

# SCHOOLS' FINANCIAL STANDING AND THE IMPLEMENTATION OF PUBLIC PROCUREMENT REGULATIONS IN KENYA

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**Abstract:** This study sought to investigate the influence of schools' financial standing on the implementation of public procurement regulations in public secondary school in Mwingi west sub-County, formerly Migwani district in Kitui County Kenya. The study objective sought to establish the influence of school fees payment on the implementation of public procurement regulations in public secondary schools in Mwingi west Sub County. This study is based on Social and Economic Organization theory of bureaucracy by Max Weber. Descriptive survey research design was employed in the study. The target population consisted of 29 public secondary schools and 29 headteachers were targeted. Two public secondary schools out of the 29 public secondary schools were used for pilot study. The sample size was twenty-seven public secondary school headteachers. Simple random sampling procedure was used to select the sample. The study used questionnaires as a tool for data collection. Instrument validity was done in schools which did not participate in the main study. A test-re-test technique to ascertain instrument reliability was done. Once data was collected, it was analysed using descriptive statistics and presented using pie charts. The study established that fees payment was irregular and in piecemeal as reported by 43.5% of headteachers which disrupts schools' financial stability hence hindering compliance with public procurement regulations. This leads to prioritizing essential procurements, delaying non-critical purchases, and borrowing from suppliers, compromising transparency, accountability, and the quality of goods and services. The study recommended that schools should enforce strict fee payment policies, diversify income sources, and enhance financial management, while the government should increase capitation grants and review procurement policies.

**Keywords:** Financial standings, irregular fees payment, procurement procedures, piece meal fees payment.

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## 1. INTRODUCTION

Public procurement is a critical function in the management of public resources and the delivery of quality education in Kenya's school system. Schools, as public institutions, are mandated to adhere to procurement regulations to ensure transparency, efficiency and accountability in the use of public funds. However, the financial standing of schools significantly influences their ability to implement these regulations effectively. The financial constraints or abundance of resources within schools can shape procurement planning execution and compliance with legal standards.

Globally, public procurement is recognized as a cornerstone of good governance and sustainable development. Internationally, organizations such as the World Bank and the United Nations Development Programme (UNDP) emphasize the importance of sound procurement practices in achieving economic growth and reducing corruption (UNDP, 2021). In developed countries like the United States, the European Union, and Australia, public procurement systems are supported by advanced financial management practices, strong institutional frameworks and automated systems that ensure compliance and efficiency. Schools in these countries benefit from adequate funding, enabling them to comply with procurement regulations and deliver quality education (OECD, 2019). In India and Bangladesh, school fees are often

supplemented by government subsidies. There is timely payment of fees. This has been linked to better compliance with procurement regulations. Research by Ahmed and Hassan (2020) in Bangladesh revealed that schools with higher fee payment compliance demonstrated greater adherence to procurement guidelines, primarily due to their ability to plan and execute procurement activities efficiently.

In contrast, developing countries, including those in Sub-Saharan Africa, often face challenges in implementing procurement regulations due to limited financial resources, weak institutional capacity and corruption. Studies in countries such as Nigeria, Ghana and Uganda reveal that insufficient funding in schools often leads to non-compliance with procurement laws, procurement delays and the acquisition of substandard goods and services (Basheka, 2017). These challenges undermine the broader objectives of procurement regulations and affect the quality of education.

In Kenya, the government has implemented a robust framework to regulate public procurement through the Public Procurement and Asset Disposal Act (2015) and related guidelines. These regulations aim to promote fairness, competition and value for money in the acquisition of goods and services. Despite these efforts, many schools face challenges that hinder the optimal implementation of these regulations, often linked to their financial capabilities. The influence of schools' financial standing in their adherence to procurement regulations is vital for improving policy implementation and ensuring that resources are utilized effectively for educational development (Transparency International, 2020)

### **1.1 Statement of the problem**

Public secondary schools in Mwingi West Sub County face significant challenges in implementing public procurement regulations effectively. Despite the existence of the Public Procurement and Asset Disposal Act (2015) and other regulatory frameworks aimed at ensuring transparency, accountability, and efficiency in the use of public resources, schools in the region often struggle with compliance. One of the primary factors contributing to this challenge is the financial standing of schools and often varies widely across institutions. Schools with limited financial resources often encounter difficulties in meeting procurement requirements. This includes competitive tendering, timely payment of suppliers and acquisition of quality goods and services. These constraints can lead to non-compliance with regulations, delays in procurement processes and in some cases, engagement in informal or irregular procurement practices to manage resource shortages. On the other hand, schools with better financial standing are more likely to adhere to procurement regulations due to their ability to allocate adequate funds for procurement planning and execution. The disparities in financial capacity among schools not only undermine the equitable implementation of public procurement regulations but also affect the overall quality of education in the sub-county. For instance, schools with poor financial standing may procure substandard learning materials or delay essential services, negatively impacting teaching and learning outcomes. Despite the critical role of financial resources in procurement compliance, there is limited research focusing on the specific influence of schools' financial standing and the implementation of public procurement regulations in Mwingi West Sub-County. Hence the need to address this knowledge gap was essential in identifying the financial and institutional barriers to effective procurement practices.

### **1.2 Study objective**

The study objective for this study sought to;

Establish the influence of school fees payment on the implementation of public procurement regulations in public secondary schools in Mwingi west Sub County.

## **2. LITERATURE REVIEW**

Financial resources in form of school fees payment is key in the implementation of public procurement regulations in schools globally. Effective public procurement is essential for the efficient use of financial resources in educational institutions. It ensures that schools acquire quality goods and services in a transparent and accountable manner (World Bank, 2021). However, the ability of schools to implement procurement regulations effectively is often tied to their financial capacity, of which school fees are a significant component in many countries.

Globally, the challenges of school fee payment and procurement regulation implementation are often exacerbated by systemic issues such as corruption, weak institutional capacity, and inadequate training in procurement processes. As a result, international organizations, including the United Nations Development Programme (UNDP), have emphasized the need for capacity-building programs and financial reforms to strengthen procurement practices in resource-constrained schools (UNDP, 2021).

Research by Johnson and Walker (2018) examined the disparities in funding between schools in affluent and economically disadvantaged regions in Australia. The study revealed that schools in low-income areas, which often rely heavily on fee payments, faced challenges in adhering to procurement regulations due to inconsistent or insufficient fee collection. These schools were more likely to procure substandard goods and services or bypass competitive bidding processes, undermining the principles of transparency and accountability.

In developed countries like the United States, Australia and members of the European Union, public schools are often funded through a mix of government allocations, local taxes, and minimal fees. This stable financial environment enables schools to comply with procurement regulations effectively. Studies from the Organisation for Economic Co-operation and Development (OECD) highlight that schools in these regions benefit from adequate funding, which supports procurement planning, competitive tendering and adherence to procurement laws (OECD, 2019). Additionally, automated procurement systems in these countries reduce the risks of non-compliance and enhance accountability.

Conversely, in developing countries, especially in Sub-Saharan Africa, reliance on school fees as a primary source of funding creates disparities in financial capacity among schools. This significantly affects their ability to implement procurement regulations. Basheka (2017) observed that Similarly, in Nigeria, studies have shown that schools which dependent on irregular or insufficient fee payments face delays in procurement processes. This leads to poor service delivery and substandard educational materials (Eze & Nwauba, 2018).

Basheka (2017) examined the relationship between financial resources and procurement compliance in Ugandan schools. The study found that schools with lower fee collection rates in Uganda struggled to meet procurement standards, often bypassing competitive processes due to resource shortages. Similarly, schools with erratic fee payment patterns struggled to comply with procurement regulations. Limited financial capacity led to delayed procurement processes, reduced transparency, and reliance on informal procurement practices.

A study by Eze and Nwauba (2018) focused on the impact of financial constraints on procurement compliance in Nigerian secondary schools. The findings revealed that schools heavily reliant on fees faced challenges in adhering to procurement laws due to inconsistent fee payments. Schools in rural areas were particularly vulnerable, as low-income households often struggled to pay fees on time. This led to substandard procurement practices, including bypassing tendering processes and procuring low-quality goods.

In Kenya, Kiprotich et al. (2021) explored the relationship between school funding and procurement compliance in public secondary schools. The study found that irregular fee payments were a major barrier to compliance with procurement regulations. Schools with limited financial resources often resorted to single-sourcing and informal procurement practices, undermining the principles of transparency and accountability. The authors called for increased government funding to supplement school fees and enhance procurement processes

### **3. RESEARCH METHODOLOGY**

A research design is a programme that guides the researcher in collecting, analyzing and interpreting observable facts. Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). This study employed a descriptive design which enabled the provision of insight into intensive, descriptive and holistic analysis of a single entity. Kombo & Tromp (2006) observe that a target population is a group of individuals, objects or items from which samples are taken for measurement. This study targeted twenty nine (29) public secondary school headteachers in secondary schools that had been registered with the MoE in Mwingi West sub County and had served for at least one year in that school. Best and Kahn(2002) noted that a sample is a small proportion of a population selected for observation and analysis. Simple random sampling was used to select a sample of 27 headteachers. Mugenda & Mugenda (2003) define simple random sampling as a sample technique that allows a researcher to use cases that have specific information with respect to the objectives of the study. According to Mugenda & Mugenda (2003) ten percent (10%) of the population can be picked from a large population. Mulusa (1990) states that in small population of thirty (30) cases or less, it is possible to leave out one or two cases which would not make much difference to the resources and time. Hence in this study twenty seven (27) schools were used since the population is minimal. The study used questionnaires as a tool for data collection. Validity is the degree to which a test measures what it purports to be measuring. This is how well a tool measures what it is intended to measure. Validity can also be said to be the degree to which results obtained and data analysed represent the phenomenon under investigation (Orodho, 2004). According to Wilkinson (1991) pre-testing a survey is a good way to increase the likelihood of face validity. The pilot study was used to identify those items that could be misunderstood and such items were modified accordingly thus, increasing the face validity. The pilot

study was carried out in two public secondary schools in Mwingi West sub county and were excluded from the main study. Best & Kahn (1993) observed that, content validity of the research instruments could be enhanced through expert judgment. The researcher’s supervisors, as experts, helped to assess the validity of the instruments. Expert opinions, literature searches, and pre-testing of open-ended questions helps to establish content validity (Wilkinson, 1991). The researcher prepared the instruments in close consultation with the supervisors in order to ensure that the items in the questionnaire covered all the areas under investigation. The researcher used test-retest technique to ascertain the instrument reliability. This involved administering the same instrument twice to the same group of respondents. The researcher also allowed a time lapse of one week between the first and the second test after which the scores from both testing periods were then correlated. Once data was collected by the researcher using the questionnaires, it was coded and analysed descriptively, it was presented using pie charts.

#### 4. RESEARCH RESULTS

##### 4.1 School fees payments and implementation of public procurement regulations

This study sought to establish the influence of school fees payment on the implementation of public secondary schools by requesting the headteachers to indicate how school fees payment influenced the implementation of public procurement procedures.

The results are as shown in Figure 1 below

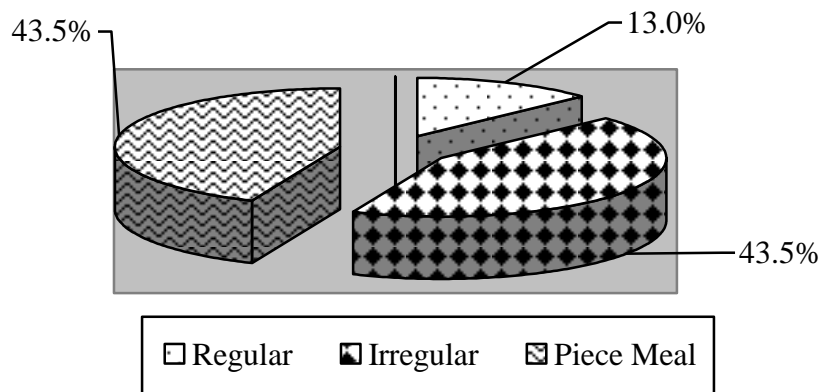


Figure 1: Fees payment in the school

The study in figure 1 established from most of the headteachers 43.5% that school fees payment was irregular while 43.5% of the head teachers said that it was made in piece meal. However, the findings in figure 1 also found that only 13% of the headteachers indicated that school fee is regular. This implies that school fees payment for most schools is erratic.

#### 5. DISCUSSION OF RESEARCH FINDINGS

This study has established in figure 1 from 43.5% of the headteachers that school fees payment was irregular. The study also found from 43.5% of the head teachers that fees payment was made in piece meal. However, only 13% of the headteachers indicated that school fee payment is regular. Thus, with majority of the students paying their school fees irregularly and at piece meal, this means that goods and services could not be procured as required by the public procurement unit. Piecemeal payments and irregular payments could also disrupt cash flow, making it difficult to pay for utilities, staff salaries, and other recurring expenses. When there is no money, it is only goods that are prioritized that are procured and others can wait until money can be sourced for. When there is no money, the headteacher can only borrow from suppliers of goods and services. This compromises the quality of goods supplied. Hence, delays in payments may prompt some suppliers to sue the school. Therefore, the implementation of the procurement regulations becomes difficult for schools. These findings are consistent with Basheka (2017) who found that schools with lower fee collection rates in Uganda struggled to meet procurement standards, often bypassing competitive processes due to resource shortages. Similarly, schools with erratic fee payment patterns struggled to comply with procurement regulations. Limited financial capacity led to delayed procurement processes, reduced transparency, and reliance on informal procurement practices. These findings are also consistent with Eze and Nwauba (2018) who revealed that schools heavily reliant on fees in Nigeria faced challenges in adhering to procurement laws due to inconsistent fee payments.

## 5.1 Conclusions

The study concludes that irregular and piecemeal fee payments, reported by 43.5% of headteachers, significantly disrupt the financial stability of schools. This makes it difficult to comply with public procurement regulations. This financial strain forces schools to prioritize essential procurements, delay non-critical purchases and reliance on borrowing from suppliers, often compromising the quality of goods and services. Such practices undermine transparency and accountability, with some suppliers resorting to legal actions due to delayed payments.

## 5.2 Recommendations

To address these issues, schools should implement strict fee payment policies, diversify revenue streams and strengthen financial management. Additionally, the government should increase and promptly disburse capitation grants and review procurement policies to accommodate schools' financial challenges. Capacity-building initiatives for administrators, flexible supplier agreements, and active stakeholder engagement are also recommended to ensure compliance with procurement regulations and improve financial sustainability.

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