

The education sector has grown steadily, thus commanding a big proportion of the national budget. Since the advent of the cost sharing policy ushered in as a result of the Government decision to divert from education funding, parents and the community at large have had to assume more responsibility for education for development purposes. School management was therefore more responsible to these stakeholders for proper stewardship in schools. It was in light of this that the researcher set out to conduct a survey of effectiveness of accounting control systems put in place to safeguard the schools' assets. The purpose of the study was thus to determine whether weak accounting control systems in educational institutions contributed to poor financial management in these institutions.

The study was conducted in Rachuonyo and Homa Bay Districts based on a survey approach through the use of two self-administered questionnaires. Questionnaire (A) and questionnaire (B). Questionnaire (A) which was the main instrument of research was filled by primary and secondary school headteachers and was structured into nine sections, A to J, centered around the main accounting control elements under study as follows:

Section A: Capability of employees of the institutions

B: Organization plans of the institutions

C: Authorization procedures

D: Segregation of duties and delegation of authority

E: Custodial arrangements or physical control over assets

F: Independent verification of performance

G: Adequacy of accounting systems H: Adequacy of documentation and recording

J: Miscellaneous matters.

Questionnaire (B) was filled by education officers and was structured around the following areas:

1-6: Capability of employees (education officers).

7-12: General check and audit of schools

13(a-h): Areas checked by education officers/inspectors of schools.

The study covered an area with six hundred and nineteen (619) primary schools and seventy-three (73) secondary schools in both districts. Sampling was done using multi-state area sampling and stratified sampling techniques. A confidence coefficient of 0.95 (or 95) was used with specified tolerable error limits and standard deviations for both categories of schools. These gave the size specified for the respective districts and categories.

Literature review centered around both empirical and technical literature, looking at the gaps in the work already done, and giving theoretical foundations for the problem. Data analysis was done using descriptive statistics such as percentages and frequency distributions. Cross-tab tables were used to establish any relationships between accounting control elements and strength of accounting control system(s). The χ^2 test statistic was then used to test the hypothesis set out in the study.

Overall, the study found out that financial management was strongly dependent on strong accounting systems. However, accounting control systems in education institutions was generally

found to be very weak, thus implying poor financial management in schools. This was largely due to inability of most administrators of these institutions to install, supervise and maintain adequate and feasible accounting control systems. The study therefore led to policy recommendations that, inter-alia:

- Training of teachers should include courses that would inculcate skills necessary for effective and prudent financial management in schools: more seminars and in-service programmes on accounting and financial management of schools should be organized for headteachers and education officials to enable them acquire requisite skills for effective and prudent administration and supervision of schools' financial activities;
- Policy on auditing of schools should extend to all primary schools as in secondary schools.

The limitations of this study were identified as, among others, short time frame for the research, shortage of funds, covert suspicion among headteachers and education officials, and the length of the questionnaire that would easily cause boredom to the respondents. In light of this, recommendations were made for further research in this area.