payment of salaries as when due.

According to (TETPO) Tanzania Education and Training Policy (1995) it reveals that, the management and administration of educational and training Institutions are handled by boards and, in the case of primary schools by committees. The educational and training Policy (1995) states clearly that all educational and training Institutions shall have a school or college committee’s board. Boards and committees of educational and training shall be responsible for management development, planning, discipline, and finance of institutions under their jurisdiction.

The powers and responsibilities of boards/committees are constrained by lack of defined powers and status, and inadequate financial resources and facilities. Currently REOs and DEOS are managers of educational and training their respective areas. The overall control of the school is the responsibility of the owner/manager of the school. The school board which must be approved by the minister of education has advisory powers on the day to day running of the school, the discipline of the students and teachers, as well as on the development and welfare of the school.

Legal arrangement for funding and expenditure; these are normally the responsibility of the owner of the school. However are required by the law to fulfill the following. Records of receipts of expenditure of funds for running the school and financial transactions of the school must be submitted to the school board.
However a case study conducted at Kitui District in Kenya concerning challenges facing public Secondary Schools principals in financial management (Kasoa, 2012) recommended that the government through the Teachers Service Commission (TSC) and Ministry of Education (MoE) should organize school leadership training programs on financial management for head teachers before they are promoted. This was found important because it would ensure that they are well equipped with the necessary financial skills needed to effectively manage the financial resources entrusted to them in public schools before appointment.

2.4 Gaps in Knowledge

The above mentioned empirical studies were among of researches which have been done related to this research. In fact, there were no enough researches which explored financial managements in Defense Forces Secondary Schools. Therefore the findings of this shades some light on financial management practices of TPDF schools, as such it may guide TPDF Policy Makers to make effective financial management policy that will improve schools performance in terms of expansion, infrastructure and benefits, which will increase staffs morale

2.5 Conceptual Framework

According to Ryan (1994:25) School Financial Management is a managerial activity which is concerned with the planning and controlling of an organization’s financial resources. It is the managerial activities which deals with planning, controlling, organizing the financial resource of an organization; that is, the management of finances of a business in order to achieve the financial objectives of the business in any organization being a private or public sector.

The key variables in financial management of a school are; Financial Planning (p), organizing (o), leading (l) and controlling (c) which are independent variable while dependent variable is effective financial management (M). The absence of one of those independent variable leads to poor financial management.
In this study each variable had its indicators. Indicators for financial planning were an extent by which the school budget is achieved; the information about this was obtained by reviewing school budget of the previous years. (2009-2012)

The second independent variable was the organization of school finances. Presence of finance and accounting policies, keeping of accounting records, organizations charts and accountability of each and every staff in school financial management. Documental review of finance and accounting policy, and school standing order were the source of information about this variable

However, Leading and controlling were also independent variables that used in this study. The researcher studied indicators such as previous year Auditing report, documents on Authorization, verification and segregation of duties

Figure “2.1” below; describe the conceptual framework that guided this study, showing how financial management (dependent variable) depends on planning, organizing, leading and control (which are independent variables)

The planning of school finances usually begins with the drafting of a budget (Kruger, 2005). The inputs of this management component are amount of fund, understanding budgeting process and objectives.

Organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer (Kruger 2005; Ntseto 2009)

Leadership in financial administration involves three aspects: sound relationships, communication with all stakeholders and internal as well as external and motivation of all the people Concerned with school finances (Bisschoff, 1997). Also notes that “harmonious collaboration between academic and administration staff is a prerequisite for successfully achieving financial objectives
Figure 2.1: Conceptual Framework

Organizing
- Financial policy
- Financial record management
- Accountability of management staff

Planning
- Planned budget performance
- Actual budget performance
- School vision
It was assumed that; all staff in accounting department had financial knowledge and skills and they can administer well the school budget according to the plan.

Financial Planning (p), organizing (o), leading (l) and controlling (c) are independent variable while Financial Management (M) is a dependent variable. The absence of any independent variable leads to poor financial management. Mathematically it is derived as, \( F(M) = (p, o, l, c) \)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter addresses the methodological aspects of the study area, sampling procedures, sample size, methods of data collection and data analysis; that is, the systematic method enunciating the problem, collecting data, analysing data critically and reaching conclusion basing on them. In brief, it entails all the steps the researcher used for the study.

3.2 Research Strategy and Design
The research strategy included; experiments, survey, grounded theory, ethnography, action research, cross-sectional longitudinal studies, exploratory, descriptive and explanatory studies and case studies (Saunders, Lewis, and Thorn-hill, 2003). The study made use
A descriptive approach was used to investigate the details of a real-life phenomenon using multiple sources of evidence. This involved using questionnaires, interviews, observations, and documentary analysis to gather data on Financial Management Practices at TPDF Secondary Schools in Dar es Salaam Region.

In this study, the researcher preferred a descriptive research design to establish how participants made meaning of financial management at their schools. This was achieved by analyzing the participants’ perceptions, attitudes, understanding, knowledge, values, feelings, and experiences about their schools' financial management. The information of respondents was collected based on their key characteristics such as position held at school, age, gender, level of education, and working experiences.

### 3.3 Area of the Study
The study was conducted in Dar es Salaam region; the following TFDF Secondary Schools were involved: Kigamboni, Jitegemee, Makongo, and Air wing. They were chosen because of being close to the vicinity of the managing organs yet suffer the same fate as those in the outskirts, limitation of fund and time. Also, these schools have a large number of students and they were among the largest schools in Dar es Salaam Region.

Generally, there were ten Secondary Schools owned by TPDF located in different Regions in Tanzania. These Schools were monitored by the Directorate of General Education and Training at The Defense Forces headquarters.

### 3.4 Types of Data
Both primary and secondary methods of data collection were employed to achieve research objectives. Primary data were used to gain in-depth insight into the perceptions of the individual respondents so as to develop a greater understanding of the research problem. The secondary data helped the researcher to get more reliable information for the study since most of them were already analyzed.

Primary method consists of questionnaire design, administration, and respondents’ analysis. Secondary data methods were documentary review of previous year Auditing report and minutes on authorization and approval of cash requisition letters for school
expenditures. This is a key variable in financial management. By this conceptual framework variable the researcher collected data of this nature through questionnaire to the school management staff about auditing of school finance.

In TPDF Secondary Schools most of the data were copies of the letters, minutes and reports about auditing and recommendations on management of the school funds, School documents on how funds were requested by department and how payments were made.

Financial Planning as an independent variable for financial management helped a researcher to collect secondary data through reviewing the documents on income and expenditures of a school. This involves information about past and present budgets and how financial objectives were achieved.

Organizing, this is an independent variable in financial management. It is composed of financial policy, accounting policy, financial functions which involved recording, school board and finance committee activities. The secondary data of this variable were obtained through reading documents such as letters, minutes showing authorization of expenditures and purchasing of school items. Documents that show how payments were issued e.g. payment voucher, acquaintance and requisition letters.

Leading, it includes relationship and communication achieved between the member of staff and school finance committee. This involves requisition letters: who originate the request, authorize the payments, who pay, who are paid and to whom the receipt of the transaction should be handled. Secondary data on this variable were collected though reading Letters and minutes between the staff and school finance committee.

Controlling, this is a key variable in financial management. Secondary data of this variable were collected through reading the past auditing report from 2010 up 2012 and recommendations of school finance committee.

3.5 Measurement of variable
The key variables in financial management of a school are Financial Planning (p), organizing (o), leading (l) and controlling (c) which are independent variable while dependent variable is effective financial management (M). The absence of one of those
independent variable leads to poor financial management. This relationship is derived mathematically as;

\[ F(M) = (p, o, l, c) \]

Where; M, p, o, l and c represent financial management of a school, planning, organizing, leading and controlling respectively

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measurement of indicators</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>The analyze extent to which the school budget is achieved</td>
<td>Question the school management staff on how they prepare and monitor their departmental budget</td>
</tr>
<tr>
<td>Organizing</td>
<td>The presence of the school policy</td>
<td>Reviewing the available school financial policy</td>
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<tr>
<td></td>
<td>Accountability of the school management staff</td>
<td>Send questionnaire to school management staff on their responsibilities</td>
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<td></td>
<td>Records management</td>
<td>Ask face to face interviews on how they record and keep records</td>
</tr>
</tbody>
</table>
3.6. Quality of Data and Measurement

Collecting data involved a number of activities which carefully were planned and controlled. Lack of proper strategies could mislead the users of the information to be collected. The test of reliability was another important test of sound measurement. Measuring instruments used were reliable to provide consistent results.

Validity, the following validation strategies were used: Data (interview transcripts and reflective field notes) and investigator triangulation (the researchers independently read and coded the transcripts and took part in consensus discussions) were used to strengthen the study. To confirm if something was not understood during the interviews, the researcher went back to the participants to get assurance of the meaning that he made out of the respondents to strengthen the study.

The interviewees were also informed that information from the participants would be kept confidential. This was of cardinal importance because financial issues are very sensitive in TPDF schools. Participants were also assured that their names, as well as their schools would not be disclosed.

To ensure high quality of data the researcher used a simple language on the questionnaires; lastly the researcher tried to get familiarization from the respondents so as to make observation successfully.

<table>
<thead>
<tr>
<th>Leading</th>
<th>Controlling</th>
<th>Table 3.1: Financial Management Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of team work among staff</td>
<td>Auditing report</td>
<td>Source: Researcher’s Design, (2013)</td>
</tr>
<tr>
<td>and finance committee</td>
<td>Authorization, verification and</td>
<td></td>
</tr>
<tr>
<td>Motivation and commitment</td>
<td>segregation of duties</td>
<td></td>
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<tr>
<td>among workers</td>
<td>Review previous year auditing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>report</td>
<td></td>
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<tr>
<td></td>
<td>Review school requisition letters</td>
<td></td>
</tr>
<tr>
<td></td>
<td>for payment and purchases.</td>
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</tr>
</tbody>
</table>
3.7 Data Collection Methods
Since the study made use of both primary and secondary data a number of data collection methods were adopted. Primary data were collected through observation, direct communication with respondents and through personal interviews. Secondary data were collected through reviewing various documents such as letters, minutes showing authorization of expenditures and purchasing of school items. Documents that showed how payments were issued e.g. payment voucher, acquaintance and requisition letters.

During the study, several methods were applied in order to obtain relevant data. Such as questionnaires, interviews and documentary source

3.7.1 Questionnaire
The researcher used questionnaire method so as to allow significant amount of data to be collected in a standardized form. Moreover questionnaires were used so as to cater a large number of respondents within a short time. In this regard the researcher used both structured and open ended questions to ensure that respondents were not limited in giving their views and experiences about the problems (see appendix 1-5). Questionnaires were used to collect primary data from Headmasters, School Bursars, Head of Departments, members of school governing bodies and other teaching staff.

3.7.2 Interview
This was used when the researcher wanted to fully understand someone’s impression or experiences or learn more about their answers to questionnaires. The research used semi structured interview. The interview had a series of questions that were as indicated in the interview guide (see appendix 6). However the interviewer had some altitude to ask further questions in response to what is being seen as significant replies. This method was used since the researcher wanted to get the clear understanding of the interviewer on the subject and also it enable flexibility in the questioning process. Apart from other methods a face to face interview was held to the head of schools, School bursar, and head of departments and members of a school board.

3.7.3 Documentary Review
Documents that showed how payments were made such as payment voucher, acquaintance and requisition letters, how funds were requested and how payments were made were reviewed. Documentary reviews were done in schools bursars’ offices after being permitted by Headmasters of the respective schools. The researcher reviewed the presence of schools financial policy, accountability on school fund, presence of schools Audited Report

3.8 Sampling Procedures
The researcher chose a design which, for a given sample size and for a given cost, had a smaller sampling error. Population for the study included four Secondary schools owned by TPDF in Dar es Salaam Region. The respondents involved were the schools headmasters, Second Masters, school bursars, Chairperson of school bodies (as member of school bodies) teachers and other management staff

In this study 60 respondents from TPDF secondary School in Dar es Salaam participated; including the headmasters, second masters, members of school board teachers and other management staff. Headmasters, School Bursars, Chairperson of school bodies (as members of school bodies) and Second Masters were purposely selected by virtue of their position, these respondents were expected to give unbiased answers since they form part of the school management, and 16 respondents were selected.
Teaching staff were selected randomly; this was done by writing the names of teachers on small pieces of paper, and then, kept them in the box. The researcher selected randomly 8 pieces from the box, and includes the names written on those papers as part of the respondents to each school.

The remaining 12 respondents were selected from head of departments through random sampling method. This was done by writing all schools department on small pieces of paper, and then, kept them in the box through mixing and picked three (3) pieces as part of the respondents each school heads of department. Below is a table 3.2 showing sample distribution.

### Table 3.2: Sample Distribution Table

<table>
<thead>
<tr>
<th>Respondents’ Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headmasters</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Second Masters</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>School Bursars</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Head of Departments</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Members of Schools board</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Staff members</td>
<td>32</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: field data 2013).

### 3.9 Field Work

The fields work in this research involved observation of audited reports, sending and collection of questionnaires in different departments of the schools, reviewing payment documents and lastly interviewing respondents.

### 3.10 Data Processing and Analysis

Qualitative content analysis was used to analyze the transcribed interviews. Nieuwenhuis’s (2007) guidelines were used to reduce, condense and group the content of the interviews. Qualitative approach was used to analyze the data. The data were mostly qualitatively analyzed by using narratives. A coding frame was drawn up, also providing for verbatim reporting where applicable.
The content analysis was done within the framework of the core management tasks, namely planning, organizing, leading and controlling. Related codes were there after organized into the preset categories.

Later the researcher independently completed the categorization, and then re-read the transcriptions to check whether he had captured all the important insights that had emerged from the data. From the categories, patterns and themes linked to the research questions were identified and described. The identification of emergent themes allowed the information to be analyzed and related to the literature in order to determine the final findings of the research.

Lastly Quantitative data collected from questionnaire were converted into percentages which later were properly analyzed and presented. The closed ended questions in the questionnaire were structured and coded so as to make the data analysis easier. Quantitative data collected were combined in groups after data collection for the purposes of easier analysis. Data collected were edited to eliminate the obvious data collection errors. Data was presented in form of descriptive narratives and frequency distribution tables to explain the results of the observations made. The majority view or percentage was used to make findings of the study.

3.11 Summary
This research involved an understanding of the actions of management staffs and other role players with regard to schools’ financial management as a means to understand how TPDF secondary schools manage their finances. A qualitative research design was used in order to establish how participants make meaning of financial management at their schools. This was achieved by analyzing the participants’ perceptions, attitudes, understanding, knowledge, values, and feelings and experiences about their schools’ financial management. Data collection was by means of questionnaires. Qualitative content analysis was used to analyze the transcribed interviews. Nieuwenhuis’s (2007) guidelines were used to reduce, condense and group the content of the interviews. The content analysis was done within the framework of the core management tasks, namely planning, organizing, leading and controlling.
CHAPTER FOUR
DATA PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction
In the context of this chapter, the data collected are presented, analysed and discussed. The data collected based on research questions and aims at achieving research objective. They are presented and analysed using both qualitative and quantitative technique of data analysis. The main research objective was to explore Financial Management Practice in TPDF secondary schools in Dar es Salaam Region.

4.2 Information of Respondents
The information of respondents was collected about their key characteristics such as Age, gender, level of education and working experiences. The researcher distributed 60 questionnaires to the management team and other staff of Makongo, Jitegemee, Airwing and Kigamboni Secondary Schools only 54 responded. Also the researcher had interviewed the management staff and bodies members of these schools to make a sample of 28 respondents. This made a response rate to be 90% for questionnaires and 100% for interviewed respondents. Respondents with different education background featured in the sample as profiled on table 4.1.

Table 4.1: Level of Education of Respondents

<table>
<thead>
<tr>
<th>Respondents’ Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Diploma</td>
<td>30</td>
<td>55</td>
</tr>
<tr>
<td>First Degree</td>
<td>15</td>
<td>28</td>
</tr>
<tr>
<td>Masters</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013

Furthermore when exploring the duration of stay in a particular position it was noted that majority of 76% respondents’ had 1-2 years, and 24% had less than a year in a particular position. This shows that the respondents are experienced users of the financial system of
these schools, and hence their responses were relevant to the study. Table 4.2 shows duration of respondents at TPDF Secondary Schools.

**Table 4.2: Duration of the position held by the respondents**

<table>
<thead>
<tr>
<th>Duration of the position (in years)</th>
<th>Frequency</th>
<th>Percentages %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>41</td>
<td>76</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013

**4.3 Discussion of findings**

**4.3.1 Financial Planning**

One of the objectives of the financial planning is to ensure proper budgeting. Among other things, Secondary Schools have to prepare a budget by compiling and reviewing their needs and expenditure to the attainment of the school vision. According to Hógye (2002), the budget is a policy statement, declaring the goals and specific objectives an authority wishes to achieve by means of the expenditure concerned.

Information about school planning on budget and expenditure to the attainment of the school vision was collected through questionnaire sent to Headmasters, Bursars, and Head of departments, members of school bodies and teachers of each school. Majority (68%) replied that schools budget did not consider the attainment of schools vision. Minority 32% said that their school budget was realist and ideal to the need of the school. This revealed why there were inadequate teaching materials, old buildings, and poor academic performance. Table 4.3 shows Respondents views on financial planning.

**Table 4.3 Views on financial planning**

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>68</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013
It was found that schools budget did not give priorities to the attainment of their vision. Information about school planning on budget and expenditure to the attainment of the school vision was collected through questionnaire sent to Headmasters, Bursars, and Head of departments, members of school bodies and teachers of each school. 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; Du Preez et al. 2003)

Planning is done in order to achieve the schools objectives as reflected in the schools vision, mission statement and development plans. Objectives may be achievable if there is control; therefore, planning and controlling are interdependently linked.

4.3.2 Financial Compliance
Budget serves as a financial monitoring tool in that it enables the governing body to compare actual receipts and expenditures to the budget with timely variance explanations (Cuomo, 2005) This was a relevant element of study as these schools were running out of budget.

The researcher asked Headmasters, Bursars, heads of departments and members of schools boards the about the compliance of the expenditure with the budget so as to confirm if the amount of fund planned for expenditure matched the planned budget. The findings reflected that 46% of respondents agreed that there were compliance of expenditure with the budget and 54% of respondents disagreed about this situation. The respondents view indicated that there was non-compliance of the revenues with expenditures. For this; that is why there was a delay in payment of teacher’s salary, inadequate teaching aids. Table 4.4 below shows respondent view

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>46</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013
However, the researcher reviewed documents of 2009-2012 schools budgets and found that projected revenue and expenditures were the same for those four years. This indicates the management were not taking trouble to analyze the school expenditure in relation to projected revenue.

Audited reports of these Secondary Schools showed that, since 2010-2012, these schools were facing deficiency budget at every end of the year hence variance of planned budget and actual budget performance. This was proved by late payment of salary to teachers and failure to purchase of teaching aids due to insufficient fund at the end of each year. (Teachers payroll of 2007-2012 in October up November)

The findings reflected that there was a compliance of expenditure with the budget. This was an indicator that schools budgets were not well planned and supervised. Berkhout (1992) collaborate this view: “budget systems cannot function without effective and appropriate control”.

4.3.3 Staff Inclusiveness in Financial Management

The researcher investigated this element because in a realistic budget each staff member who is involved in school finances would be informed about to prepare their demands from section level for various expenditures, knowledgably for the sake of transparency.

Through the questionnaires the researcher obtained the answers from the School Bursars, Headmasters, and members of the school bodies, Head of Department and teachers about whether the preparation of budget is participatory. 12% respondents agreed that they were involved in the preparation of budget; the remaining 88% of respondents said that preparation of the school budget was not participatory in their respective working areas as shown in Table 4.6 below. This revealed that, all schools needs were not catered during budgeting. So in actual expenditure there should be budget deficiency.

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>FREQUENCY</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>47</td>
<td>88</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013
The findings have however emphasized the limited involvement of stakeholders in the process in a sense that it involved the management staff only and isolated teachers, non-teaching staff, students and their parents. Bisschoff (1997) emphasize that all staff members should feel that they have a role to play in all of the school’s activities, as this will motivate them to work hard and consequently achieve effective and efficient financial administration.

This confirmed lack of transparency in preparation of school budget. For this case lead to these schools to run out of budgets before the end of financial year because budget making did not involves members from section levels.

**4.3.4 Procedures of Issuing Payments**

The researcher investigated the entire life cycle of the transactions from initiation to authorizations because if properly followed then it is easy to verify various transaction.

From the questionnaire administered to respondents, the finding show that 76% of respondents replied that payment to school supplier was made before creation of purchasing order, approval and authorization process. 24% of respondents said it was done before creation of purchasing order, approval and authorization process. For this situation it was easy to miss use school funds. Table 4.7 below indicates the respondents’ information.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>76</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

On top of that, the researcher reviewed schools payment voucher, acquaintance and requisition letters, how funds were requested and how payments were reviewed from 2010-2012. Hence the following were noticed; there was no segregation of duties as the
same individual initiated the payments could also authorize payments; which were the loop hole to miss use fund.

Findings showed that there were no proper procedures of issuing payments. Verification of the transactions was very difficult to the extent that at the end it opened the loop hole for fraud and theft. Formal procedures for various transactions should enable the management staff to trace each transaction from its beginning to its completion. The written procedures facilitate the transparency of financial management practices and provide directives for internal control, fiscal management, and reporting system. (Charter Schools Institute, 2007)

This was done because there was no segregation of duties as the same individual initiated the payments could also authorize payments; which were the loop hole to miss use fund. “The school governing body should ensure that various tasks are delegated to different people who have the necessary knowledge and skills to perform these tasks efficiently. This ensures transparency and accountability and avoids or minimizes fraud, pilfering, theft or collusion” (Kinsey, 2006).

By separating key tasks and responsibilities such as receiving, recording, depositing, securing and reconciling assets; Management can reduce the risk of errors; waste or wrongful acts. For not practiced payment procedures, verification of the transactions was very difficult to the extent that at the end it opened the loop hole for fraud and theft.

4.3.5 Proper Documents for Receiving Payments
This was a crucial element to investigate as it involves preserving evidence to substantive decision, event, transactions or system. All documents should be accurate, complete and recorded timely. Documentations of transactions should enable the management staff to trace each transaction from its beginning to its completion.

The researcher asked the respondents about whether schools had a cheque for school fees paid at bank and file for keeping monthly bank statement of return. Cheque register books, cash book, loan book, return file, bank receipts. The study reveals that 37% of respondents agree the statement, while 63% of the respondents disagreed that there were no cheque
register book, cash book, and loan book, and returns file, bank receipts for school fees paid at bank. This confirmed that schools had no enough evidence for their financial operation hence it was easy to experience financial difficulties. Table 4.8 below indicates the respondents’ information.

Table 4.8: Respondents Views on Documents for Receiving Payments

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>20</td>
<td>37</td>
</tr>
<tr>
<td>NO</td>
<td>34</td>
<td>63</td>
</tr>
<tr>
<td>TOTAL</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

Later the researcher reviewed cheque register books, cash book, loan book, return file, bank receipts in schools bursars’ offices after being permitted by Headmasters of the respective schools from 2010-2012. It was revealed that bursars noted payments received in counter books. For verification of the transactions was very difficult to the extent that at the end it opened the loop hole for fraud and theft.

The researcher found that there were no proper documents for receiving payments, so verification of the transactions was very difficult to the extent that at the end it opened the loop hole for fraud and theft. Hence proved weak internal control.

Internal control guides an organization towards achieving operational efficiency and effectiveness, reliability of financial reporting, and compliance with relevant laws and regulations (COSO 1992). Receipts documents were preserving evidence to substantive decision, event, transactions or system. All documents should be accurate, complete and recorded timely to ensure good internal control.

4.3.6 Financial Records Management

The researcher investigated on financial records such as Audited financial statements, books of accounts, written policies and procedures for critical daily operation of an organization because they show the real situation of financial operation in TPDF Secondary Schools.
The researcher asked the respondents if there was a good system of keeping financial management records at schools; such as cash book, cheque register books; cash return books and bank receipts for school fees paid at bank. Field results showed that; 58% of respondents indicated that there were no clear financial records management and 42% gave the opinions that there was a good financial records management. Table 4.9 below is the respondents’ views.

Table 4.9: Respondents Opinions about if there was Financial Records Management

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>23</td>
<td>42</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>58</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: Field Data, 2013)

On reviewing of Schools Audited Report financial statements from 2010-2012 it was noticed that whereas some of the participants’ schools still use outdated hardcopy filings systems others have started to computerized their financial records, part of the recording was done on a computer and had made referencing easier.

The researcher found that there was poor financial record management. Failure to keep records of all expenditures was due to poor system of requesting and authorizing fund, handling of receipts and school fees deposit slips. The written procedures facilitate the transparency of financial management practices and provide directives for internal control, fiscal management, and reporting system. (Charter Schools Institute, 2007) Weaknesses of this kind opened the doors for fraudulence and embezzlement of school funds.

In any financial management system, a variety of accounting and other records such as cancelled checks, paid bills, payrolls, time and attendance records, contract and subcontract award documents are required in order to adequately provide a picture of the financial condition and results of operations of the organization.
4.3.7 Management support with regard to Financial Management

This was a crucial element to investigate as the researcher believed that management support would ensure that each staff member who was involved in school finances would be informed about authorizations for various expenditures and were knowledgably about the financial procedure for expending money, and knows to whom the results of the expenditure should be reported.

Respondents were asked to provide their opinions whether there was management support to members of staff with regard to financial management at school. 52% of respondents indicated that there was no management support with regard to financial management. The remaining 48% agreed that there was a good management support to members of staff. This means that only the management staff had the right to know on the use of school fund hence easy to miss use it. Table 4.10 below indicates the respondent’s opinions.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>26</td>
<td>48</td>
</tr>
<tr>
<td>NO</td>
<td>28</td>
<td>52</td>
</tr>
<tr>
<td>TOTAL</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

In this aspect, the relationship between members of staff with regard to financial management, between management staff was not good but presence of motivation to school employees was effectively explored.

Bisschoff (1997), emphasize that all staff members should feel that they have a role to play in all of the school’s activities, as this will motivate them to work hard and consequently achieve effective and efficient financial administration. It was discovered that communication between members of staff with regard to financial management was not effective. There was no feedback for the present communication network that could help Management evaluate how well the various components of the system of internal control are working.
Management has to establish adequate management channel that provides timely information, enable reporting of sensitive matters, help management to evaluate how well the components of the system of internal control are working.

Generally the study highlighted the weakness as well as problems regarding the implementation of the policy, there was a noteworthy discrepancy between the policy and school financial theory. Despite the policy document’s extensive directives on financial planning and organization, problems regarding budgeting, staff involvement in staff in financial management, procedures of issuing payments, proper documents for issuing payments, the collection and recording of school fees, as well as a lack of administrative support abound. The absence of a clear policy directive on financial leadership and control was reflected by unsatisfactory financial leadership and arbitrary auditing practices. Inspite of the weakness also the researcher noticed the following effectiveness in financial management

4.3.8 Accountability of Management Staff on School Fund

This study used a formal model as the researchers assumed that schools are hierarchical systems in which Headmasters use rational means to peruse agreed goals. Formal models give prominence to official structures, rational processes, the authority of leaders and accountability. Accountability was investigated as schools revenue was public fund.

The respondents were Headmaster, Bursars, Head of Department and members of the school boards. The field study revealed that 78% of the respondents the school management was accountable to the school bodies on the use of school fund. While 22% answered that there was no accountability of management staff. This showed that head of Schools were accountable for loses. The table 4.11 below depicts this information.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>42</td>
<td>78</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013
The researcher recognized there was accountability of managements because these schools were audited every year and they got directives from the CIG (Chief Investigation General). Principals possess authority legitimized by their formal positions within the schools and are accountable to school governing bodies for their activities (cf. Bush 2004).

The headmaster is the chief accounting officer of the school and is responsible to the school board for the control and use of school funds; shall maintain or cause records of income and expenditure of the school to be maintained; shall prepare an annual budget for a school and submit it to the school board for its approval (TETPO, 1995)

There was a good chain of reporting financial issues. This served as a control when it provided information on issues such as timely achievement of goals, also helped to promote accountability for actions and decisions. It is obligatory for Head of schools to ensure accountability and prudence in the utilization of school funds

4.3.9 Collection of School Fees through Bank Account

In order to monitor Secondary Schools revenue all cash receipts are to be received through bank account (Finance Act of 2010) the researcher investigated this element if it was complying with the finance Act requirement.

Through questionnaire respondents were asked on how schools received fees from students. 96% of the respondents replied that they use bank deposit and 04% said that the bursar office receives all schools payments.

This revealed that schools had avoided unnecessary loses by monitoring their revenue concentrated at bank. Table 4.12 below represents respondents’ views.

Table 4.12: Respondents Views on Collection of School fees through Bank Account

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>52</td>
<td>96</td>
</tr>
<tr>
<td>No</td>
<td>02</td>
<td>04</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013
In most of the schools, the school fees are paid at the bank. According to one of the headmaster “our policy is that parents should pay school fees at the bank so that students can devote themselves to their academics full time” Even though this method of payment worked well, it had not been accepted by all parents, especially in the beginning. This unwillingness was highlighted by one of the headmasters who mentioned that “the parents who are near the school said that they do not have money for transport to go to pay at the bank, but we were very strict with this”

The study revealed that TPDF Secondary schools received students’ fees through bank account. In this respect, fund receipts were easily monitored. Organizing of school finances should include aspects such as drawing up a school financial policy; setting up a structure within the school to handle administrative and financial matters; delegating certain functions to clerks, class teachers and the treasurer; and coordinating activities (Kruger 2005; Ntseto 2009).

4.3.10 Motivation to School Employees
The researcher was interested to know if schools provided motivation to the employees. Always extrinsic motivation drives people to work hence lead to the achievement of goal congruent.

From the study 62% of the respondents agreed that there is employee motivational at school while 38% of the respondents disagreed about presence of employee motivational. Table 4.13 below is indicating the respondents’ views

Table 4.13: Respondents Views about Motivation to School Employees

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>34</td>
<td>62</td>
</tr>
<tr>
<td>NO</td>
<td>20</td>
<td>38</td>
</tr>
<tr>
<td>TOTAL</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

Also through observation the researcher noticed that employees were well motivated as most of the workers had been saving for these schools for a long time of period.
Employees were provided certain benefits such as TFDF houses accommodation, health services vacations and holidays.

The researcher found that TPDF Secondary schools provided motivation to its employees. Most of the workers had been saving for these schools for a long period of time.

**4.3.11 Preparation of Financial Statements Reports**

This was a crucial element to investigate, preparation of financial statements reports as required by Financial Accounting Standards Board (FASB) which requires entities to prepare balance sheet, statement of activities and a statement of cash flows.

The researcher asked the respondents if The Headmasters, Head of school departments and bursar do prepare the financial reports to their respective superiors. 28% of respondents disagreed that the management did not prepare school financial reports while 72% of the respondents replied that they prepared financial reports. Through this it was easy for the schools to their loss. Table 4.14 below indicates the respondents’ opinions.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
<td>72</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Field Data 2013*

The researcher was able to review schools financial statements (Balance sheet and income statements) from 2009-2012. Financial reports provided guidance and information on a schools’ financial management which the management staff expected to use.

The researcher confirmed that there were financial statements reports for 2009-2012 as by required Financial Accounting Standards Board (FASB) which requires entities to prepare balance sheet, statement of activities and a statement of cash flows.
4.3.12 Physical Control of Cash

This was a crucial element to investigate because always cash is always susceptible to theft if not properly kept. Also the researcher was interested on checking if financial documents were well kept because all kind of transactions are documented.

The field findings revealed that 89% of respondents said that there were a presence of a locked, controlled access safe and secure cash drawer, with controlled access to prevent any loss of cash from the school premises, while 11% disagreed with the statement. So it was difficult to take money or documents from accounts office without the concern of authorized personnel. Table 4.15 below shows the collected information.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48</td>
<td>89</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: field data, 2013).

Through observation the researcher noticed the accounts offices of these schools had well-built doors and windows for close custody of cash and documents. Also there were security personnel who were responsible for guarding accounts offices during off work hours. In this situation it was very difficult to get access to these offices out of working hours.

The study found that financial resources were physically protected by limiting access to authorized individuals only to avoid likelihood of loss. For the best practices the schools had adequately insured against exposure to risks such as theft, vandalism and fraud.

4.3.13 Regular Bank Reconciliation

This was a crucial element of investigation if schools had a tendency of checking the balance in the cash book compared to the balance at bank (Bank reconciliation) through this all bank transactions can be traced.
The researcher asked the management staff whether there was bank reconciliation. Majority (63%) of the respondents said that they had a good system for bank reconciliation while 37% said that there was no tendency for bank reconciliation. This revealed that these schools were monitoring their bank transaction. The table 4.16 below depicts the respondents’ opinions on schools presence of bank reconciliation.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>63</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

Bursar in one of these schools (Kigamboni) said “banks often delay making monthly bank statements available for the schools also students did not always bring the bank slips in time; these have adverse effects on reconciling the bank statements”. It showed that bank reconciliation was performed. This helped schools to monitor their financial transactions to reduce the loss of more fund.

It was found that these schools performed bank reconciliation regardless of the challenges experienced. TPDF secondary schools used both manual and system-generated reconciliations. Bank reconciliation reduced the risk of human error or data manipulation. Regardless of the method of preparation, there should be sufficient information available to in order to have well and accurate information (Matutu, 2012). So, financial records management is necessary for bank reconciliation.

The person preparing the bank reconciliation should not be the same person as maintains the books and records of the school for effective school financial management.

Generally the researcher came out with the following financial management effectiveness practiced in TPDF secondary schools which are; Accountability of management staff on school fund. There was a clear chain of command in related to financial issues. Schools prepared financial reports as required by Financial Accounting Standards Board (FASB)
which equires entities to prepare balance sheet, statement of activities and a statement of cash flows, there was physical control of cash, schools employees were well motivated and bank reconciliation was conducted. However TPDF Secondary schools experienced the following challenges

4.3.14 Inadequate Funding

For effective financial management there should be various sources of finance which is to be managed by schools. So this was a crucial element of investigation in TPDF Secondary Schools to know how they financed their activities.

In filling the questionnaire 93% of the management staff said that the source of fund was school fees. Which resulted to deficiency budget in such a way that they delay in payment of salaries to school workers and Poor students’ enrollment due limited number of classes. Table 4.17 represents respondents’ information

Table 4.17: Respondents Views on Sources of Fund

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
<td>93</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>07</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
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</tbody>
</table>

Source: Field Data 2013

Later on interview with the Headmasters it was noticed that there was inadequate fund which lead to hindrance of schools expenses, which had created much difficulty to Headmasters in running of their schools.

The findings shows that there was inadequate fund which lead to hindrance of schools expenses, which has created much difficulty to Headmasters in running of their schools; which resulted to deficiency budget in such a way that they delayed in payment of salaries to school workers, Poor students’ enrollment due limited number of classes and rising of school fees every year in order to meet the budget. To meet their financial requirements they made fund rising several times for survival.
These schools are politically stipulated that they are providing services under low cost sharing rather than profit making. But in actual situation they were not funded by the government; they are operated on school fees accumulation. The problem pertaining to lack of funds make schools difficult to come up with a reliable budget because the school has many requirements and are not able to follow the budget because of lack of funds (Kamla, 2011)

In order to reduce administrative and financial burdens that result from current funding practices, TPDF Secondary Schools need to open various investments.

4.3.15 School Fees Defaulting

The researcher investigated on the collection of School fees as it seemed schools to operate because school fees payments from students

On giving suggestion on the questionnaires majority (89%) of the management staff brought the issue of school fees defaulting. Default and delay in payment of the school fees lead to activities not to be implemented to the satisfaction of the stakeholders. Table 4.18 below shows respondents view

Table 4.18: Respondents about School Fees Defaulting

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>89</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013

Through documentation review for the year April 2013 only 42% of the students had fully paid the school fees form the first term in all schools. Also this situation caused these schools to lose more cash because students who owed, their certificates were retained but in recent year there was a mass failure of student.

Default and delay in payment of the school fees lead to activities not to be implemented to the satisfaction of the stakeholders. Also this caused these schools to lose more cash because students who owed school fees; their certificates were retained but in recent years
there was a mass failure of student. The failed students were not issued certificates so the schools did not get their debts at all.

The delay in the payment of school fees impacts negatively on the general operation of the school including on the services that are provided. It seems to be difficult for schools to operate because school fee payments are not made in time or not paid at all. Principals however, have different perceptions regarding the problem and thus handle the matter differently. (Kamla, 2011)

Most of the students are the families of TPDF staff. So they had accumulated debts on school fees and others paid by installments. In fact most Headmasters tried to avoid any matter that would have brought them on collision course with parents, being strongly influenced by political and social considerations.

However, Kamla (2011) “In receivables management, there were a variety of procedures employed to remind students of overdue debts. The most popular was sending letters to the parents” These schools should set clear polices for fees collection rather than more fund on debts.

4.3.16 Lack of Competent Staff

The staffing of the organizations in financial offices were investigated as they were directly involved in financial management, also due to increasing complexity of funding requirements.

Researcher on reviewing Schools Audited financial reports from 2012-2012, he observed that; financial reports prepared did not depict the accuracy, reliability and compliance with applicable laws, regulations, policies and procedures. Also the researcher noticed that the accounting information did not adhere with Generally Accepted Accounting Principles (GAAP); these are set of guidelines for the basis in the preparation of financial statements. The audit opinion on the financial statements also heightened these inaccuracies. That was why every year CIG issued directives
The respondents view through questionnaire was; minority 32% of respondents agreed that financial reports prepared depict accuracy and reliability and compliance with applicable laws, regulations, policies and procedures, while 68% disagreed with this statement. Relied on this accounting information these schools kept on experiencing losses every year. Table 4.19 below poetry is respondents’ views.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>68</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2013

The result of the analysis showed that poor knowledge of financial management skill by the bursar and accounting officers resulted in inadequate keeping of financial records and poor preparations of financial reports.

Also incompetence was the limitation for not applying procedures for accounting principles. Bursars and other finance staffs should attend various professional seminars to improve their performance as the accounting principles are updated every year.

4.3.17 Lack of Financial Management Skills/Knowledge and Capacity

Schools management staff is responsible for the use of fund by making approval and authorization. The researcher investigated if they had financial management skills because they planned and executed for financial transactions to be done.

The field results indicated that 6% of the respondents agreed that they had financial management skills/knowledge while 94% said that they had no financial management skills/knowledge. Table 4.20 below indicates the respondents’ views.
Table 4.20: Respondents views on Management staff Financial Management Skills

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
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<tr>
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<td>94</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013

The findings revealed, lack of financial management skills to Headmasters and other management staff was the source to poor financial management in TPDF Secondary Schools. So this lead to wrong estimation of expenditures hence TPDF schools experienced loss due to poor financial management and poor skills of investment of idle fund. Some studies specifically identify, lack of financial management capacity as a common concern in Lesotho secondary and high schools (Mosoeunyane1999; Kotele 2001).

Illiteracy, lack of experience and training of lay school governors have been cited as the reasons for poor financial management and accountability at schools (Bush et al., 2006). Majority of head teachers lack sufficient financial management skills. It was also established that head teachers play a key role in managing school finances in collaboration with the BOG (Njeru, 2004)

The Management staff should be equipped with basic Financial Knowledge.
Basic skills in financial management start in the critical areas of cash management and bookkeeping, which should be done according to certain financial controls to ensure integrity in the bookkeeping process. Financial management is one of the most important practices in management

4.3.18 Inadequate Accounts Staff
Manpower strength was one of the interested elements for the researcher to investigate because of rapid growth and the increasing complexity of funding requirements for good office organization.
It was observed that financial records from 2009-2012 were prepared by different personnel except for Makongo; on interviewing Bursars of all schools said that Majority of the workers are TPDF employees especially in the accounting departments. Several times they were shifted to other places or they were given other assignments which made them to be away for the long period in most cases they were given other duties which made them not to stay in one office for a long time, hence there was no consistence.

On attempting the questionnaire, majority (89%) of managing staff highlighted arising of other assignment as the challenge in the performance of financial management in their respective schools. This situation caused financial management activities not to be implemented to the satisfactory manner. Table 4.21 below indicate Respondents’ information

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>89</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data 2013

The study revealed that, the organizations’ finance offices were hindered by having too few staff to deal with too much work that created inefficiencies and slowed work flow. This was a big challenge experienced by these schools. Hence, caused financial management activities were not implemented to the satisfactory manner due to inefficiencies, inaccurate and unreliable financial information.

4.3.19 Management Staff Training on Financial Management

Headmasters and head of departments are appointed on the basis of their teaching experience, as well as their academic and professional qualifications in education. The researcher investigated if there is extra training which is given to them so as to deal with financial matters efficiently.
The field study revealed that 11% of the respondents said that they had been attending financial management courses/training BUT 89% of the respondents had never attended any financial management course/seminars. So this lead to wrong estimation of expenditures hence schools experiences out of budget. Table 4.22 below depicts this information.

Table 4.22 Respondents’ view on Management Staff Training on Financial Management

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>48</td>
<td>89</td>
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<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
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</tbody>
</table>

Source: Field Data 2013

The findings showed that most of the management staff had never attended any financial management seminar or training to assist them in managing fund. This challenge resulted to these schools experience loss. The Management staff should be equipped with Financial Knowledge Bush et al, (2006) report that a large-scale survey of principals in the Gauteng Province demonstrated anxiety about managing finances and the need for additional training in financial management.

So it was necessary for them to attend seminars on financial management which could assist in understanding major terminology and forms used in financial management, interpret financial documents and recognize the importance of ethical standards in financial reporting. Utilize the basic financial management tools (balance sheet, statement of revenue and expenditures).

There were Challenges in Financial Planning, organization of finance office, leading of financial management and control of school finances. Senior Administrative staff must ensure that other administrative staff are fully informed and have sufficient training to follow the approved policies and procedures, draw up their own financial policy for school fees collection, find other sources of fund through investing on idle fund, and increase the manpower in accounts office for efficient monitoring and supervision of finances. A good
system of communication is essential for an organization to maintain an effective system of financial management which will help to overcome the challenges.

4.4 Conclusion

In this chapter the researcher discussed the research questions by collecting information from the schools staff. The study tested elements of management tasks; Financial planning, organization of finance office, leading of financial management and controlling of finances. The researcher collected the respondents’ opinions on the elements of financial management through the questionnaire covering; the following findings were found

In this element the researcher explored poor financial planning as the budget did not meet attainment of school vision, limited involvement of other staff in preparation of the school budget, Preparation of the school annual budget was not participatory, noncompliance of expenditure with the budget planned, improper procedures for receiving and issuing payments in the extent that requisition of expenditure was not accompanied by requesting letter and poor financial records management

Authorization of expenditures was not documented and financial records management where these schools had no cash register book, cheque register book, cash books, loan book, bank receipts file for the fees paid at bank, file for keeping monthly bank statement. Lastly, management staff had no financial skill; this made them to face difficulty in supervision and monitoring of school finances.

The researcher came out with the following financial management effectiveness practiced in TPDF secondary schools which are; Accountability of management staff on school fund. There was a clear chain of command in related to financial issues. Schools prepared financial reports as required by Financial Accounting Standards Board (FASB) which requires entities to prepare balance sheet, statement of activities and a statement of cash flows.

The was tendency of checking the balance in the cash book compared to the balance at bank (Bank reconciliation). Lastly, presence of physical controlled cash and secure cash
drawer with controlled access of cash from school premises through maintaining security to accounts offices.

The study proved the following challenges; School fees defaulting this were caused by lack of financial policy where by headmasters worked by observing social relationship. Schools financial management problems are engorged by the fact that schools neglect to draw up their own financial policy (Motsamai, 2009). This was a barrier monitoring and supervision of finances.

Inadequate funding, these schools had only one source of fund (school fees). Other sources of fund should be obtained to avoid fund raising and rising of school fees every year. Lack of competent staff, as financial reports prepared did not depict the accuracy, reliability and compliance with applicable laws, regulations, policies and procedures; was proved by lack of financial policy and poor accounting record system.

There was no feedback for the present communication network that could help Management evaluate how well the various components of the system of internal control. Lastly the researcher noticed that the management staff had no financial skills. From this investigation it was found that controlling of school finances was poor. Also military assignments caused financial staff to be out of their offices hence poor offices organization
CHAPTER FIVE
SUMMARY, CONCLUSIONS, RECOMMENDATION AND POLICY IMPLICATIONS

5.1 Introduction
Based on this study, the effective control of school finances highly depend on Financial planning, organizing of finance office, leading of financial management system and lastly control of school finances. Achievements of all the mentioned factors need management staff to be equipped with finance skills/knowledge. Recommendations were made with respect to findings; conclusion and implications were also made.

This research assessed financial management practice in TPDF Secondary Schools in Dar es Salaam Region. The TPDF secondary schools had a history of financial management problems, including serious internal control weaknesses. The Directorate of General Education in the TPDF had issued many reports over the last several years on the financial challenges facing her secondary schools and the need to eliminate internal control weaknesses to reduce the potential for fraud, waste, abuse, and mismanagement.

5.2 Summary of Findings
Basing on research finding management of school finance is found to be a complex task (to school management staff) influenced by variety of factors such as financial planning, organizing of finance office, and leading of financial management system and lastly control of school finances.

The findings also show that lack of financial skills do contribute to poor management of school finances. Unfortunately problems with regard to the collection of school fees, the faulty, outdated maintenance of financial records, a lack of support and/or suitably qualified staff often hinder them to establish and run effective financial offices (Clarke 2008; Ntseto 2009; Sharp and Walter 2005).

From the study it has been revealed that the financial management practice at TPDF Secondary Schools was weak. The mismanagement of funds by principals often leads a shortage of critical resources in schools as money is not available for the purchasing of the
necessary books, equipment and so forth. This often results in the unsatisfactory performance of teachers and students (UNESCO, 2000).

Budgeting was not realistic due to lack of understanding of the budgeting process and lack of fund. There was no compliance between expenditure and collected revenue for each year. “Budget is a planning instrument” (Bisschoff, 1997) this means that financial planning is about budgeting and in this regard Ntseto (2001) argues that a “budget is a financial control technique as well as a plan”.

There was a limited involvement of stakeholders in budgetary process this lead to lack of transparency. According to Davies (2004) “The manner in which stakeholders are involved in the process is vital for the success of the process”. The findings have however emphasized the limited involvement of stakeholders in the process. Some of the participants negated the value of stakeholders in the budgeting process. The preparations of budget at these schools, involved a limited number of stakeholders since, it involved the management staff only and left teaching and non-teaching, staffs students and their parents. Despite of this, estimated expenditures did not comply with the estimated revenue at the end of each year.

Schools resulted into insolvent at the end of each year in running day to day activities.

For the best practices, the proposed financial plan shall contain: The realization of revenue and expenditure for the past year as stated in the adopted annual report or the assessment of the realization of revenue and expenditure for the past year, if the annual report has not been adopted. 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; Du Preez et al. 2003)

Financial Policies and transactions were not documented. It was difficult for management to make justification for subsequent actions and decisions during self-evaluation and audit. Recording system was very poor.

Purchasing of equipment was done without written request, authorization, approval and verification. This was done because there was no segregation of duties as the same
individual initiated the payments could also authorize payments; which were the loop hole to miss use fund.

From the findings it had been shown that organization of finance office was poor. That is, there were no written financial policies and procedures; there were poor recording system and delegation of duties. Schools financial management problems are engorged by the fact that schools neglect to draw up their own financial policy (Motsamai, 2009). For the best practices related to organization of finance offices an administration Policy with a clear plan of the organization, together with written position descriptions that define and allocate responsibilities should be developed.

When developing Administrative Policies and organizational charts, it is important to keep the accounting function as separate from other functions as possible so that the accounting records provide a more independent and reliable check on the other areas of the school administration.

The study found that the relationship between the school staff in regard with financial management was not good. Communication and directives had no clear channel from the top to the bottom. Communication is the exchange of useful information between and among people and organizations to support decisions and coordinating activities. For the best practices, information should communicate to management and other staff who need it in a form and within a time frame that helps them to carry out their responsibilities. Niemann (1997) believes that financial activities are dealt with most effectively when both the administrative and academic personnel are involved in the process.

The study revealed problems in control of finances. Payment was done without approval, and verification was impossible simply because there were no requesting letter. Collected cash and deposited receipt were not reconciled; the management did not control the use of petty cash.

Accountability of management staff, there was a clear chain of command in related to financial issues this boosted accountability. Bursars were responsible to the headmasters,
headmasters were responsible to the schools bodies and the schools bodies were accountable to the Directorate of General Education and Trainings. Accountability and stewardship were demonstrated to reinforce management staff own credibility by providing clear and comprehensive information regarding the financial consequences of economic and social decisions. This information also focused on the longer term impact of decision making.

Preparation of financial statements reports as required by Financial Accounting Standards Board (FASB) which requires entities to prepare balance sheet, statement of activities and a statement of cash flows. Financial reports served many purposes. Such as; tools used by headmasters to control their schools and to monitor the extent to which management's objectives were being achieved.

Financial reports were prepared to assist TPDF Secondary schools and their governing bodies in controlling and monitoring their operations to insure that the objectives established for the schools by top management were being accomplished. Also financial reports were used during auditing. The audited reports reflected the financial condition of these schools, the results of operations, organization’s internal control structure and compliance with applicable laws, rules, and regulations.

Bank reconciliation, the schools had a tendency of checking the balance in the cash book compared to the balance at bank (Bank reconciliation). The accounts offices officials reconciled the bank account and prepared the reconciliation reports at least once every calendar month (preferably at same time). The bank reconciliation report in fully and accurately explained all reconciling items, including transactions not posted from the bank statement, unmatched payments (except for presented cheques that were not stale) and unmatched deposits.

The researcher noticed that employees were well motivated as most of the workers had been saving for these schools for a long time of period. Employees were provided certain benefits such as TFDF houses accommodation, health services vacations and holidays.
Presence of financial physical control policy, Physical controlled cash and secure cash drawer with controlled access of cash from school premises through maintaining security to accounts offices. Devices such as locks gates prevented unauthorized access to the schools assets

The study proved the following challenges;

School fees defaulting this were caused by lack of financial policy where by headmasters worked by observing social relationship. This was a barrier monitoring and supervision of finances. Cash flow projections were not being generated often enough to help the organizations predict and plan for cash shortfalls. More frequent and extended projections are especially important in the current economic context, in which late state payments and low cash reserves often made these schools to open lines of credit to meet their expenses.

Inadequate funding these schools had only one source of fund (school fees). Other sources of fund should be obtained to avoid fund raising and rising of school fees every year. The negative impact of a scarcity of resources on student performance was pointed out in study by Lekhetho (2003). It was furthermore reported by Motsamai (2009). TPDF Secondary schools were politically stipulated that they are providing services under low cost sharing rather than profit making. But in actual situation they are not funded by the government; they are operated on school fees accumulation.

Utilization of outdated financial software, financial reports prepared did not depict the accuracy, reliability and compliance with applicable laws, regulations, policies and procedures; was proved by lack of financial policy and poor accounting record system. Kigamboni and Airwing needed to upgrade to more sophisticated software because they had outgrown their existing program, Makongo and Jitegemee had appropriate software but were not using to their full capacity most likely because staff lacked the training needed to do so .As a result, the organizations’ ability to produce critical financial reports were limited

The researcher noticed that the management staff had no financial skills. From this investigation it was found that controlling of school finances was poor. The management
staffs did not always have the skills needed to understand and act on the financial information they received.

Lack of formal financial management training, all the participants nonetheless mentioned during the interviews that they attended numerous compulsory short in-service workshops on financial management (Kruger, 2005). Basic skills in financial management start in the critical areas of cash management and bookkeeping, which should be done according to certain financial controls to ensure integrity in the bookkeeping process.

These schools lacked cash reserves, made difficult for them to build a safety net for periods of low revenues. They often struggled to manage their finances effectively challenged by the basic, day to-day demands of paying bills, submitting vouchers and responding to available fund. In these situations, Headmasters were forced to focus on survival and crisis management, rather than long-term strategic planning and development or improving program quality.

Finance offices were hindered by having too few staff to deal with too much work that created inefficiencies and slowed work flow. Generally, finance office staff were able to carry out tasks necessary for maintaining their organization’s daily operations, but strategic and oversight functions were performed in a very limited way. This lead financial officers to devote too much of their time to basic operational tasks leaving little opportunity for big picture analysis and long-term planning.

Communicating financial information to staff members was a significant challenge. Budget development should be a team effort, based on input from staff from finance, administration, teaching and non-teaching staff. Because they have direct knowledge of the resources needed to implement program activities, subject teachers are especially important members of the team.

**Generalization**

In Dar es Salaam Region there are four secondary schools owned by Tanzania peoples defense Forces (TPDF). These Secondary Schools are Kigamboni, Airwing, Jitegemee and Makongo. Purposive and simple random sampling methods were used to come up with a
sample size of 60 respondents from those schools. These schools have the same system of managing their finances. From the study, it has been discovered that financial planning, organizing, leading and control cannot make good financial performance except the management staff have financial knowledge and presence and functioning of internal audit departments.

The financial planning of school finances audits control is interdependent and closely linked with each other (Ntseto, 2009). It can be deduced that the same relationship exists between the budget and control since a “budget is a planning instrument” (Bisschoff, 1997). TPDF secondary school should have that will help in detecting and preventing fraud, testing internal control, and monitoring compliance with school financial policy and government regulation in management of finances.

5.4 Conclusion

Teachers should be involved in financial budget planning and their experiences on those subjects are very important. Also, Parental participation can have positive impacts on the processes of teaching and learning with active and frequent contacts between parents and school administration improving school's financial accountability and transparency. Participation will strengthen the partnership between parent teacher associations, community and school administration in addition to democratizing school governance

The school should have their own financial policies that are documented and known to every school staff. However, they have to make effective supervision on implementation of these policies. Compliance with the laws and regulations, policies and procedures is so essential in managing the school finances. The management staff's opinions indicated that there is a management's non-compliance with applicable laws, regulations, policies and procedures. That is why the organization of the schools finances seemed to be difficulty.

Written policies and procedures will help to govern their financial activities (e.g., payroll procedures, procurement procedures, financial controls, information/data security, and financial reporting). The importance of having a written, agreed upon set of financial policies in place cannot be overstated. The written procedures facilitate the transparency of financial management Practices and provide directives for internal control, fiscal
management, and reporting systems. Furthermore, the manual can serve as a “disaster recovery plan” in the event that accounting information system is compromised.

Senior Administrative staff must ensure that other administrative staff are fully informed and have sufficient training to follow the approved policies and procedures.

A good system of communication is essential for an organization to maintain an effective system of internal control. Management should establish management channels that; Provides timely information tailored to individual needs, enable the reporting of sensitive matters and enable employees to provide suggestions for improvement. The feedback for this communication network can help Management evaluate how well the various components of the system of internal control are working.

TPDF Secondary schools should establish and implement sound internal financial control systems to ensure the reliability and accuracy of its financial transactions. Principal acknowledge the necessity of auditing as an integral part of sound financial management (Berkhout, 1992). This should be achieved by having internal audit department. Internal audits will provide a number of important services to schools financial management practice. These include detecting and preventing fraud, testing internal control, and monitoring compliance with schools financial policy and government regulation.

Financial management is one of the most important practices in management. Senior Administrative staff must ensure that other administrative staff are fully informed and have sufficient training to follow the approved policies and procedures.

However, the management staff should attend sufficient number of seminars so as to be equipped with skills in management of school finances. So, this sample presented the behaviors of a whole population because the whole TPDF secondary schools have the same system of managing their finances, then its results presented how the whole population was. Appointment of Headmasters based on TPDF ranks and teaching professional but they should be given basic financial management skills necessary to manage fund. Lastly, these secondary schools should have school financial policies which state on how to act on schools fund.
These should define unambiguously to whom the holder of each position reports and the inter-relationships between jobs functions, to prevent both inefficient overlapping of functions and the avoidance of responsibility in some areas. Any delegation of authority and responsibility should be clearly shown.

5.5 Policy Implications
On the basis of the findings and discussions for the good control of school finances, Education skills and the military rank, should not be taken as the only factor for the appointment of a person to be the headmaster. Financial skills should be taken as a criterion for being chosen to be the headmaster. Most of the TPDF secondary schools management staff lacked the necessary financial knowledge, skills and competences required for effectively manage school finances. For that many of these schools have been experiencing financial difficulty.

Findings show that the school should decentralize financial budget planning to match school policy. The participation of teachers and students’ parents in giving opinions on financial planning of a school is very important as their valuable opinions could help the Headmaster to make the accurate decision. They have sufficient experience in their groups and subjects, they should also be encouraged to involve in making, monitoring and evaluating the more flexible financial budget arrangement for the groups and the subjects.

Moreover, the management staff has the responsibility to monitor the uses of the school finances closely to check whether those groups can use the budget properly. Subject teachers and heads of department are required to provide the headmaster with the financial budget of their annual plan. They have to monitor themselves within the annual school plan; mid-year review report and year-end evaluation report to see if their implementation of the activities and teaching aids bought are according to the guidelines and within their budgets. Generally, the following are the implications for this study:

5.6 Recommendation
Despite the depth and richness of collected data, this research as with all quantitative studies suffers from limited ability to generalize the findings due to the small number of participants. It could be of interest for future quantitative based research to test the
findings of this research on other TPDF Secondary Schools which are outside Dar es Salaam Region in order to determine in which extent do ‘financial planning, organization of finance office, Leading financial management and control of school finances have impacts on Effective financial management in TPDF owned Secondary Schools. For the best practices the following should be done

**Documentation**

All documents should be accurate, complete and recorded timely. An example of areas where documentation is important includes critical decisions, procedures and system of internal control. By recording information related to such events, management creates an organization history that can serve as justifications for subsequent actions and decisions and will be of value during self-evaluation and audit.

Documentations of transactions should enable the management staff to trace each transaction from its beginning to its completion. Documentation of policies and procedures is critical to the daily operation of an organization. Documentation of an organization system should include organization structure, policies, control objectives and control activities.

**Approval and authorization**

Management should determine which item requires approval. Management should clearly document its approval requirements and ensure that the staff obtain approval in all situations Management has decided they are necessary. For example, the head of school reviews a purchase request from the organization staffs, determine whether the item is needed and then sign the request indicating approval of the purchase.

Authorization is a control activity designed to ensure events or transactions are initiated or executed by those designed by the management. Management should ensure that the conditions and terms of authorization are clearly documented and communicated, and that significant transactions are approved and executed only by person acting within the scope of their authorization.
Verification
Management should determine what needs to be verified, based, on the risk to the organization if there were no verification. Management should clearly communicate and document these decisions to those responsible for conducting verifications. For example ensuring that a fair price has been obtained in a purchase and funds are available to pay purchase.

Supervision
A good system of internal control must include provision for supervision of transactions and record keeping. This can be facilitated by an internal checking system, where the work of one person automatically checks that of another; for example, the person receiving goods may check that they were properly ordered and authorized. This can be further strengthened by a system of ‘spot checking’ random areas at regular intervals to ensure correct compliance with the control system.

Ultimately, however, the responsibility that controls are in place and compliance is being achieved rests with the principal and the school council those with this responsibility should; monitor, review and approve as appropriate, the work of those performing the activity to ensure the work is performed correctly, provide the necessary guidance and training to help minimize errors and waste and ensure that employees understand and follow management directives and clearly communicate the duties and responsibility assigned to those performing the activities.

For example when assigned reviews the work of another staff processing a purchase order to determine whether it is prepared accurately and completely, and has been properly authorized. However, if there any errors, the supervisor would return the order to the staffs and explain how to complete the request properly.

Separation of Duties
The use of purchasing cycle. The purchasing cycle is an area where the separation of duties minimizes the risk of inappropriate, unauthorized or fraudulent activities related to a purchase (Initiation, authorization, approval, ordering, receipts, payment and record keeping) should be done by different staff or department of an organization.
Safe Guarding Assets

Management should protect the organization’s equipment, information, document, document and other resources that can be wrongly used, damaged or stolen. Management can protect these resources by limiting access to authorized individuals only. Access can be limited by various means such as locks passwords. Management should make this decision based vulnerability of the items secured and likelihood of loss.

Reporting

It serves as a control when it provides information on issues such as timely achievement of goods, budget status and employees concern. It also helps to promote accountability for actions and decisions. For example a report that serves as a control activity would be one that compares purchasing activities with the approved budget indicating and explaining significant variances between the two.

The feedback for this communication network can help Management evaluate how well the various components of the system of internal control are working.
REFERENCES


Exploring how Tanzania Peoples Defense Forces Secondary Schools manage their finance (Matutu, 2012)


APPENDICES
APPENDIX: I  QUESTIONNAIRE TO THE HEADMASTER/SECOND MASTER

1. As an employee of one of TPDF Secondary School, fill the following:
   Name of the Secondary School .................................................................
   Years of Service period..............................................................................

2. For how long have you been working as the headmaster of TPDF secondary school? .................................................................

3. What is your highest education level?........................................................

4. Have you ever attended on job/ off job training on matters of financial management? (Please tick one)
   (i) Yes [ ]
   (ii) No [ ]

5. If yes, do you think getting the knowledge on financial management has added efficient and effectiveness on your daily activities?
   (i) Yes [ ]
   (ii) No [ ]

6. Do you prepare annual budget at your School?
   (i) Yes [ ]
   (ii) No [ ]

7. Is the school budget being approved by the governing body?
   (i) Yes [ ]
   (ii) No [ ]

8. Do you prepare reports to the governing body and finance committee for consideration and approval.
   (i) Yes [ ]
   (ii) No [ ]
9. Do you develop action plan to implement recommendation of Audit reports?
   (i) Yes [   ]
   (ii) No [   ]

10. Have you managed to ensure that spending remains within approval budget limits and budgeted income received?
    (i) Yes [   ]
    (ii) No [   ]

11. Do you have an Authority to dispose school assets?
    (i) Yes [   ]
    (ii) No [   ]

12. Do the management delegate responsibility and have a follow up action so as to get the feedback?
    (i) Yes [   ]
    (ii) No [   ]

13. Do financial reports brought to you by a bursar depict accuracy and reliability and compliance with applicable laws, regulations, policies and procedures?
    (i) Yes [   ]
    (ii) No [   ]

14. Are you satisfied that all transactions are recorded as close as practicable to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified?
    (i) Yes [   ]
    (ii) No [   ]

15. Do you have documents for assets record?
    (i) Yes [   ]
    (ii) No [   ]
16. Does payment made to supplier before creation of purchasing order, approval and authorization process?
   (i) Yes [   ]
   (ii) No [   ]

17. Do you receive audit reports and develop action plan to implement recommendations.
   (i) Yes [   ]
   (ii) No [   ]

18. Is there any good relationship between Members of staffs with regards to financial management?
   (i) Yes [   ]
   (ii) No [   ]

19. Is there a good Communication to stakeholder with regards to finances?
   (i) Yes [   ]
   (ii) No [   ]

20. How do you motivate your workers .................................................................

23. What are challenges have you been experiencing in managing school finances?
   ........................................................................................................................
   ........................................................................................................................
   ........................................................................................................................

24. What are the appropriate strategies that will help to alleviate weaknesses (if any) found in a school financial management system?
   ........................................................................................................................
   ........................................................................................................................
   ........................................................................................................................
Appendix II: QUESTIONNAIRE TO BURSAR/FINANCE OFFICER

1. As an employee of one of TPDF Secondary School, fill the following:
   Name of the Secondary School .................................................................
   Years of Service period............................................................................

2. For how long have you been working as the finance officer/bursar of TPDF secondary school? .................................................................

3. What is your education level........................................................................

4. Do you prepare the annual budget for approval by the governing body?
   (i) Yes [ ]
   (ii) No [ ]

5. Do the expenditure accounts being on time prepared and presented to the headmaster and governing body?
   (i) Yes [ ]
   (ii) No [ ]

6. Do you prepare the school payroll that considers payment of staff salaries, including the administration of claims and overtime?
   (i) Yes [ ]
   (ii) No [ ]

7. Does Authorization, recording and processing of transactions in your School done by IT as one of major control component? If no explain how it’s done
   .............................................................................................................
   .............................................................................................................

8. Are the financial reports prepared by you depict accuracy and reliability and compliance with applicable laws, regulations, policies and procedures?
   (i) Yes [ ]
   (ii) No [ ]
9. Do you reconcile cash records and bank records each month?
   (i) Yes [ ]
   (ii) No [ ]

10. Do you have physical control measures (controlled access safe and secure cash drawer, with controlled access, to prevent any loss of cash from the school premises)?
    (i) Yes [ ]
    (ii) No [ ]

11. Does the school have petty cash?
    (i) Yes [ ]
    (ii) No [ ]

12. Do you verify that all petty cash payment are supported by voucher written in ink and are approved by authorized person?
    (i) Yes [ ]
    (ii) No [ ]

13. Do you implement recommendations given out by the external auditor after auditing the school?
    (i) Yes [ ]
    (ii) No [ ]

15. Do you have documents such a cheque register book, cash book, loan book, returns file, bank receipts for school fees paid at bank and file for keeping, monthly bank statement of the school finances kept at bank?
    (i) Yes [ ]
    (ii) No [ ]

16. Do you monitor spending against budget and report variances?
    (i) Yes [ ]
    (ii) No [ ]
17. Does the school have motivational policy to workers?
   (i) Yes [ ]
   (ii) No [ ]
APPENDIX III: QUESTIONNARE TO A MEMBER OF A SCHOOL BOARD

1. As a Board member of one of TPDF Secondary School, fill the following;
Name of the Secondary School ..............................................................
Years of Service period...........................................................................

2. Who appoints members of the School Board........................................

3. Do you involve parents and students in preparation of a school budget? Explain
..............................................................................................................
..............................................................................................................
..............................................................................................................

4. How does the Headmaster be appointed?
[Tick in the box that matches with the best answers]
   (i) By considering personal characteristics [   ]
   (ii) On the basis of teaching records [   ]
   (iii) On the basis of Army rank [   ]
   (iv) On the basis of age. [   ]
   (v) On the basis of education and skills [   ]

5. Does the Headmaster consult the school governing body when he/she wants to
   authorize the use large amount of finances to school activities?
   (i) Yes [   ]
   (ii) No [   ]

6. How many times per year the school governing body meetings are held?
   (i) Once per year [   ]
   (ii) Twice per year [   ]

7. Are all financial decision taken by the headmaster is approved by the school
   governing body?
   (i) Yes [   ]
   (ii) No [   ]
   (iii)
8. Have you ever attended training/seminar on school financial management?
   (i) Yes [ ]
   (ii) No [ ]

9. Is it true that the school governing body is responsible for the financial management and control of the school’s budget, and compliance with the scheme for financing Schools?
   (i) Yes [ ]
   (ii) No [ ]

10. Does the Management have criteria to determine which risks to the school are the most critical?
    (i) Yes [ ]
    (ii) No [ ]

11. Do all financial transactions authorized and verified by Governing Body?
    (i) Yes [ ]
    (ii) No [ ]
Appendix IV: QUESTIONNAIRE TO HEAD OF DEPARTMENT

1. As an employee of one of TPDF Secondary School, fill the following:
   Name of the Secondary School .................................................
   Years of Service period..............................................................

2. What is your working department? .............................................

3. For how long have you worked with TPDF Secondary school?
   .....................................................................................................

4. What is your highest level of Education?......................................

5. Have you ever attended on job/off job training on financial management issues?
   (i) Yes [ ]
   (ii) No [ ]

6. Do the school expenditure comply with the budget?
   (i) Yes [ ]
   (ii) No [ ]

7. What discourages you so much on the whole process of financial management and why?
   .....................................................................................................
   .....................................................................................................

8. How are you involved in implementing financial management process?
   .....................................................................................................
   .....................................................................................................

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10. Do you involve members of your department in preparation of departmental budget?
   (i) Yes [ ]
   (ii) No [ ]

11. Does the school have a chart of organization structure, schedule of delegation of responsibilities and documented financial policy?
   (i) Yes [ ]
   (ii) No [ ]

12. Does the school have motivational strategies to its workers?
   (i) Yes [ ]
   (ii) No [ ]

13. What are challenges have you been experiencing in managing school finances?
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
    ………………………………………………………………………………………………………
Appendix V: QUESTIONNAIRE TO OTHER SCHOOL STAFF

1. As an employee of one of TPDF Secondary School, fill the following;
   Name of the Secondary School…………………………………………………………
   Years of Service period……………………………………………………………………

2. What is your education level? ……………………………………………………………

3. What do you know about financial management of your Secondary school?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

5. Does the school financial management effective or ineffective?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

6. Is there good cooperation among staff members? If yes explain how?
   ……………………………………………………………………………………………

7. Is there any delegation of duties and presence of financial policy at school?
   (i) Yes [ ]
   (ii) No [ ]

8. Does the school have finance committee?
   (i) Yes [ ]
   (ii) No [ ]

9. Does the school have any motivation strategies to workers?
   (i) Yes [ ]
   (ii) No [ ]
Appendix VI: INTERVIEW GUIDE

1. Do you participate in School budgeting process?
2. Do the management delegate responsibility and have a follow up action so as to get the feedback?
3. Do financial reports by bursar depict accuracy and reliability and compliance with applicable laws, regulations, policies and procedures?
4. Are you satisfied that all transactions are recorded as close as practicable to the time of occurrence, so that at all times the accounting records reflect the actual financial situation and can be verified?
5. Do you have documents for assets record?
6. Does payment made to supplier before creation of purchasing order, approval and authorization process?
7. Do you receive audit reports and develop action plan to implement recommendations.
8. Is there any good relationship between Members of staffs with regards to financial management?
9. Is there a good Communication to stakeholder with regards to finances?