

The purpose of the study was to evaluate the role of financial management practices on performance of public service vehicle savings and credit cooperative societies in Kenya. The transports SACCOs have come to dominate the PSV industry in Kenya today, but it has not been clear how financial management practices influence the performance of this industry. It is on the basis of this background that the study was done. The objectives of this study were to, describe the profile of P.S.V SACCOs, investigate the role of financial management practices in the P.S.V SACCOs in Nyeri South district, identify areas of financial management that are influential to performance of P.S.V SACCOs, find out whether public transport SACCOs in Nyeri South District generate cash plans and budgets based on their specific priorities and to ensure that incoming financial resources facilitate the fulfillment of these priorities. The study was carried out in Nyeri South District. The study adopted the descriptive design. The target population in this study consisted of managers, accountants, chairpersons, treasurers and secretaries for each of the 6 SACCOs which have been in existence for more than one year. Random sampling was used to create a sample of 30 respondents. The data was collected through questionnaires and analyzed using descriptive statistics with the help of the Statistical Package for Social Sciences (SPSS) and it has been presented in tables, charts and graphs. The findings show that public service vehicle SACCOs have better financial management practices as showed by the six indicators of better financial management. Members' funds are protected against loan delinquency by setting funds and provision for statutory reserve provided for through cooperative Act. SACCOs have effective financial structure, high rate of return and high asset quality. There are signs of growth indicated by positive change in the levels of profitability, turnover and capital. Better financial management practices have resulted to better performance of the SACCOs. The dividends payout for the members of the SACCOs is fairly high and is expanding, annually. The share capital level of the SACCOs has increased over the years of their existence. With expanding saving members are able to access credit facilities resulting to increased number of vehicles. The public service vehicle SACCOs have therefore continued to exist and grow over the years dominating the public transport sector. In the light of the foregoing findings and conclusions, the study recommends that investors in public service vehicle should be encouraged to join together and form public service vehicle saving and credit cooperative societies. Through SACCOs the operators will be able to mobilize savings and benefit from the synergy.