The study sought to establish the challenges facing head teachers in financial management in public secondary schools. It examined the background to be current challenges from a global, Africa, regional and Kenyan perspective.

The objective of the study was to identify the accounting challenges that head teachers face in financial management in public secondary schools. It also sought to determine the budgetary challenges that head teachers face in financial management in public secondary school. It was to further establish the auditing challenges that head teachers face in financial management of public secondary schools. The study also examined the professional competence challenges that head teachers face in financial management in public secondary schools. The study was carried out within Kisumu East District of Kisumu County, and it targeted 41 for the study public secondary schools.

Data collection tools used included; a questionnaire for head teachers, deputy head teachers and bursars/ account clerks, an observation tool for head teachers and an interview schedule for the district schools auditor. A total of 93 respondents filled and returned the questionnaires. An observation tool was used in 32 public secondary schools whereas 1 interview schedule was used on the District schools’ auditor, to confirm the data collected.

The main challenges that were identified were accounting, budgetary, auditing and professional competencies challenges. Quantitative data collected through questionnaire and observation checklist were analyzed using descriptive statistics in form of means, frequency counts, percentages and correlation. Qualitative data collected through questionnaires and interview was organized into themes and sub themes as they emerged in an on-going process.

The findings of the study showed that there existed challenges facing head teachers in financial management in public secondary schools. The major forms of challenges included over spending and under-spending, entry into books of accounts, doubling of roles, low salaries of bursars and accounts clerks incompetent bursars/accounts clerks and storekeepers, teachers failure to handover accounting supportive documents, delay in disbursement of FSE funds, school fees defaulting, unauthorized levies, inadequate knowledge by the head teachers, inadequate knowledge by the head teacher, incompetent procurement committee, inadequate auditing knowledge by the head teacher, irregular auditing of schools by district auditors, inability to prepare books of accounts up to final accounts.

The data collected established that there existed a strong positive relationship between accounting challenges, budgeting challenges, auditing challenges, professional competence challenges and financial management in public secondary schools in Kisumu East District of Kenya.

It confirmed the urgent need to examine the financial management curriculum at University level and diploma teachers training level to improve relevance and competence. It further confirmed the need to ensure the Kenya Education Management Institute adequately and effectively trains head teachers in financial management as current practices were wanting. The research findings will also assist stakeholders like the Teachers Service Commission and the Ministry of Education in understanding the challenges facing head teachers in financial management of schools. It underscores the significance of Boards of Management employing qualified bursars, accounts clerks, store keepers and cateresses.

The study subsequently recommended that future studies should examine the impact of Kenya Education Management Training Programmes on effective financial management in public secondary schools. It also recommends further studies on accounting challenges facing head teachers in financial
management and lastly the challenges facing auditors in auditing school funds in public secondary schools.