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Influence of Corporate Governance Practices on Management of Public Technical Training Institutes in Nairobi City County, Kenya

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Abstract

The purpose of this study was to investigate the influence of corporate governance practices on the management of public Technical Training Institutes in Nairobi City County. The study objectives were; to determine the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes in Nairobi City County and to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County. The study employed descriptive research design to determine corporate governance practices influencing management of public technical training institutes in Nairobi City County. The target population was three Technical training institutes in Nairobi City County. The study therefore targeted 54 BOMs, 3 bursars and 3 principals. The units of analysis were Board of management members, principals and bursars for the three public technical training institutes in Nairobi City County. Since the population size for principals and bursars was small, census technique was adopted to select a sample of 3 principals and 3 bursars. Simple random sampling technique was used to select a sample size of 51 Board of Management members. Primary data were collected through the use of semi structured questionnaires and interview guides. Content validity was used by the researcher to check whether the items in the interview guides answer the research objectives. The results of the study indicated that the Technical training institutes where Board of management selection criteria was effective managed schools better than those whose selection criteria were not effective. Further, TTIs where financial record keeping was fair was characterized by fair management than those institutes that had a better financial record keeping. Based on research finding it can be concluded that Board of management selection criterion and financial record keeping. It is recommended that the management of the technical training institutes ensures that only competent and qualified Board members are selected to manage schools. Evidence shows that effective school boards may

contribute to the success of their schools. It is also recommended that the school adopts a better financial management system.

Keywords: *Selection criteria, BOM members, Management of Public Technical Training Institutes, Financial record keeping and Nairobi City County*

1.0 Introduction

1.1 Background of the study

Corporate governance refers to the code of conduct through which companies are directed and controlled. It is a combination of policies, laws and instructions influencing the way an institution is managed and controlled, it consists of a framework of rules to grant transparency and fairness in the relationship between the institution and the management. Corporate governance promotes efficient, management of learning institutions; responsive and accountable managements; legitimate institutions that are managed with integrity and transparency (Omondi & Nyenyi, 2016). In the education sector, corporate governance is important in the management of financial resources of the school (Arimoto, 2004).

The criteria for selecting Board of Management is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education (Wainaina, 2015). Corporate governance practices are guided by principles that include requirements needed to be selected to the board, establishment of a code of conduct applicable to all members of the institution, assessment of financial reports; timely and balanced public reporting (Corporate Governance Council, 2007). An analysis of past studies indicates that when the above components of corporate governance are integrated and holistically managed, an organization tends to deliver (OECD, 2006).

A learning institution should evolve strategies regarding: financial records management in terms of cash planning, managing the cash flows, optimum cash level and investing surplus cash. Growth and development of educational sector is dependent on how well finances are managed (Saunders & Cornett, 2014). Financial management is concerned with organization's decisions on how to source for funds, how to control financial resources through financial controls, prudent allocation of financial resources and accountability measures. It is fundamental for the success of any entity (Munge, Kimani & Ngugi, 2016).

In Kenya, the mandate of the education sector is to respond to the 2010 Constitution and Kenya Vision 2030 and in so doing to propose strategies to address wastage and inefficiency; improve financial management and accountability, and to make education in Kenya inclusive, relevant and competitive regionally and internationally (GoK, 2012). The provision of quality education and training to all Kenyans is fundamental to the success of the government's overall development strategy (Technical and Vocational Training Education Act, 2013).

Technical training institutes are meant to prepare learners for careers based on manual and practical activities (Mwaniki, 2015). According to Maclean and Wilson (2009), technical training institutes are concerned with the acquisition of knowledge and skills for the world of work to increase opportunities for productive empowerment and socio-economic development in knowledge and rapidly changing work environment. The presence of an effective corporate governance system, within technical training institutions, helps provide a degree of confidence that is necessary for the proper functioning and confidence among the management and stakeholders.

1.2 Statement of the problem

Technical training institutions are meant to prepare learners for careers based on manual and practical activities that require technical skills. There is need to transform TTIs in order to build greener societies, generate more workforce and tackle global unemployment. The technical institutions in Nairobi City County attract many youths and students completing secondary education. Nairobi City County hosts lots of technical job opportunities that require technical skills (Omwenga, 2010). However, according to a report released by African Development Fund Kenya (2015), performance of Technical Training Institutions in Kenya remains a big problem in the modern competitive business environment. The problems facing technical training education in Kenya indicate the need for reforms in the management of these institutions. Most TTI suffer problems of resource embezzlement and integrity issues which result from poor management practices (Nyerere, 2009).

According to Education Sector Governance and Accountability Action Plan 2007 some of the problems faced by most of the training institutes in Nairobi City County include; struggles with liquidity problems, financial reports are not made timely, accountability for the financial resources is inadequate, frauds and misuse of institutional resources has been rampant. The management of TTIs goes a long way in determining the achievement of TTIs' objectives. Dasmani (2011) observed that considering the expensive nature of TTIs as a form of education, it is logical that the training system would be effective if resources are well managed. The outlined problems are a clear pointer that there exists a problem of governance in TTIs. It is for these reasons that this study seeks to establish the influence of corporate governance practices on the management of public technical training institutes in Nairobi City County.

1.3 Specific objectives

i. To determine the influence of selection criteria of BOM members on management of public Technical Training Institutes in Nairobi City County
ii. To establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County

1.4 Research questions

i. To what extent do selection criteria of BOM members influence management of public Technical Training Institutes in Nairobi City County?
ii. To what extent does proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County?

2.0 Literature Review

2.1 Overview of corporate governance

Corporate governance can be defined as a set of processes and structures for controlling and directing an institution. It constitutes a set of rules, which governs the relationships between management and stakeholders (Ching, Tan & Chi Ching, 2006). Organisation for Economic Co-operation and Development (OECD) in 2008 defined corporate governance as the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance."

The importance of corporate governance arises in modern corporations due to the separation of management and ownership control in the organizations. The interests of shareholders are conflicting with the interests of managers. The principal agent problem is reflected in the management and direction related problems due to the differential interests of firm's stakeholders. In addition good corporate governance adds value by improving the performance of the program through more efficient management, more strategic and equitable resource allocation and service provision, and other such efficiency improvements that lend themselves to improved development outcomes and impacts (Tricker, 2008).

Referring to the Technical and Vocational Education and Training Act, 2013 Board of Management is mandated to encourage co-operation and collaboration among all stakeholders for effective representation in governance and management of the institution; decentralizing decision-making authority with regard to financial matters, human resource issues, and other relevant matters. It is also coined with the responsibility of enhancing the culture of accountability, democracy, and transparency in the governance and management of the institutions (Technical and Vocational Education and Training Act, 2013). These corporate governance practices outline prudent management of a learning institution.

2.2 Empirical review

2.2.1 Selection criteria of Board Members and management of TTIs

Boards of Management carry with them the success or failure of the training institutions. The selection of the board is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education (Wainaina, 2015). Evidence shows that effective school boards may contribute to the success of their schools. For this to happen, it is crucial to clarify the roles and responsibilities of school boards and ensure consistency between their objectives and the skills and experience of board members. Policy makers can help by providing guidelines for improved recruitment and selection processes and by developing support structures to ensure active participation in school boards selection process by ensuring that characteristics of transparency and competency are achieved (Beatriz, Deborah & Hunter, 2008).

One way of ensuring greater transparency in Board member selection is to develop overall guidelines for recruitment processes by ensuring that candidates selected to the board are competent and uphold high ethical standards. In England, the National College for School Leadership has developed guidelines for school governing bodies that define the ideal candidate, offer guidance for the selection procedures and advise about the introduction of chosen candidates into the board (Wylie, 2007).

2.2.2 Keeping financial records and management of TTIs

School financial management comprises the planning and implementation of a financial plan, accounting, reporting and the protection of assets from loss, damage and fraud (Bryce & Herrington 2000). All items of financial management are exposed to the risk of in correct, improper and ineffective school management, which is particularly reflected in the accounting control of an institution. Schools can regulate their accounting with at least two internal rules: accounting rules and instructions on inventory check.

The Technical and Vocational Education and Training Act 2013 requires the Board to keep all proper books and records of accounts of the income, expenditure, assets and liabilities of the board. Proper financial records management ensures that the institution do not loose funds as a result of misappropriation. Effective management of TTIs entails cooperation and collaboration among all stakeholders, decentralized decision making authority on financial resources, enhancing the culture of democracy, accountability and transparency in the governance and management of education. Financial record keeping provides the basis or foundation for accounting and introduces controls that protect essential audit trails. A financial records management programme should enable the physical and logical control of records and prevent unauthorised access, tampering, loss or destruction, whether intentional or accidental (Roper & Millar, 1999). Records management should contribute a layer of security and reassurance that operations are functioning at the level required.

Where financial records are not controlled, their completeness and accuracy cannot be guaranteed. A financial records management programme should enable the physical and logical control of records and prevent unauthorized access, tampering, loss or destruction, whether intentional or accidental. Records management should contribute a layer of security and reassurance that operations are functioning at the level required. Taken together, records management, accounting and auditing provide the layers of control that are essential to ensuring transparency, probity and integrity in financial management systems (Bushman & Smith, 2001).

Roper and Millar (2009), observe that records management reinforces financial management controls and supports accountability. The ability to establish who did what, when, why and how is a powerful means of deterring individuals from engaging in fraud or corruption, thus enforcing accountability. Well-managed records provide an unbiased account of responsibility and liability. Authentic, reliable records provide an unambiguous link between the authorization to carry out a transaction, the particular individual concerned and the date (Drexler, Fischer & Schoar, 2014).

2.3 Theoretical framework

This study is guided by Stakeholder Theory. Stakeholder Theory which was developed by Freeman in 1984 is embedded in the management discipline. It incorporates corporate accountability, institutional ethics and institutional management to a broad range of stakeholders. Stakeholders' theory focuses on managerial decision making, prudent financial reporting and communication to the stakeholders. Stakeholder theory expresses the idea that business organizations are dependent upon stakeholders for success, and stakeholders have some stake in the organization. Stakeholder theory is now foundational to business ethics courses in masters' programs (Carroll & Buchholtz, 2006). Since Stakeholder theory is an ethics theory, the selection panel can ensure that those persons selected to the board are transparent, competent and poses administrative skills. This will ensure that the school is managed prudently minimizing cases of fund misappropriation.

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2.4 Conceptual framework

According to Robson, (2011), a conceptual framework is graphically representation of main things to be studied; key factors, concepts, or variables and the presumed relationships among them. The conceptual framework for this study is in Figure 1.

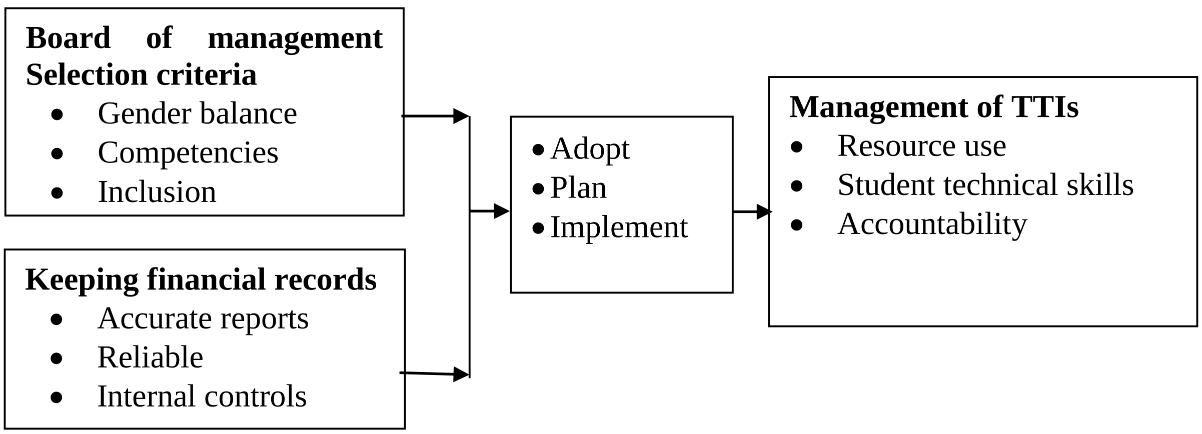

Figure 1: Corporate governance practices and management of TTIs

The independent variables (inputs) are the corporate governance practices. The dependent variable (output) is management of TTIs. From Figure 2.1, the middle box shows that corporate governance process that includes planning, organizing, adoption and implementation of the practices by the Board of Management. The overall outcome of the model will be prudent management of Technical training institutes (TTIs). Effective management of TTIs entails sufficient resource allocation, decentralized decision making authority on financial resources, accountability and transparency in the governance and management of technical training institutions.

3.0 Research Methodology

The study employed a descriptive research design to determine corporate governance practices influencing management of public technical training institutes in Nairobi City County. The study target population was Board of Management members, principals and bursars in three public technical training institutes in Nairobi City County. Each of the three technical training institutions has 18 Board of Management members, one principal in charge and a bursar. Therefore, the study targeted 54 BOMs, 3 bursars and 3 principals. Since the population size for principals and bursars is small, census technique was adopted to select a sample of 3 principals and 3 bursars. Simple random sampling technique was used to select a sample size of 51 Board of Management members. Questionnaires and interview guide were used during data collection. Both research instruments were developed by the researcher.

Validity and reliability tests for the research instruments were done. Quantitative data were analyzed using Statistical Package for Social Sciences (SPSS) computer software for analysis. The statistics generated were descriptive statistics which include means and standard deviations. The chi square coefficient was used to check on the relationship between the variables. The chi square test is meant to compare the management indicators between the schools with effective corporate governance practices and those that do not have effective corporate governance practices. Data collected by use of interview guide was analyzed qualitatively through content analysis.

4.0 Data Analysis, Discussion and Interpretation

4.1 Instruments' response rate

The return rate illustrates the number of respondents who participated in the study. The respondents of the study were Board of Management members, bursars and principals. Response rate for the study is shown in Table 1.

Table 1: Response rate

Respondents category	Administered	Returned	Unreturned	Percentage returned
BOMs	54	51	3	94.4
Principals	3	3	-	100.0
Bursar	3	3	-	100.0

The response rate for BoM was 94.4 percent; the participation rate for principals was 100percent while that for bursars was also 100 percent. According to Mugenda and Mugenda (2003) and Kothari (2004) a response rate of above 50 percent is adequate for a descriptive study. Based on these assertions, a response rate of 94.4 percent for Board of Management and a participation rate of 100 percent for principals and bursars were very good for the study.

4.2 Distribution of respondents by demographic characteristics

The study established the background information of the respondents by describing their age, gender, levels education and period of service of the respondents. It was important to describe the background information of the respondents in order to establish whether there exists any relationship among respondents' demographic characteristics and management of Technical training institutions. Data is presented according to gender, age, academic qualifications and duration of service.

4.2.1 Distribution of respondents by gender

The study sought to describe the gender characteristics of board members. It was important to describe the gender of the respondents so as to establish whether there was any significant relationship between gender composition of Board of Management governance practices and management of technical training institution. According to Carter, Simkins and Simpson (2003), board gender variation is a significant aspect of corporate governance.

Table 2 Distribution of BoM by gender

Demographic characteristics	**BOM**	
	Frequency	**Percent (%)**
Gender		
Male	32	62.7
Female	19	37.3
Total	51	100

Findings in table 2 show that there are more male board members than female board members among the Technical Training Institutes in Nairobi City County. Acker (2006) observed that gender balance is a very important trait, in governance. Gender equality promotes teamwork and also creates a sense of unity and an aspect of working together for a common goal with every individual effort whether male or female being important to the attainment of the overall objectives. A gender sensitive institution provides a favourable environment where one employee interacts with other colleagues of the opposite without any discrimination whatsoever. According to Maitland (2009), having a gender balanced board is better that that a board dominated by one sex. It important to investigate the gender of the respondents in order to know how the distribution by gender influences management of technical training institutes.

4.2.2 Distribution of respondents by age

The study sought to find the age distribution of the respondents. Oshagbeni (2004) asserted that age influences management and administrative aspects of the managers. The age of the respondents was important in establishing whether age of BOM members influence their abilities in the management of technical training colleges.

Table 3 Age of the respondents

Demographic Characteristics		**BOM**
	Frequency	**Percent (%)**
Age		
30-39 years	10	19.6
40-49years	25	49.0
50 years and above	16	31.4
Total	**51**	**100**

Table 3 indicates that majority of the Board of Management members are above 40 years of age. The finding meant that the given members of the Board were experienced and thus suited for the management of technical training institution. As such, it was also expected that they would likely translate to better management of schools. Skirbekk (2004) agrees with these observations that age influences efficiency and performance of an individual. Age is a key factor in determining the experience and competency of individuals.

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4.2.3 Distribution of respondents by levels of education

The study sought to establish the influence of education levels of the BOM members to the management of technical training institutes. Since the overall management of the technical training institutes is vested in the Boards of Management, it is important that the members of these boards should not only be persons with good education, but must also be people with sufficient practical knowledge in educational management (Okumbe, 2001).

Table 4 Distribution of respondents by levels of education

	BOM		Principals	
Educational level	**Frequency**	**Percent**	**Frequency**	**Percent**
College	10	19.6	-	-
Undergraduate	28	54.9	1	33.3
Post graduate	13	25.5	2	66.7
Total	**51**	**100**	**3**	**100**

Table 4, majority of the BOM members had undergraduate level of education as their highest level of education. The majority of the institute's principals had attained education up to post graduate level. The level of education implies that management skills and necessary knowledge are acquired for quality school management. This is supported by Keith and Francoise (2001) who noted that the quality of education output depends on the way the learning institutions are managed. The study agrees with that of Ondari and Makori (2013) that the BOMs have more than primary school education. However, the study contrasts those of Mkongo (2013) who in his study indicated that most of the BOMs were diploma holders.

4.3 Selections criteria of BOM members and management of public Technical Training Institutes

Corporate governance practices are guided by principles that include requirements needed in order to be selected to the board (Corporate Governance Council, 2007). The respondents were asked to determine the extent to which selection criteria of BOM members influences the management of public Technical Training Institutes in Nairobi City County. The responses were rated on a five Likert scale and presented in table 5. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree). The criteria for selecting Board of Management is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education (Wainaina, 2015).

Table 5: Selections criteria of BOM members and management of public Technical Training Institutes

Practice	strongly disagree	disagree	neutral	agree	strongly agree	Mean	SD
Small boards is effective and value additive	0.0%	19.6%	7.8%	39.2%	33.3%	3.9	1.1
Merit matters when selecting board members	13.7%	13.7%	9.8%	23.5%	39.2%	3.6	1.5
Ethical standards matter when selecting board members	9.8%	15.7%	5.9%	35.3%	33.3%	3.7	1.4
Board to perform other duties as per Basic Education Act 2013	15.7%	15.7%	2.0%	35.3%	31.4%	3.5	1.5
Board to be available for public inquiry	15.7%	9.8%	3.9%	35.3%	35.3%	3.6	1.5
Board to coordinate activities of the institution	11.8%	15.7%	9.8%	25.5%	37.3%	3.6	1.4
The Board to be free of any conflict of interest	13.7%	3.9%	0.0%	39.2%	43.1%	3.9	1.4
Boards' experience is of value to the institution	9.8%	7.8%	2.0%	41.2%	39.2%	3.9	1.3
Boards' competence matter	7.8%	11.8%	2.0%	33.3%	45.1%	4.0	1.3
Average						3.7	1.4

Results in table 5 revealed that majority of the respondents who were 72.5 percent agreed that selecting small boards is effective and value additive because of their nimbleness and cohesiveness. The results also showed that majority of the respondents 62.7 percent agreed that merit should be considered when selecting board members. The results also showed that majority of the respondents who were 68.8 percent of the respondents agreed that ethical standards matter when selecting board members. The results also show that 66.7 percent of the respondents agreed that the board should perform other duties as stipulated in the Basic Education Act 2013.

Results also showed that 70.6 percent of the respondents agreed that the board should be available for consultation and communication with significant shareholders, and 62.8 percent of the respondents agreed that board should be coordinating activities of the institution. Further, results showed that 82.3perceent of the respondents agreed that the Board should be free of any conflict of interest which would violate execution of duties. Results also showed that 80.4 percent of the respondents agreed that boards' experience is of value to the institution. Finally, 78.4 percent of the respondents agreed that boards' knowledge, skills and abilities is useful in managing TTIs financial resources. The results agree with Wylie (2007) that in England, the National College for School Leadership has developed guidelines for school governing bodies that define the ideal candidate, offer guidance for the selection procedures and advise about the introduction of chosen candidates into the board. On a five point likert scale, the average mean of the responses was 3.7 which means that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 1.4 meaning that the responses were clustered around the mean response.

A chi-square test for selection criteria of BOM members and management of public Technical Training Institutes was presented. Board of management selection criteria was categorized into ineffective board and effective board. This was tabulated against management of technical training institutes that was categorized into fair management of TTIs and better management of TTIs. Table 6 shows how management technical training institutes were evaluated against selection criteria.

Table 6: Chi square tests between management of TTIs and board selection criteria

		Management of TTIs		
		Fair management of TTIs	**Better management of TTIs**	**Chi-square (p value)**
Board selection criteria	Ineffective board	26	2	
	Effective board	1	22	39.706(0.000)

Technical training institutes where Board of Management selection criteria is ineffective was characterized by fair management of technical training institutes than those institutes that had an effective Board of Management. Result findings indicated that, the management of training institutes was fair when board selection criteria was rated ineffective by 26 respondents as compared to 1 who rated it effective. Further, management of training institutes was better when board selection criteria was rated effective by 22 respondents as compared to only 2 who rated it ineffective. The study findings were statistically significant supported by a chi square of 39.706 and a reported p value of (0.000) which was less than (0.05) level of significance. Chi square test was meant to show whether there existed any significant association between Board of Management selection criterion and management of technical training institutes. These findings therefore imply that Board of Management selection criterion influences management of technical training institutes.

Content analysis was also conducted using an interview guide. Qualitative data were generated which was presented in prose form. Principals were asked to indicate whether they believed selection criteria were important when choosing board members. Qualitative results showed that majority of principals agreed that selection criteria were important when selecting the board. Principals indicated that selection criteria were important as it helped identify important traits from a candidate. These traits include integrity, qualification, leadership skills and competence. These features are very important when it comes to management of an institution.

4.4 Financial record keeping and management of public Technical Training Institutes

The respondents were asked to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County. The responses were rated on a five Likert scale and presented in table 7. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

Results in table 7 revealed that majority of the respondents who were 64.7 percent agreed that for better management, an institution should have an accounting and financial management system. The results also showed that majority of the respondents 76.5 percent agreed that the management should be committed to the operation of the system. The results also showed that majority of the respondents who were 70.5 percent of the respondents agreed that the management should monitor implementation of internal control systems. The results also show that 66.7 percent of the respondents agreed that the management should provide feedback to the junior officers about the operation of the system.

Results also showed that 74.5 percent of the respondents agreed that the taking appropriate measures to correct errors in operation of our Accounting & Finance Management System is vital, and 86.3 percent of the respondents agreed that the institution should have an objective, independent and active internal audit committee. Further, results showed that 70.6 percent of the respondents agreed that the Departments should have budget reviews where actual expenditure is compared with budgeted expenditure and explanations for the variances given. Finally, 84.3 percent of the respondents agreed that the Institution's accounting system should adequately identify the receipts and expenditure of grant contracts.

Table 7: Financial record keeping and management of public Technical Training Institutes

Practice	strongly disagree	disagree	neutral	agree	strongly agree	Mean	SD
An institution to have an accounting and financial management system	7.8%	13.7%	13.7%	25.5%	39.2%	3.7	1.3
Should be committed to the operation of the system	5.9%	13.7%	3.9%	39.2%	37.3%	3.9	1.2
Implementation of internal control systems	11.8%	15.7%	2.0%	35.3%	35.3%	3.7	1.4
Provisional of financial reports	3.9%	11.8%	17.6%	27.5%	39.2%	3.9	1.2
Measures to prevent financial errors	11.8%	3.9%	9.8%	29.4%	45.1%	3.9	1.3
Independent and active internal audit committee	5.9%	5.9%	2.0%	39.2%	47.1%	4.2	1.1
Budget reviews where actual expenditure is compared with budgeted expenditure	3.9%	9.8%	15.7%	35.3%	35.3%	3.9	1.1
Identify the receipts and expenditure of grant contracts	7.8%	2.0%	5.9%	29.4%	54.9%	4.2	1.2
Average						3.9	1.2

On a five point likert scale, the average mean of the responses was 3.9 which means that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 1.2 meaning that the responses were clustered around the mean response. The results agree with Roper and Millar (2009) who observed that records management reinforces financial management controls and supports accountability. Well-managed records provide an unbiased account of responsibility and liability. The results agree also with Junge, Bosire and Kamau (2014) who analyzed the effect of budgetary practices on performance of public secondary schools in

Nakuru municipality. The study noted that budget practices such as budget control and allocation positively influenced performance of the schools by ensuring that financial resources are allocated appropriately according to needs of the institution. Mwanza (2013) sought to ascertain the effect of corporate governance of financial management of Constituency Development Fund (CDF) in Kenya and found that governance enhances proper management of funds. It was further noted that budget, internal controls and financial reporting enhance financial management of the CDF funds in Nairobi City County.

Further, a chi-square test between financial record keeping and management of public Technical Training Institutes was presented. Financial record keeping was categorized into fair financial record keeping and better financial record keeping. This was tabulated against management of technical training institutes that was categorized into fair management of TTIs and Better management of TTIs. Table 8 shows how management technical training institutes were evaluated against financial record keeping.

Table 8: Chi-square test for management of TTIs and financial record keeping

		Management of TTIs		
		Fair management of TTIs	**Better management of TTIs**	**Chi-square (p value)**
Financial record keeping	Fair financial record keeping	26	1	
	Better financial record keeping	1	23	43.288(0.000)

Technical training institutes where financial record keeping was fair was characterized by fair management of technical training institutes than those institutes that had a better financial record keeping. Result findings indicated that, the management of training institutes was fair when financial record keeping was rated fair by 26 respondents as compared to 1 who rated it better financial record keeping. Further, management of training institutes was better when financial record keeping was rated better by 22 respondents as compared to only 1 who rated it effective. The study findings were statistically significant supported by a chi square of 43.288 and a reported p value of (0.000) which was less than (0.05) level of significance. Chi square test was meant to show whether there existed any significant association between financial record keeping and management of technical training institutes. These findings therefore imply that financial record keeping influences management of technical training institutes. Coleman and Anderson (2000) noted that the school heads and finance committee ought to pay attention to basic budgeting tasks such as accounting procedures that reflect the true financial position of the school and more so internal and external controls and safety mechanisms that safeguard data from alterations and loss in line with the finance policy. Further, the study agrees with Hemsing and Baker (2013) who noted that managers in the municipalities and universities experienced tight budgetary controls. As such, managers were less committed to their organization. The study however did not explicitly explain how budgetary control and management influenced management of funds at universities and municipalities.

Principals were asked to indicate the extent financial record management was developed in their institution. Majority of the principals indicated that financial record management was moderately developed in their school. This indicates that there is more room for improving financial management. A prudent financial management is important in the allocation of available resources in the institution. Financial record management goes hand in hand with management of technical institutions. The results agree with Roper and Millar (2009) who observed that records management reinforces financial management controls and supports accountability. Well-managed records provide an unbiased account of responsibility and liability. The results agree also with Junge, Bosire and Kamau (2014) who analyzed the effect of budgetary practices on performance of public secondary schools in Nakuru municipality. The study noted that budget practices such as budget control and allocation positively influenced performance of the schools by ensuring that financial resources are allocated appropriately according to needs of the institution.

Using an interview guide, bursars were asked to highlight qualities required so as to be hired as a bursar. Majority indicated financial and management skills to be very important qualities. They also indicated ability to produce budgetary estimates, reports, cash flow and financial and statistical summaries; knowledge of the principles and methods of book-keeping and their adaptation to various purposes, including the preparation of final accounts; experience of procedures at meetings - notices, agenda, minutes, conduct of meetings and secretarial practice; and knowledge of the law and practice relating to Income Tax.

They further indicated that financial record management was a tedious task and needed personal commitment when handling it. They also indicated to require high personal initiative and caution to ensure that quality and accuracy of financial reports is maintained. The bursars were further asked to indicate the consequences of resource mismanagement to the overall running of the institution. They indicated that financial embezzlement will cause the inability of the institution to meet the needs of the school and students. They further, indicated that financial reporting was done twice a year in the school. Finally, bursars were asked to indicate whether the board had done all it takes to achieve better management of the institution. Majority of the bursars indicated that the board needed to up their game to ensure an improved overall management of the technical institution.

4.5 Management of Technical Training Institutes

The respondents were asked to rate the overall management of public Technical Training Institutes in Nairobi City County based on some aspects of governance. The responses were rated on a five Likert scale and presented in table 9. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

Table 9: Management of TTIs

Management	strongly disagree	disagree	neutral	agree	strongly agree	Mean	SD
This institution is discharging its duties has stipulated by TVET	39.2%	35.3%	7.8%	13.7%	3.9%	2.1	1.2
Accountability and transparency of the TTI has been enhanced	33.3%	45.1%	2.0%	9.8%	9.8%	2.2	1.3
Fairness when selecting board members	47.1%	31.4%	2.0%	7.8%	11.8%	2.1	1.4
Student technical skills have been developed	39.2%	41.2%	9.8%	3.9%	5.9%	2.0	1.1
School resources are managed well	43.1%	35.3%	2.0%	15.7%	3.9%	2.0	1.2
Average						2.1	1.2

Results in table 9 revealed that majority of the respondents who were 74.5percent disagreed that the institution is discharging its duties has stipulated by TVET. The results also showed that majority of the respondents 78.4 percent did not agree that accountability and transparency of the TTI has been enhanced. The results also showed that majority of the respondents who were 78.5 percent of the respondents did not agree that fairness when selecting board members. The results also show that 80.4 percent of the respondents did not agree that student technical skills have been developed. Finally, 78.4 percent of the respondents did not agree that school resources are managed well. On a five point likert scale, the average mean of the responses was 2.1 which means that majority of the respondents were not agreeing to the statements in the questionnaire. The standard deviation was 1.2 meaning that the responses were clustered around the mean response.

5.0 Summary, Conclusions and Recommendations

5.1 Summary of the findings

The first objective was to determine the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes in Nairobi City County. A chi square test of selection criteria of BOM members and management of public Technical Training Institutes was presented. Board of Management selection criteria was categorized into ineffective board and effective board. This was tabulated against management of technical training institutes that was categorized into fair management of TTIs and Better management of TTIs. Technical training institutes where Board of Management selection criteria is ineffective was characterized by fair management of technical training institutes than those institutes that had an effective board of management. The study findings were statistically significant supported by a chi square of 39.706 and a reported p value of (0.000). Chi square test was meant to show whether there existed any significant association between Board of Management selection criterion and management of technical training institutes. These findings therefore imply that Board of Management selection criterion influences management of technical training institutes.

The second objective was to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County. A chi square test of financial record keeping and management of public Technical Training Institutes was presented. Financial record keeping was categorized into fair financial record keeping and better financial record keeping. This was tabulated against management of technical training institutes that was categorized into fair management of TTIs and Better management of TTIs. Technical training institutes where financial record keeping was fair was characterized by fair management of technical training institutes than those institutes that had a better financial record keeping. The study findings were statistically significant supported by a chi square of 43.288 and a reported p value of (0.000). Chi square test was meant to show whether there existed any significant association between financial record keeping and management of technical training institutes. These findings therefore imply that financial record keeping influences management of technical training institutes.

5.2 Conclusions

Based on research finding it can be concluded that Board of Management selection criterion influences management of technical training institutes. The criteria for selecting Board of Management is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education. It was concluded that gender balance, competence criteria are considered important when selecting the board. They matter much in the management of technical Training Institutes.

Further, it can be concluded that financial record keeping influences management of technical training institutes. A learning institution should evolve strategies regarding: financial records management in terms of cash planning, managing the cash flows, optimum cash level and investing surplus cash. Growth and development of educational sector is dependent on how well finances are managed. Financial management is concerned with organization’s decisions on how to source for funds, how to control financial resources through financial controls, prudent allocation of financial resources and accountability measures. It was concluded that accurate reporting, reliability of financial management systems and efficient internal control system influences management of TTIs in Nairobi City County.

5.3 Recommendations for study

The following recommendations were made;

1. The management of the technical training institutes should ensure that only competent and qualified Board members are selected to manage schools. Evidence shows that effective school boards may contribute to the success of their schools. For this to happen, it is crucial to clarify the roles and responsibilities of school boards and ensure consistency between their objectives and the skills and experience of board members.
2. It is recommended the technical training institutes adopt a better financial management system. This is done by building an integrated financial management system. This will ensure that financial frauds are minimized.

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