

UNIVERSITY OF CAPE COAST

FINANCIAL CONTROL PRACTICES OF HEADS OF PUBLIC SECOND
CYCLE INSTITUTIONS IN CAPE COAST METROPOLIS IN GHANA

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CYCLE INSTITUTIONS IN CAPE COAST METROPOLIS IN GHANA

BY

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fulfillment of the requirements for the award of Master of Philosophy degree
in Educational Administration

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DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part has been presented for another degree in this university or elsewhere.

Candidate's Signature: Date.....

Name: Anthony Abaasa-Ababio

Supervisors' Declaration

We hereby declare that the preparation and the presentation of this thesis were supervised in accordance with the guidelines on the supervision of thesis laid down by the University of Cape Coast.

Principal Supervisor's Signature: Date:

Name: Mr. Stephen K. Atakpa

Co-supervisor's Signature: Date:

Name: Dr. Dora Baaba Aidoo

ABSTRACT

The purpose of this study was to investigate financial control practices in public second cycle schools in order to check whether there are financial irregularities in the use of school funds in the Cape Coast Metropolis. The study adopted cross-sectional survey with mixed methods design. Questionnaire and interview guide were used to collect data. The questionnaires were analysed using Statistical Product and Service Solution (SPSS) version 20.0. The interviews were also analysed using Nieuwenhuis's (2007) guidelines to reduce, condense and group the contents of the interviews. The findings indicated that the heads managed funds in accordance with the school budget drawn. It was found out that the external and internal auditors were in charge of monitoring the heads financial management through their quarterly and annual financial statement analysis. It was also revealed that due to limited knowledge of the heads they delegated budget preparation to the accountants. The findings revealed that there was no segregation of financial duties and this may also lead to financial improprieties in the schools. It was concluded that the heads were caught in the web because they did not have the requisite skills to detect any underhand deals by the bursars/accountants. It was also concluded that there were weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools due to inefficiencies and ineffectiveness in financial operations. It is recommended that the objectives of financial control in the schools should be achieved through SMART (specific, measurable, achievable, reliable and time-bound) principles. The SMART principles should also be achieved through goal settings.

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Finally, I profusely thank my mother, sisters, brothers and my entire relatives with their supportive prayers. God bless them all.

DEDICATION

To my wife, Philomena Amponsah, and my children Millicent, Abigail, Gifty,
Rachael and Mary-Ann.

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LIST OF ABBREVIATION

COSO	-	Commission of Sponsoring Organizations
GES	-	Ghana Education Service
IT	-	Information Technology
IG		Inspectorate of Government
IGF	-	Internally Generated Fund
OECDs	-	Organisation for Economic Co-operation and Developments
UNCAC	-	United Nations Convention Agency Corruption
INTOSAI	-	International Organization of Supreme Audit Institutions
ICS	-	Internal Control System
SHSs	-	Senior High Schools
PAC	-	Public Account Committee
OAG	-	Office of Auditor General
CAOs	-	Controllers and Accountant Officers
SPSS	-	Statistical Product and Social Sciences
QA	-	Quantitative Analysis
QT	-	Qualitative Transcription
VFM	-	Value for Money
PFM		Public Financial management

CHAPTER ONE

INTRODUCTION

Background to the Study

Management and control of any institution is a continuous process involving a chain of command, equity, efficiency, stability and the allocation of authority through the design of 14 principles of management by Henry Fayol, a proponent of administrative management theory. Of the 14 principles, the following are applicable for school managers in Ghana for effective financial control practices; division of labour, authority, discipline, unity of command, order and equity (Cole & Kelly, 2011).

According to Hoy and Miskel (2010), tasks in most organisations including schools are too complex to be performed by a single individual therefore division of labour among positions improves efficiency. Efficiency increases because division of labour produces specialization, which in turn leads employees to become knowledgeable and experts at performing their prescribed duties. Such division enables the organisation to employ personnel on the basis of technical qualifications. Hence, division of labour and specialization enhance workers efficiency. Hierarchy is perhaps the most pervasive characteristic in modern organisations. Almost without exception, large organizations develop a well-established system of super-ordination and subordination, which attempts to guarantee the disciplined compliance to

directives from superiors that is necessary for implementing the various tasks functions of an organisation.

Barasa (2009) laments that the public education system in Ghana is structured along the lines of Weber's concept of Hierarchy. There is for instance, a District Director of Education who is answerable to the Regional Director of Education who in turn is accountable to the Director-General of Ghana Education Service. In secondary school, the hierarchy follows downwards where there is the headmaster/mistress and immediately under him/her are the assistant heads. Answerable to the assistant head are various departmental heads. The heads of department are in turn in charge of subject teachers.

A school's financial management and control is the execution by a person in a position of authority of those management actions (regulated tasks) connected with the financial aspects of schools and having the sole purpose of achieving effective education. Similarly, Joubert and Bray (2007) describe a school's financial management as the performance of management actions connected with the financial aspects of a school for the achievement of effective education. The common factor in these definitions of financial management and control is that a connection is made between the management tasks and the financial aspects of a school. The implication is that the management of school finances involves the task of planning (budgeting), organising (coordinating), leading (communicating and motivating), as well as controlling (auditing) (Clarke, 2007).

It is obligatory for heads of institutions to ensure accountability and prudence in the utilization of school funds. Heads are appointed on the basis of

their teaching experience, as well as their academic and professional qualifications. Training in or even having a working knowledge of financial management is not considered a prerequisite for appointment to the position of headship which tends to affect them negatively in performing financial management duties. Consequently, heads are lacking the necessary management and control skills and specifically, financial management skills.

Financial management and control had its root in the USA when in the late 1970s and mid-1980s, there was widely publicized institutional failures the National Commission on Fraudulent Financial Reporting (the Treadway Commission) was inaugurated to identify factors that caused fraudulent corporate financial reports and make recommendations that resolve such issues. The recommendations directly addressed the problems of weakness of internal and external controls and emphasised the importance of the control environment, codes of ethical conduct, management reports on effectiveness of internal and external controls and development of a common definition and framework of financial control by the heads (COSO, 2009).

Over the years, second cycle institutions in Ghana have suffered from several instances of embezzlement of funds. Ghorman and Amakye (2013) opined that “financial duties and responsibilities of heads among other things are to exercise supervision over the work of the bursars and other accounting officers” (p.75). The heads must make sure that proper accounts, books of accounts and records are kept and budget estimates prepared. In addition, the heads must answer audit reports and queries promptly. Above all, the heads must be prudent with regard to income and expenditure by obeying Financial Administration Act, 2003 (Act 654) and Regulation 2004 L.I. 1802.

Financial control deals with the methods and means for administering and controlling funds in educational institutions as documented in financial laws, regulations and instructions and from generally accepted best practices in accounting and auditing (Ghorman & Amakye, 2013). The key control activities are: payment and expenditures control procedures, sales and purchases control procedures, budgetary control and supervisory mechanisms.

According to Abraham (2003), “the job of the head of an institution is to be effective manager” (p.168). Therefore, the manager needs finance to run the affairs of the school so he/she can concentrate on managing students as well as physical facilities and teaching aids, inviting resource persons in some areas to sell the school’s programmes and ideas to the public that the school needs money to run. No one can dispute the fact that money answers “all” things. Funds are required to maintain school plants and other services that will keep the school going and are regarded as the life-blood of the school. Funds are the fuel and lubricant which propels the school to move on; it is money that provides all the essential purchasing power with which education acquires its human, material resources and physical inputs. The school administrators need money to carry out all round maintenance of the school properties, organise in-service training, seminars etc. for teachers and also provide other essentials that will make teaching and learning effective.

According to Domelevo (2006), today’s strong financial management and control in the public sector is not a luxury but a necessity. In an era of increased demand for accountability and transparency in government, the stakeholders of the public sector are demanding more effective and efficient use of public resources. Citizen confidence in government and public

institutions is sharply affected by the degree to which resources are perceived to be managed. It is important that an organisation's fiscal and financial policies are implemented in the most effective and efficient manner. It is because of this effect that it has become crucial that management of public institutions institute effective financial controls to ensure that assets of the institutions are safeguarded.

Over the years, second cycle institutions in Ghana have suffered from several embezzlements and misapplication of funds. *A recent example is a Daily Graphic report on embezzlement at MSTs which resulted in the transfer of the Headmistress of the school (Daily Graphic, February, 21, 2011).*

Statement of the Problem

In 2013 hearings at the Public Account Committee of Parliament indicated that school funds totaling six million, six hundred and ninety-nine thousand, and seven hundred and ninety-three Ghana Cedis and thirty-two pesewas (GH¢ 6,699,793.32) were reported to have been mismanaged by administrators in senior high schools during the 2013/2014 financial year (Auditor General's Report, 2014).

There have been a lot of allegations of mismanagement, embezzlement and misapplication of school funds leveled against school administrators. Improper use of school resources, misapplication and embezzlement of school funds are capable of leading to non-achievement of school goals. Most administrators are also seen to have poor capacity for keeping financial records, routine budgeting and fund sourcing.

In Cape Coast Metropolis, in the year 2014, January 23, a headmaster of a renowned school prior to his retirement amassed wealth and bought four

luxurious cars and claimed that the P.T.A. donated them to him as a retirement package for hard work done (myjoyonline.com).

Opong-Akyaa (2011) in her research on assessment of financial control practices revealed that expenditure exceeds revenue due to regular changes in price levels. Heads of institutions use financial statements such as budget and other financial tools to exercise financial controls in the form of using policies and procedures established by institutions for managing school funds. She recommended that, there should be periodic in-service training for the account personnel to improve their knowledge, skills and abilities.

Her study however failed to assess the financial control practices of heads and accounts personnel with regards to embezzlement, fraud and misapplication of funds in public second cycle schools. Besides, not much work has been done by other researchers on mismanagement, embezzlement and misapplication of school funds which the public wanted investigation. This study therefore sought to fill the gap.

Purpose of the Study

The purpose of this study was to investigate financial control practices in public second cycle schools in order to check whether there are financial irregularities in the use of school funds in the Cape Coast Metropolis.

The investigation of financial control practices would also help to strengthen the capabilities of school administrators in utilizing available funds for the achievement of the goals and objectives of schools.

Research Questions

The following research questions were formulated to guide the study:

1. How do the heads of SHS manage funds for the running of second cycle schools in the Cape Coast Metropolis?
2. What are the attitudes of heads of schools towards the usage of funds in second cycle schools in the Cape Coast Metropolis?
3. What are the predictive values of internal controls that prompt heads to comply with financial laws and regulations in the schools?
4. What are the school administrators' capacity for budget preparation and financial accounting?
5. In what ways do external financial control mechanisms influence internal financial control in second cycle schools in the Cape Coast Metropolis?

Significance of the Study

The findings of this research would provide essential information to policy makers about financial irregularities and control practices in second cycle schools in Ghana.

The study would bring to light on misusing and diverting of public resources which would contribute towards eliminating the frequent reports on mismanagement and embezzlement of funds that occur in the public second cycle institutions in the country.

The study is expected to serve as a base research material for future researchers who would like to conduct any work on financial control.

The study would also generate knowledge to link financial control practices and the control systems which would guide policy makers in the planning for the public resources.

Delimitation of the Study

The study focused on financial control practices of heads of second cycle institutions in the Cape Coast Metropolis of Ghana. The financial control practices consisted of areas in control environment, control activities, risk assessment, information and communication, monitoring, information and technology as it also considered economy and efficiency in budget preparation.

The research was confined to the views of heads, assistant heads, school bursars/accountants, Regional and Metropolitan Directors and Auditors in GES in the Cape Coast Metropolis of Ghana. The study concentrated on all the twelve public second cycle schools in the Metropolis.

Limitations of the Study

Some of the relevant information and materials like the external auditor's report, financial statements and internal auditor's report of the schools under study might be available but some heads denied the researcher access to them. The researcher managed to solve this problem by posing questions on these to the heads during the interview.

Regardless of these limitations, I succeeded investigating into financial control practices of heads in the schools by closely following processes of a cross-sectional survey with mixed methods design.

Definition of Terms

Economise: It is the act of using is necessary resources (finance, staff, and equipment) to carry out an activity at the least cost. The heads of SHS must manage the scarce resources based on financial control practices.

Efficiency: It relates to achieving maximum output from a given amount of resources used. Optimal use of school funds will improve the status of the school.

Effectiveness: It is the extent to which an activity's stated objectives are achieved. It describes the relationship between intended impact and the actual impact on an activity in financial control.

Financial control: Financial control refers to the procedures designed to protect assets and ensure that all financial transactions are recorded to prevent and reduce errors and fraud. This ensures financial discipline by the heads.

Financial management: It is the process that involves planning, preparation of financial reports and budget control. The heads are to manage funds so as to avoid fraud.

Budgeting: Budgeting is a systematic and formalized approach for performing significant phases of the management planning and control functions and it shows the source and use of funds as well as a tool of financial control.

Organization of the Rest of the Study

The thesis is organised into five chapters including Chapter One. Chapter Two reviews related literature. Documents both published and unpublished including books, journals, newspapers were reviewed. Chapter Three deals with methodology. This describes the study area, research design, and description of the population, sample and sampling technique,

instrumentation, pretest, the procedures for the administration of the instruments and data analysis. It also includes the analytical strategies used in treating the data collected. Chapter Four presents the results and discusses them. Chapter Five provides summary, draws conclusions and provides recommendations to improve practice. Suggestions for further research are also given.

CHAPTER TWO

LITERATURE REVIEW

Introduction

In recent years the education system of Ghana has undergone dramatic changes in terms of funding and schools are facing many challenges both internally and externally in terms of accountability. State funding for the public second cycle schools has increased significantly and, in the context of accountability for public funds, there is a need to ensure that the systems for financial management and controls are robust and meet the needs of our changing educational system. The level of accountability and control varies significantly from school to school and from one head to the other. The literature was sourced from the print and electronic media including, books, journals reports and various web publications on the subject. This chapter has been structured the following sub-headings based on theoretical and empirical framework.

1. Theoretical Underpinnings of Financial Control Practices;
2. Prudential and Efficiency Theories of Financial Control;
3. Conceptual framework of Financial Control;
4. Models of Financial Decision Making;
5. The Concept of Financial Control
6. Effective Control of School Resources
7. Legal and Regulatory Framework

8. Cash mobilization and Disbursement in Schools;
9. Procurement, Corruption and the Ghanaian Educational Sector;
10. Prevention and Detection of Fraud and Error
11. External Financial Control Institutions;
12. Knowledge of the Financial Administration Laws and Regulations;
13. Value for Money
14. Supervision and Monitoring in Financial Control Practices
15. Challenges Related to Financial Control Practices

Theoretical Underpinning of Financial Control Practices

This study adopted Henri Fayol's principles of control and management because its concepts and principles are common in situations of educational administration in Ghana. Henri Fayol (as cited in Cole & Kelly, 2011) prefaced his famous definitions of management by stating what he considered to be the key activities of any industrial undertaking. He outlined six such key activities, as follows: technical, commercial, financial, security, accounting and managerial as integral to financial control.

According to Cole and Kelly (2011), Fayol explained that the first five were all interdependent to some extent and that there was no single one which was not concerned with broad planning and resourcing.

To manage, said Fayol, is to forecast and plan, to organise, to command, to coordinate and control. He saw forecasting and planning as looking to the future and drawing up a plan of action. Organising is seen in structural terms, and commanding is described as maintaining activity among the personnel in Ghanaian education system with the heads, accountants or bursars. Coordinating is seen as essentially a unifying activity controlling and

ensuring that things happen in accordance with established policies and practices. It is important to note that Fayol does not see managerial activities as exclusively belonging to the management. Such activities are part and parcel of the total activities of an undertaking by the management. Having said this, it is equally important to point out that Fayol's general principles of management take a perspective which essentially looks at schools or organizations from the top downwards; in financial control and management the heads authorize all payments (Cole & Kelly, 2011).

The principles provide a foundation and framework for us to explore the practice of management and analyse organisations. Since no management approach provides universally applicable principles of management, today's managers must take those ideas from the different approaches which best suit the particular requirements of their culture, schools and their jobs. Using the theory, the study sought to unearth the challenges that could hinder desired and targeted outcomes through aspects of authority and accountability amongst senior high schools in Cape Coast Metropolis.

Prudential and Efficiency Theories of Financial Control

This research is grounded in the Prudential Theory, propounded by the American economist Arthur-Laffer in 1980 and the Efficiency Theory also propounded by another American economist Havey-Leibenstein in 1993 (Hoy & Miskel, 2010). Arthur-Laffer postulates that everybody, including school managers must know how to handle and spend money wisely. To him, to be prudent simply means to spend money wisely in order to achieve maximal goals. It is essential to note that prudence implies being careful, acting only after careful thought, forethought or planning and exercising sound judgment

in the management of practical affairs. Its motive is the ability to anticipate, regulate, calculate and give due regard to the future in order to prepare to cope with any eventuality within the organisation or school system. In handling financial resources, the school administrator should eliminate wants and reduce unproductive costs in terms of time and money (Hoy & Miskel, 2010).

The theorist Harvey-Leibenstein, postulated that the general efficiency of a school rests in transforming inputs at minimum costs into maximum benefit. Here it is important to note that the achievement of the school using little resources to achieve so much will go a long way to speak about the school administrators' capacity to manage resources and also see them as managers with good management skills. The prudential as well as the efficiency theory in economics is applicable to education especially when it is discussed under financial control and the handling of public money in schools. The achievement of the school manager does not depend on the huge amount of money at his/her disposal, but his ability to make meaningful utilization of the available money at his disposal (Hoy & Miskel, 2010).

Figure 1 shows the conceptual framework components of the prudential and efficiency theories premised on dependent and independent variables.

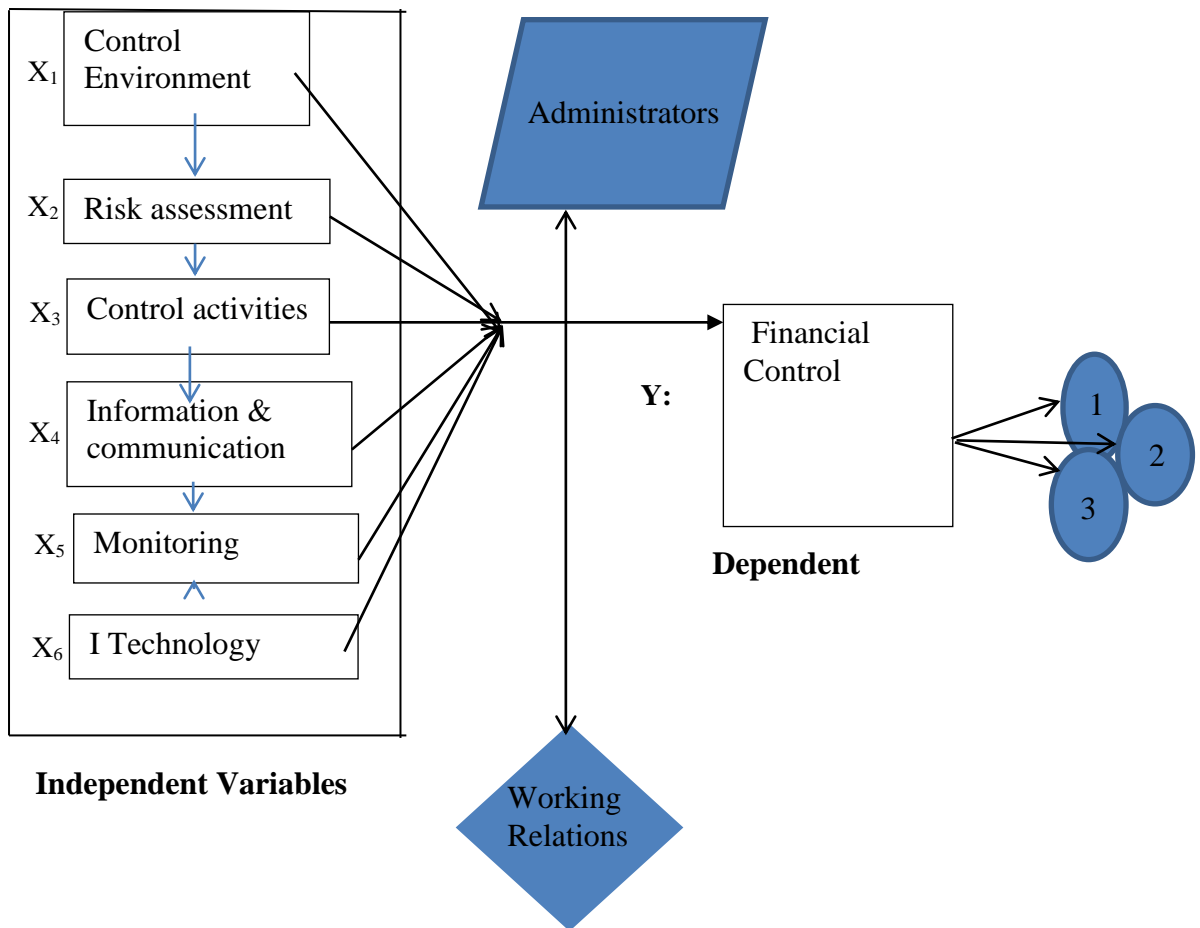


Figure 1. Conceptual framework of Financial Control

Source: adapted from Ghorman & Amakye (2013)

From the framework, I can model the relationship between financial control (Y) and explanatory variables as:

$$Y = \beta_0 + \beta_i X_i + \epsilon_i, \text{ where}$$

$i = 1, 2, 3, \dots, 6$ where

β_0 = Intercept on the Y axis

β_i are the parameters to be estimated

X_1 = Control Environment

X_2 = Risk Assessment

X_3 = Control Activities

X_4 = Information & communication

X_5 = Monitoring and

X_6 = Information Technology are the practices

ε = Disturbances

In addition to other explanatory variables: the objectives can be modeled as:

$Y=f(\text{EEO, ARFR, CRPP})$ where EEO = Efficiency and Effectiveness of Operations, ARFR= Accuracy and Reliability of Informative Financial Reporting, CRPP= Compliance with Applicable Laws, Regulations, Policies and Procedures

$Y=f(X_7, X_8, X_9)$; $Y=\beta_0+\beta_iX_i +\varepsilon_i$, where

$i= 1, 2$ and 3 .

β_0 = Intercept on the Y axis

β_i are the parameters to be estimated

X_1 = Efficiency and Effectiveness of Operations

X_2 = Accuracy and Reliability of Informative Financial Reporting

X_3 = Compliance with Applicable Laws, Regulations, Policies and Procedures

Financial control is the dependent variable. This is achieved by the presence and proper functioning and practices of all the predefined independent variables in relation to each category of the organization's objectives. Proper functioning and practices of independent variables provides reasonable assurance of proper functioning of dependent variable. Then the institution realizes preset objectives of prudent, efficient and effective operations, generation of accurate, reliable and informative financial reports that comply with relevant legal and regulatory requirements. The objectives are overlapping. This means efficient and effective operations produce

accurate, reliable and informative financial reports that comply with applicable laws and regulations.

Objectives of the institution are achieved when interferences on the variables caused by working relationships are taken into consideration. The objectives, depicting overlapping interrelationships are numbered 1, 2 and 3 in Figure 1, (1) include efficiency and effectiveness of operations, (2) accuracy and reliability of informative financial reporting and (3) compliance with applicable laws, regulations, policies and procedures in Ghana Education Service. It means that financial control system has three primary objectives. The independent variables determine how financial control is practiced. The presence and proper functioning of all the components of the independent variables ensure effectiveness of financial control practices. This achieves each category of objectives 1, 2 and 3. IT is crucial for effective financial control because institutions use IT for initiation, authorization, recording and processing of transactions. IT ensures effectiveness of financial control practices in second cycle schools.

The study identifies essential components of financial control practices as control environment, risk assessment, control activities, information and communication, monitoring, procedures and practices that ensure that management objectives are achieved and risk mitigation strategies implemented. These elements must be present and functioning effectively for any financial control practices to achieve institution's objectives (Ghorman & Amakye, 2013).

The control environment provides discipline and structure as well as the climate which influences the overall quality of the financial control.

Elements of the control environment are; the personal and professional integrity and ethical values of management and staff, appropriate culture in the organisation, attitude towards internal control throughout the organisation; commitment to competence; the “tone at the top” (i.e. management’s philosophy and operating style); a good organisational structure (an independent Internal Audit function and segregation of duties), set up proper authorisation limits; and human resource policies and Practices (Kaplan, 2009).

Risk assessment is the process of identifying and analysing relevant risks to the achievement of the institutional objectives and determining the appropriate response (DiNapoli, 2007). It involves risk identification; risk evaluation (estimating the impact of a risk; assessing the likelihood of the risk occurrence); assessment of the risk appetite of the institution; and development of responses. Risk assessment should be performed to identify controllable and uncontrollable risk areas.

According to Thuy (2007), control activities comprise policies, procedures, and systems relating to the reliability of financial reporting. They include authorisations and approvals, verifications, reconciliations, reviews of performance, security of assets, segregation of duties, and controls over information systems. The elements of Control Activities include; policies regarding reconciling bank statements with cheques issued, procedures governing the counting and valuation of inventory, the procurement and disposal systems, and codes of conduct to guide staff behaviour (Kaplan, 2008). Control activities can be preventive and/or detective. Corrective actions

are a necessary complement to financial control activities in order to achieve the institutional objectives.

Information should be communicated to all stakeholders such as administrators, teaching and non-teaching staff, students as well as parents who need it in the form and within a time frame that helps them to carry out their responsibilities (Di Napoli, 2007). Information should be appropriate, timely, current, accurate and accessible, as such, reliable and relevant transactions should be promptly recorded and properly classified. The feedback from this communication helps management and council to evaluate how well the systems of financial control are working (Di Napoli, 2007).

Monitoring is the process that assesses the quality of the system's performance over time, which includes ongoing monitoring activities, separate evaluations or a combination of the two (Di Napoli, 2007). Management should focus monitoring efforts on internal controls and the achievement of the organisation's mission. For monitoring to be most effective, all employees need to understand the institution's mission, objectives, risk tolerance levels and their own responsibilities (Di Napoli, 2007). Ongoing monitoring of financial control is built into the normal, recurring operating activities of an entity. It involves actions against irregular, unethical, uneconomical, inefficient and ineffective financial control systems (Di Napoli, 2007). Monitoring involves separate evaluations which cover the evaluation of the effectiveness of financial control practices in achieving set objective.

The significance of IT role in financial controls effectiveness calls for IT general controls evaluation. These include: IT development and maintenance processes, system operations management and system security.

Control deficiencies are automatic material weaknesses. They must be evaluated to determine their impact on IT applications controls. IT controls are evaluated through understanding institutional structure of IT functions, IT specific policies and procedures, hardware, key software, networks and use of service organisation. Since IT applications controls are embedded in project processes, these controls are evaluated to determine design and operational effectiveness, completeness, input data accuracy and validity, adjustment of error data and reprocessing, master data accuracy and access control (COSO, 2007).

Models of Financial Decision Making

The research is anchored on theoretical models for financial decision making propounded by Bush (1995) and Pary (1997). Institutions like schools define the way in which financial management and control decisions are made. According to Bush (1995) and Pary (1997) there are five main models of financial decision making. These are rational, political, collegial, ambiguity and reference models which are relevant to financial administration.

Rational Model

Davies and Glendinning (2007) and Deakin (1998) stated that “rational approaches are based on the assumption that the school directly relates resources expenditure to the achievement of its objectives” (p.345). Resources are allocated according to the size of school’s population. Lavacic (1995) says that “this model places emphasis on the value of effective administration, the concept of economy, efficiency and effectiveness” (p.62).

The rational model is based on normative assumption and reflects the views about how schools and staff have to behave (Anderson, 2001). The model has

three key elements which are output-budgeting, zero-based resources decisions and multi-year time horizon.

According to Davies et al. (1994) “output budgeting focuses on the outcomes of the educational activities rather than resource input” (p.346). The zero – based resources decision model starts a year with a clean slate rather than basing decisions on previous practices. Multi-year time horizon involves abandoning simplistic one year financial planning or resource relocation in favour of multi-year financial planning. It involves spreading expenditure over a longer time period. It makes attempt to match the nature of education with resources expenditure or resources allocation.

Strengths of the Rational Model

According to Coleman and Anderson (2000) “zero-based decisions is good when the school or institution undergoes a change” (p.107). It is also good when a manager moves spending from one area of the budget to another. It stresses justification of expenses. Zero- based decision is time consuming, as the core centre is to calculate the financial needs afresh each year on what its commitment will be. One other problem is that over estimation may occur because the previous budget is not used as a basis for decision-making and to make sure that sufficient funds are allocated for (Coleman, 2000).

Weaknesses of the Rational Model

As the rational model emphasises objectives, it is better to verify that decision making does not represent the interest of few unrealistic influential individuals. Multi-year time horizon planning gives one an opportunity to plan for a longer time which is good but one needs not to overlook the operational or developmental plans which operate for shorter periods or on

daily basis. If one has budgeted for many years, it helps one not to duplicate his/her needs or requirements.

Political Model

According to Bush (1995, pp.74 -7) political model emphasises “prevalence of conflict in an institution. Interest groups form and pursue their interests at every opportunity. Decision making depends on bargaining and negotiation and the outcome usually on who has the power. The key element in the political model is incremental which links the previous year’s budget with minor incremental to budgetary processes, micro politics which relates spending decisions, the relative powers of groups and individuals in the institution. Political model has the institutional process, which relates budgetary consideration to wider institution issues.

Strengths of the Political Model

Political components weakness is that influential individuals may be dominant. Powerful individual politicians dominate all decisions in the meetings.

Weaknesses of the Political Model

Incrementalism does not give room for alternatives unlike zero-based resources allocation, which allows one to budget for new things without taking into consideration the previous budget. It is only proper and applicable on what was on the previous year’s list.

Collegial Model

According to Coleman, Bush and Glover (1994), collegial model of decisions are made through a process of discussion leading to consensus. Staff

has a formal representation within decision making. Because decisions are a participatory process, it leads to ownership of decision.

Weaknesses of Collegial Model

Collegial part of the model tends to be slow and cumbersome leading to frustration with the process. As one consults all stakeholders, too much time and patience is needed. The consensus process is flawed and it is likely that participants will represent sectional interests, which might lead to conflicts than co-operation. This might lead to political model on solving problems through conflict and negotiation. It is not correct to assume that all members of the staff want to participate or agree with consensus. It also creates problems for school managers who are accountable for decisions even though the decisions may not have enjoyed their personal support. The school manager is the school's accounting officer, so some decisions may be pushed through his/her throat without his/her consent.

Ambiguity Model

It is assumed that turbulence and unpredictability are dominant features of the institution. There is no clarity over objectives as schools do not deal with clear, transparent and unambiguous objectives. Participation in policy-making is fluid as members opt in or out of decision-making opportunities. In this model, budgetary decisions are likely to be characterized by lacks of clarity. A further source of ambiguity is the fluid participation in decision-making. Schools cannot use this model unless the school's leadership is confused (Bush, 1995).

Reference Model for Financial Tracking in Schools

According to Parry (1997), the heads of senior high schools should use reference model to track the school's finances to avoid fraud. The Reference Model highlights the contribution of records management to the mainstream objectives of the heads of the senior high schools. The management of public school's finance is a fundamental responsibility of any head. A sound financial control system supports school accountability by disclosing to the parents and to the government information on the use of resources; past, present and future. In an era of economic policy reform, this has become the critical element determining the overall ability to manage the school and to ensure transparent and accountable headship.

The Reference Model defines good practice for the management of financial records and provides tools to evaluate and monitor the performance of record keeping systems. It focuses on the transaction records that are used by and produced as a result of financial management functions, in particular the accounting function. Relevant administrative, operational and policy records are also taken into account, including tenders, contracts, accounting directives and others. Many schools are introducing computerised integrated financial management systems that include all financial functions from budgeting to auditing. The Reference Model takes account of the requirements for managing records in computerised systems and analyses the optimal ways of creating the linkages between the manual (ie paper-based) and computerized parts of systems (Davies, Ali & Eduardo ,1998).

Tracking Function

The tracking function is concerned with the movement of records. A common mechanism for ensuring the integrity of financial transactions is to separate duties (e.g. one individual is responsible for creating the record, another for posting details to subsidiary ledgers and another for authorising). The record keeping system should be able to track records through processes and systems. In order to aid retrieval, it helps maintain physical integrity and prevent unauthorised access or use. It is essential that the location and custody of financial records be controlled and monitored and the use be controlled through the implementation of user permissions and views in a computerised environment and through access restrictions in a manual environment (Davies et al., 1998).

In a manual, paper-based records management system, each time a file is moved, this fact must be recorded in the records office. File movements are monitored in a number of ways: on file transit sheets that are filed in a file transit book, on transit ladders that appear on file covers, on file movement slips and through regular file censuses. This process works well for financial records that are filed in a registry or in a centralised office filing system (eg contracts, tenders, financial correspondence and so on). However, this may not be a practical method of controlling transaction records (Tanzi & Hamid 1998).

The day-to-day retrieval and movement of financial records within the records creating unit, e.g. the accounting office, does not normally require recording. Records retrieved from their permanent location for operational purposes should be returned at the close of business each day. The storage

location of current and non-current records should be clearly identified and logged in a location register. If records are issued to another agency, this should also be recorded. It is advisable to limit the number of records issued to another agency and the period of time that they may be retained. For example, auditors may need to temporarily remove records from the system, but this load should be monitored closely and the records should be retrieved if they are not returned within the agreed period of time (Parry, 1997).

A computerised financial control system should be able to track where a transaction is in the financial management process; links should be provided through the registration and classification process to the supporting paper source documents. Tracking is critical to aid retrieval and ensure that records are not lost or misfiled. Staff should be able to determine in a timely and efficient manner the location of every transaction record or file, as appropriate, for which they are responsible. Tracking is also an important control for deterring unauthorised access (Comer, 1998).

The Role of Heads as Financial Managers in SHS

Heads of institutions are expected to oversee the activities of the bursar/accountants, matron and other accounting officers to ensure that school funds are put into efficient use. The heads of schools are directly responsible for the conduct of all schools financial activities in accordance with roles, policies and procedures. School finance committee must have authority to approve all receipts and expenditures of schools for all internal accounts. Authorising staff to act in the heads place do not negate the headmaster's overriding authority and responsibility. School finance committee must have the right to review and approve on a monthly basis, receipts and expenditures for

all school internal accounts. School finance committee approves all fund raising activities by non-school organisations using school facilities (Financial Administration Regulation, 2004).

According to Financial Administration Regulation (2004), the control of the financial decisions and transactions that are subject to financial committee unit shall be performed by the internal control division of the unit. According to the Financial and Accounting Instructions for Secondary Schools 2004, it is the duty of the head of an institution to ensure that proper provision is made for the safe custody and banking and investment of cash. The heads must ensure that safe custody of value books property and stores, proper accounts, books of account and records are kept.

It is the responsibility of the heads to make sure quarterly and annual accounts are prepared; debts owed by the institutions are promptly paid and debts owed to the institution are promptly collected. all Audit Reports and queries are promptly considered and replied to; exercise supervision over the work of the Bursar and other accounting officers ensure that annual estimates are prepared as well as income is being collected in accordance with the approved estimates. The head of the institutions is expected to design a database to track all inflows and outflows in SHS to avoid any financial malfeasance (Block & Geoffrey, 2008).

The Role of School Bursar /Accountant in SHS

In senior high schools the central authority in finance section belongs to the head of financial service unit. Head of financial services unit may delegate this authority in writing to his deputy or to the head of internal control division of the unit on condition that he/she clearly defines the limits.

In no uncertain terms, the school Bursar/Accountant or other staff person designate is responsible to the head for receipting all school's funds, maintaining accurate financial records and following money handling procedures as stated (Financial Administration Regulation, 2004).

At the end of each monthly reporting period, it is the responsibility of the bursar or the designate to make available the internal accounts records for each student activity. The bursar with the help of the headmaster handles and approves all grants and gifts from both government and non-government sources. The bursar's office must also maintain a database of available sources of funds and all revenues collected.

According to the Financial and Accounting Instruction (2004) for secondary schools, in the pursuance of the above tasks, the head of SHS shall have the assistance of his chief technical officer, the bursar, in financial and accounting matters. The bursar shall be responsible for ensuring that there is always an adequate stock of receipt books. It is the duty of the bursar/accountant, before passing vouchers for payment to check that the prices charged for contracts are accordingly approved, or are fair and reasonable according to the local rates and that services specified have been duly performed (Oduro, 2008).

The Role of Other Financial Officers in SHS

One of the biggest tasks in Ghana's SHS in educational management and administration is the management of the school fund by the heads, the school Board of Governors and the financial committee. This task has given schools much more freedom in managing their own affairs and opened the door to better ways of managing the school fund (Dean, 2004). There is a

considerable delegation within the schools, with individuals being responsible for the budgets for their departments. Each department thus becomes a cost centre with its own budget and responsibility for spending (Berkhout, 1992).

This means that not only the heads, but also the heads of departments and subject heads must become knowledgeable about the management of their school fund. It also means that there must be clear systems for dealing with the school budget and which cover the way money is allocated, how the school accounts are kept and the way spending is monitored. These systems are not only needed by heads but by all the members of staff who have a budget responsibility (Dean, 1993). Heads should encourage discussion within departments about budget spending so that all members of the staff are aware of and have a say as to how the school fund is administered (Berkhout, 1992).

However, I as a researcher bet to differ because most assistant heads I collected data from indicated that they were not involved in the financial administration in their schools.

Challenges Facing School Heads as Financial Managers

It is common to find school heads who feel that management of school funds is not problematic and who take it for granted as a simple day-to-day operation which could be tackled easily. Hence many school heads would not actively seek avenues for upgrading their financial management competence through appropriate training programmes or courses. Related to this issue is a view that preparation of school heads as financial managers is a one-shot or once in a life-time process in professional preparation (Ribbins, 2000).

Very often, a need for continuity, follow-up and recurrent training is not recognized and valued by school heads themselves but by the GES. A

solution to these two problems could be partly found by making available a variety of development programmes and publicising their availability and usefulness to school heads as financial managers (Ribbins, 2000). Preparation and training efforts should take good account of organisational context and constraints within which school heads will be operating or working. In addition, a thorough knowledge and appreciation of social, economic, cultural and political factors that impinge on these schools are necessary before meaningful and adaptable training or preparation can be given (Campher, Caprio & Honoham, 2002).

The classical problem of bridging gaps between theoretical frameworks offered in programmes for school heads as financial managers on the one hand, and practical situations on the other, is still a reality. Closer and continuing contact of trainers with practising or operating environments, and opportunities for trainers to work for specific periods in schools and education offices would help to resolve this problem partly. Another approach would be to integrate as much as possible theoretical positions and practical realities in a truly interactive manner. Such attempts to integrate theoretical aspects and practical implications should be undertaken at the preliminary planning stage itself and continued through programme delivery, evaluation and feedback. Theory-practice integration should be supported and reinforced by research and development (Campher et al., 2002).

The Concept of Financial Control

Financial control is defined as the procedures designed to protect assets and ensures that all financial transactions are recorded to prevent and reduce errors and fraud (Block & Geoffrey, 2008). Again, financial control is to

provide an overall guiding framework for a sound and efficient management of resources in all institutions. The goal of having a strong system of financial control is to promote the institution's ability to reach its objectives, providing reliable financial data, safeguarding assets and records, evaluating operational efficiency through budget, organisational control and encouraging adherence to prescribed policies and regulations.

Financial control practices are put in place to keep an organisation on course towards profitability goals and achievement of its mission, and to minimize surprises along the way. Financial control practices promote transparency, accountability, efficiency, reduce risk of asset loss, and help ensure the reliability of financial statements and compliance with laws and regulations. Since financial control serves many important purposes such as transparency, accountability and efficiency, there are increasing calls for better financial management practices and report cards on them (Block & Geoffrey, 2008).

Effective financial controls including the maintenance of proper accounting records are important elements of internal control. They help ensure that the institution is not unnecessarily exposed to avoidance of financial risks and that the financial information used within the business and for publication is reliable. They also contribute to the safety of assets, including the prevention and detection of fraud (ACCA, 2010).

Responsibility for the sound management of financial resources is important both for managing the people and other resources of an organization objectively. In smaller institutions, much of the management responsibility rests with the manager in the field and can lead to the duplication of roles

which will then demand that the manager be competent in all areas of finance. However, in order to achieve quality financial reporting, it will also mean that they must have a good overview of their project's progress, and it can be found that good financial records make sound project monitoring and evaluation much easier (Kraak, 2001).

According to Hendrickse (2009), for financial accountability to be ensured in an organization, certain financial policies need to be in place to ensure proper project implementation and book keeping practices. One such policy that is essential for good accountability is the need to get permission before using a cheque. It is always done to ensure that each expense is part of an agreed budget and that the person in authority, often the project manager or director, has authorized. This needs to be filed and the slips of the payment made with that cheque, attached. In other words, there should be proper supporting documentation for all disbursements, petty cash and reimbursements.

Financial Control and its Environment

Financial control involves the acquisition and allocation of organisational resources and the tracking of performance resulting from such allocations. In a profit-oriented enterprise, financial statements form the basis for the stockholders' assessment of performance of management. In not-for-profit organisations, management seeks to satisfy the needs and desires of its constituents within a set of financial (budgetary) constraints. In either case, financial resources are the focal point for managerial decision making, action, and accountability. Methods and techniques utilized in the performance of

these financial functions are relevant to managers in all types of organisations utility (Kumar & Sharma, 2011).

Financial control in the public sector borrows liberally from the tools and concepts of business management. The transfer of techniques cannot be complete, however, because of the basic features of government services which include the need to provide for the common welfare and safety of the community and to allocate basic public services on other than the criterion of the ability to pay.

A traditional role for financial control is that of record keeping. Reports of past performance are prepared for internal management control as well as outside groups, such as stockholders, creditors, and the general public. The extent to which these reports can pinpoint responsibility for any deviations from anticipated performances largely depends on the degree of sophistication built into the accounting and related management control mechanisms. If financial control mechanisms become overly rigid and lose sight of their operating objectives, counter measures and subterfuges will emerge that may destroy the effectiveness of the system (and possibly the organisation itself). To remain effective, record keeping functions must achieve organisational compliance by demonstrating their utility to all levels of management (Jowell, 2009).

Effective Control of School Resources

According to Wanyama (2005), a basic tenet in financial control and management is that costs should be incurred only if by so doing, the school can expect to move toward agreed-upon goals and objectives. In determining whether the commitment of governmental resources improves conditions in

the school, there should be basis for assessing the value to individuals of such actions. The Pareto criterion suggests that the welfare of a school is improved if some staff are made better off while no one is made worse off. This criterion has no logical flaws and does not require interpersonal comparisons of utility. Not all staff in the school are likely to benefit equally from a given government action (Garner, 1998).

Legal and Regulatory Framework

Ghana has a well-built legislative framework for public financial management and control, following the promulgation of updated Public Financial management (PFM) laws and regulations in recent years. The Constitution sets out plainly the fiscal roles of the executive, legislative and judicial branches and provides the basis for the raising of resources and their expenditure. Within the framework of the Constitution, the laws governing the management of public funds include the Financial Administration Act of 2003 (FAA) and the Auditor-General Act of 2000. These are supplemented by the Financial Administration Regulation (FAR). The legislative and regulatory framework sets out the fundamental budget and accountability structures, including: (i) the requirement that all revenues, loans and grants be paid into the Consolidated Fund (CF), out of which only legally approved expenditures can be made; (ii) suitable lapses by Parliament; (iii) comprehensible statement of the powers and duties for the key players, including MoFEP, the Controller and Accountant-General's Department (CAGD), Chief Directors of MDAs, and the Auditor-General (AG); (iv) the delegation of responsibility and accountability for public resources to individuals through the system; and (v)

clear and well-documented roles and responsibilities for all stakeholders (Mac Menamin, 1999; Van Home & Wachowize 2001).

The CAGD is the Chief Accounting Officer of the Government and is responsible for keeping the public accounts. The Constitution creates the Office of the Auditor General and requires it to audit and report on the public accounts of the state and all public offices. The Audit Service Act (2000) specifies the responsibilities of the Auditor General and the scope and time frame of the audits. Parliament also recently approved the Public Procurement Act (2003). The Act establishes a Public Procurement Board to make administrative and institutional arrangements for public procurement in a fair, transparent and non-discriminate manner. The new board was inaugurated in August 2004. Also promulgated recently was the Internal Audit Agency Act (2003), which established the Internal Audit Agency to co-ordinate, facilitate and provide quality assurance for internal audit units being established in the MDAs and MMDAs. The IAA Board was inaugurated in August 2004 (External Review of Public Financial Management 2006).

Many scholars have written a lot on financial controls with regards to financial management. Outside the country, there are numerous literatures on the subject. Internally too, there are Authors within the accounting professions who have also contributed so much on financial controls and financial management. However, it must be emphasized that some of the literature pertains to specific country and not Ghana. Only few local authors make some link to certain practices regarding organizations in the country. According to Mac Menamin, (1999); Van Home and Wachowize (2001) Financial Management is defined as the determination, acquisition, allocation, and

utilization of assets financial resources, usually with an overall goal in mind. From this definition, it can be concluded that financial management deals with the functions of investment, financing, and asset management (Mac Menamin, 1999; Van Home & Wachowize 2001) further develops this definition by stating specifically that financial management is about: “analyzing financial situations, making financial decisions, setting financial objectives, formulating financial plans to attain those objectives, and providing effective systems of financial control to ensure plans progress towards the set objectives” (p. 9).

Cash Mobilisation and Disbursement in Schools

Cash mobilisation techniques fall into two areas: (1) acceleration of receivables and (2) control of disbursements. Receivables are those funds that come into the organisation's treasury. Disbursements are funds paid out to vendors and others who have provided services to the organization. The timing of disbursements is an important decision that has implications for the liquidity position of any organisation. Delaying cash outflows enables an organization to optimize earnings on available funds. Good cash control management practices generally dictate that disbursements are made only when due (Brinkerhoff, 2001).

Adequate credit must be available if any public institutions are to survive in the short term. Keeping a tight rein on bank balances has become an increasingly popular cash control management principle. Money not needed to meet operating costs or for compensating balances required by banks should be invested in interest-yielding securities. All receipts, checks, money orders, and cash should be deposited as soon as possible. Idle funds, such as checks

sitting in safes, cash registers, or desk drawers overnight, could earn income for the institutions if invested in short-term securities (Saxton & Guo, 2011).

Primary determinants in selecting a specific security included: (1) safety/risk, (2) liquidity and marketability, (3) maturity, (4) yield, and (5) price stability. Public officials accord safety the highest priority, followed by liquidity and yield. The money market instruments most widely used by local governments are arrayed against these basic characteristics.

The objectives of financial control over cash collections is to ensure that all cash which the firm is entitled to is received, accounted for, banked promptly and intact, and entered accurately in the books (Milli & champ, 2002). According to the Ghana Education Service Instructions for Secondary Schools the Head of an institution shall ensure that adequate provision is made for the safe custody of cash by means of providing a safe for the bursar. Safes shall be set in concrete or built into an inner wall. Cash in excess of immediate requirement or in excess of the authorised maximum shall be banked immediately at a station where there is a bank or banked the next day at a station where there is no bank (Saxton & Guo, 2011).

School instructional and curriculum objectives can be achieved when the school has sufficient funds to meet its capital and recurrent expenditures such as putting up buildings, buying textbooks and other teaching and learning materials, and paying the salaries of teachers and other staff. Funds for the activities of the school come from various sources, (Commonwealth Secretariat, 1993; Owusu, 1998; Doudu, 2001). These sources of school funds include:

1. Central Government Grants.

2. Ghana Education Trust fund (GET fund)
3. District/Municipal/Metropolitan Assemblies
4. Parents and Students/Pupils
5. Community Groups
6. Foundations and Charitable Organisations
7. Internally Generated Funds (IGF).

Of these, the major source of school funds is the central government (Adesina, 1990). Central government makes the largest contribution to the school funds because human capital theory suggests that investment in education has very high socio-economic returns for a country, especially a country that has limited resources.

Senior high schools should also invest in securities that can be readily converted into cash either through the market or through maturity. In general, securities characterised by low risk, high liquidity, and short maturities will also produce low yields. For a security to provide high yields, one or more of the other criteria must be compromised. Although some localities are beginning to invest in high-grade, high-yield corporate bonds, many local officials still rank yield as the least important of all the criteria in selecting an investment instrument (Behn, De Vries, & Lin, 2010).

According to financial administration regulations 2004 L.I. 1802, regulation 84, sections 1 and 2 indicated that “schools with investment in endowment fund and any trust fund can invest in short term securities like treasury bills, fixed deposit etc. However, internally generated funds and government grants and subsidies shall not be invested in securities” (Ghorman & Amakye, 2013, p. 99).

Cash Management

Cash management refers to the investment the organisation has in transaction business balances to cover scheduled out flow of the funds during a cash budgeting period and the fund the firm has tied up in precautionary cash balances (Eun & Resnick, 2008). According to Eun and Resnick, cash management deals with determining the optimal level of cash, the appropriate types and amounts of short-term investments in cash as well as the efficient methods and controls of cash collections and disbursements.

According to Watson and Head (2007), cash management is part of the wider task of treasury management concerned with optimising the amount of cash available, maximising the interest earned by spare funds not required immediately and reducing losses caused by delays in the transmission of funds. Because many transactions of the organisation involve the receipt or disbursement of cash, its efficient management has a great significance for the management's success in the process of achieving organisational objectives. Efficient cash management can be instrumental in preventing losses from fraud or theft, to maintain a sufficient amount of cash, to make necessary payments and to have a reasonable balance for emergencies. It also prevents unnecessarily large amounts of cash from being held idle in bank accounts that produce little or no revenues. Cash and short-term interest bearing investments are the firm's least productive assets. Unlike the firm's other liquid assets (inventories and accounts receivable), cash is not required for producing goods or services. When firms hold cash in currency and in non-interest bearing accounts they obtain no direct return.

Procurement, Corruption and the Ghanaian Educational Sector

The educational sector is one of the largest public sectors of any country. According to Daily Guide, a Ghanaian News Paper (2011), there are about 610 public senior high schools in Ghana and the number has been on the increase. Information about procurement in the educational sector are many at times non-existence. However, because there is a linkage between corruption and procurement, the literature considers the issue of corruption and education and links it to the public procurement law. In the education sector, people who are involved in procurement are confronted by corrupt practices at any point in time.

Saxton and Guo (2011) claim that corruption is not a new phenomenon because research on procurement began a decade ago. The reasons for this was that corruption issues came up only recently on international agenda with the adoption of the Organisation for Economic Co-operation and Development (OECDs) 1999 Convention on Combating Bribery of Foreign Public Official in International Business Transactions and the adoption of the 2003 United Nations Convention Against Corruption (UNCAC). Secondly, the parties involved in education feared that the image of the sector might be tarnished and so resources allocated to the sector might reduce.

This study focuses on corruption in education due to new challenges that emerged such as rapid growth in resources allocated to education, the decentralization of education system funding and management just to mention a few. These challenges, according to Saxton and Guo (2011) present new opportunities for large scale corruption and fraud. This study talks about how to deal with the issue of corruption in the educational sector, how to improve

accountability and transparency in each domain of educational planning and management such as financing, teacher management, public procurement which is of more interest and examinations. Finally, the article demonstrated that to improve accountability and transparency in the education sector, action must be taken on three main topics namely, the development of transparent regulation systems and standards, the building of management capacity and the promotion of greater ownership of administrative and financial processes.

It was interesting to note how corruption goes a long way to affect each domain of educational planning and management. The issue of looking at how public procurement law affects education sector with regard to financial control is important because the effectiveness of the financial control practices is premised on sound procurement law and its transparency and accountability. If these two words cannot be satisfied then it means that the school's operations are hindered.

Prevention and Detection of Fraud and Error

Municipal administrators are responsible for taking reasonable steps to prevent and detect fraud. They are also responsible for preparing financial statements which give a true and fair view. However, the Auditors must plan and perform their audit procedures and evaluate and report the results thereof, recognising that fraud or error may materially affect the financial statements. As strong system of internal control will give the Auditors some assurance that fraud and error are not occurring, unless management are colluding to overcome that system. (ACCA, 2007).

Accountability

According to Gray and Manson (2005), accountability in the local government is described as a vexing task. They argued that, while in commercial business, attention is focused on the satisfaction of customers on one hand, and shareholders on the other hand; this is not the case in public sector organization.. This is so because the public sector organisations are only meant to make services assessable and affordable to all rather than being profit oriented.

Audits and Investigation

An Audit is an investigation or a search for evidence to enable an opinion to be formed on the truth fairness of financial and other information by a person or persons independent of the preparer and persons likely to gain directly from the use of the information, and the issue of a report on that information with the intention of increasing its credibility and therefore its usefulness. (Gray & Manson, 2005)

Rittenberg and Schwieger (2001) also defined auditing as “a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence and communicating the results to interested users”. The auditing function operates on the assumption that financial statements and financial data are verifiable. There is no necessary long term conflict between auditors and managers of organisations being auditors. A potential short-term conflict however may exist. Effective internal control structure reduces the probability of fraud or irregularities in an organization.

Internal and External Control Practices

The control practices typically centre on budgeting and recording finances as well as internal and external controls.

Budgeting and Recording School Finances

Financing education may be valued as the provision of money and physical input such as school building, text books, teaching and learning materials and in-service training for education personnel in order to ensure a proper functioning of the education system. Central Government is the predominant source of funding education in Ghana. It is worthy to note that government spending on education increased substantially to about 48% between 1998/1999 and 2000/2001 that is from 67,800 Ghana Cedis to 130 million Cedis. Since 1997, the annual recurrent budget for the education sector has accounted for about 35% of the national recurrent budget. The total spending on education in 1999/2000 represents 3.9% of GDP. This amount has been allocated approximately in the proportion of 75-80% for pre-tertiary, 12-15% for tertiary and 5-10% for GES Headquarters and others.

However, the actual amount released has generally been lower than the approved budget estimates. For example, the 2001 per capita releases showed that the percentage shortfall for Senior Secondary School was 57.1%. The primary school pupils received only about 20% of what was budgeted for. The tertiary institution received between 50-60% of their requirement. It is also on record that the allocation of funds per student by government for the period 1997-2001 has been reducing considerably in terms of the US dollar due to the rapid depreciation of the Cedis and increase in enrollment. For example, while in 1977, the allocation per student amounted to \$1,114.10 that of 2001 was US

\$ 566.10. Government funding has declined significantly in real terms, as cost per student has not kept up with the rate of inflation (Meeting the challenges of education of the twenty first century: (Ministry of Education, 2002). The Accelerated Development Plan of the Educational Act of 1961 sought to establish free and compulsory primary education for all children of school-going age. This is further emphasized by Article 25 clause (19) of the 1992 Constitution which provides that basic education which consists of Primary and Junior Secondary School should be free and compulsory and available to all by 2015 (Ministry of Education, 2002).

According to the 1992 constitution, secondary education should be progressively free. The concept of education at this level being progressively free is an ideal and the achievement of this constitutional requirement will depend upon improvement in the economy. Compared to the basic level, the secondary level is an area that has been neglected in terms of funding. The contribution of parents/guardians to education delivery at the secondary level has increased from GHS 99,706 million in 1999 to GHS 152,192 million in 2000 and GHS 224,101 million in 2001 (Republic of Ghana, 2002).

Internal Financial Control

Internal control is a process, effected by an entity's board of directors (Council), management and other personnel designed to provide reasonable assurance regarding the achievement of heads' objectives in the effectiveness and efficiency of operations, reliability of financial and management reporting, compliance with applicable laws and regulations and protect the organisation's reputation (INTOSAI, 2004).

According to Cunningham (2004), Internal Control Systems (ICS) begin as internal processes with the positive goal of helping a corporation to meet its set objectives. Management primarily provides oversight activity; it sets the entity's objectives and has overall responsibility over the ICS. Internal controls are an integral part of any organisation's financial and business policies and procedures (INTOSAI, 2004). Internal controls consist of all the measures taken by the organisation for the purpose of protecting its resources against waste, fraud and inefficiency; ensuring accuracy and reliability of accounting and operating data; ensuring compliance with the policies of the organization; and evaluating the level of performance in all organisational units of the organisation (INTOSAI, 2004).

Internal Control Systems are applicable to each organisation in relation to key risks and are embedded within the operations and not treated as a separate exercise. ICS should be able to respond to changing risks within and outside the institution and they are a means to an end, not an end in itself, (Cunningham, 2004). Cunningham further states that internal controls are effected by people not merely policy manuals and forms, but people functioning at every level of the institution.

Types of Internal Control

Millichamp (2002) states the following as the types of internal control for the purposes of financial control. These are the activities which are in the form of policies and procedures structural to achieve institutional objectives. Institutions must be well defined with organizational structure showing how responsibility and authority are delegated. The types of internal control can be categorised as:

Physical control

These are concerned mainly with the custody of assets and involve procedures and security measures designed to ensure that access to assets are limited to authorised personnel only. These activities for safeguarding of records may include maintaining control at all times over unissued documents as well as other journals and ledgers and restricting access to computer programs and data files.

Authorisation and approval

To ensure proper segregation of duties all monies should require proper initiation, authorisation and approval by appropriate needs. The limits to these authorisations should be clearly specified. All transactions should require authorization or approval by an appropriate person..

Personnel controls

This deals with procedures to ensure that personnel have capabilities which are consistent with their responsibilities. Selection and training as well as the characteristics of personnel involved are important features to be considered in setting up any control systems. All potential employees should be interviewed and their references obtained and confirmed. This is to ensure that only qualified and honest staffs are recruited.

Arithmetic and accounting control

These are the controls within the recording functions which check that, transactions to be recorded and processed have been authorised, are all included and are correctly recorded.

Management controls

These are controls exercised by management outside the day-to-day routine of the system. They include the overall supervisory control exercised by management, the review of management accounts and budgetary comparisons of internal audit function and so on. These controls exercised by management are outside and over and above the day to day of the system. They include overall supervisory controls, review of management accounts, comparisons with budgets, internal audit and any other special review procedures.

Management has a fundamental responsibility to develop and maintain effective internal control. The proper stewardship of State resources is an essential responsibility of agency managers and staff. State employees must ensure that State programmes operate and State resources are used efficiently and effectively to achieve desired objectives. Programmers must operate and resources must be used constantly with agency mission, in compliance with laws and regulations and management (Robertson & Louwers, 2004)

Organisational controls

Organisations should have a plan defining and allocating responsibilities for all aspects of their operations. There should be a clearly specified or defined line of delegation in order to ensure proper management of the institutions.

Segregation of duties

Segregation of duties deal with the separation of those responsibilities or duties which when combined enables an individual to record and process a complete transaction. It reduces the risk of intentional manipulation or accidental error and increases the element of check and balances in the system.

Key functions that must be separated include those of authorisation and execution, custody and recording (Millichamp, 2002).

Millichamp (2002) describes segregation of duties as follows: No one person should be responsible for the recording and processing of a complete transaction. The involvement of several people reduces the risk of intentional manipulation or accidental error and increases the element of checking of work. Article 15 of “Procedures and Principles on Internal control and Ex-Ante Financial control” says that duties of the authorizing officer and accounting officer cannot be given to the same person. Those who carry internal financial control duty in financial services unit shall not be assigned any duty in the process of preparation and implementation of financial decisions and transactions such as preparation of approval document and its attachments, specifications and draft contracts, and accepting goods and services and shall not be chairman or member Tender commission, examination and Admission commission

Supervision

Any system of internal control should include the supervision by responsible official of day-to-day transaction and recording thereof. The responsibility for supervision should be clearly laid down and communicated to the person being supervised. An important aspect of any control system is the existence of supervisory procedures by the organisation. This means that all members of staff should be supervised and their work reviewed to ensure that work done is of required standard and procedures being adhered to.

External Financial Control Institutions

From the central government, the external financial control institutions with relevance to accountability in education sector include the Parliamentary Public Accounts Committee (PAC), Office of the Auditor-General (OAG), and Ministry of Finance and Economic Planning, and Education Ministry.

Office of auditor-general (OAG)

The 1992 Constitution mandates the Auditor-General's Office to audit and report to Parliament, the public accounts of Ghana and of all public offices, including public schools, courts, the central and local government administrations, universities and public institutions' accounts. The OAG, for that matter has to conduct financial and value- for-money audits in respect of any project involving public funds. The OAG is obliged to submit to parliament annually a report of the accounts audited by his office (including those of local government) for the financial year immediately preceding. Besides, the OAG is mandated to offer guidance and enhance technical capacity in the internal systems of local government. The OAG has external auditors attached to various government departments including the education sector. Through external audits, the OAG every year discovers several cases of abuse of office and misuse of public funds, in spite of the several control mechanisms in place (Domelevo, 2006).

The OAG, however, faces impediments ranging from poor financial and human resource capacities to overwhelming audit responsibilities. The increasing number of local government units, arising out of creation of new districts in recent years, has not been met with the staffing levels at the regional offices (OAG-Policy Statement, 2007). According to the Auditor-

General's report, accounts of lower local governments of 2003/2004 were not audited by the close of financial year 2006/2007, three years after the statutory period, owing to capacity limitations (OAG Report, 2006). There have been allegations in media reports that the external auditors sent to districts collude with district officials to cover-up financial improprieties (Bryner, 2003).

Audits and financial control practices

An audit is a process for testing the accuracy and completeness of information presented in an organisation's financial statements. In addition to the materials included in the audit report, the auditor often prepares a management letter or report to the board of directors. This report cites areas on the organisation's internal control system which the auditor evaluates as weak. Many auditors provide year-end financial accounting services which are not part of the audit. These include preparing year-end financial statements based on clients' reports, depreciation schedules and accruals and other adjustments based on clients. This serves as an independent examination of the existing accounting systems to see whether it is effective and gives a true and fair view of an organisation's state of affairs as at a particular period in time enhancing the effectiveness of financial accounting (Vincent & Emil, 2000).

According to Kumar and Sharma, (2011), an audit is an examination of such records to establish their reliability and the reliability of statements drawn from them. An audit is an examination of the books, accounts and vouchers of a business, as shall enable the auditor to satisfy himself whether the balance sheet is properly drawn up, so as to give a true and fair view of the state of affairs of the business, and that the profit and loss account gives a true and fair view of the profit or loss for the financial period, according to the best

of his information and the explanations given to him as shown by the books; and if not, in what respect he is not satisfied.

The Public Accounts Committee (PAC)

The PAC is a constitutional parliamentary standing committee established under the provisions of the 1992 Constitution of Ghana. It is charged with the responsibility of monitoring and supervising the resource utilisation of all government departments. The PAC scrutinises annual reports submitted by the Auditor-General and in the exercise of its functions, it is empowered to enforce the attendance of witnesses and examining them on oath, affirmation or otherwise; and compelling the production of documents to justify the utilisation of public resources. On many occasions, the district Controllers and Accounting Officers (CAOs), of respective districts, do appear before the PAC to answer queries reflected in the Auditor-General's reports. Several reasons are given ranging from missing vouchers, negligence, and collusion by public officials. The CAOs are made to answer queries arising out of offences committed by the public servants below them (Fourie, 2006).

One problem is that the PAC has often been unable to aptly deal with a number of reports and recommendations, especially from the OAG and the IG over a multitude of cases concerning corruption and abuse of office, despite their being required by law to discuss and take appropriate action within six months on receipt of such reports (UNDP, 2005). A number of excuses are given ranging from overwhelming workload to lack of resources, but there is no justification for allowing errant heads of senior high schools to go scot-free after misusing school fees collected.

Knowledge of the Financial Administration Laws and Regulations

The Financial Administration Regulation Act 2004 is a legislative instrument (L.I.1802) that guides the conduct of public officers responsible for the receipt and disbursement of government funds. Its preamble states as follows: “In exercise of powers conferred on the commissioner responsible for management of finance (Minister of Finance) by section 187 of financial administration, amended by financial administration Act, 2003 Act 654”.

These accounting responsibilities shall apply to any public sector concerned with the conduct of financial business on behalf of the government of Ghana or for the receipt, custody and disbursement of public and trust monies or for the custody, care and use of public stores shall keep proper records of the transaction and shall produce such records for inspection when called upon to do so by the Director-General of Education, the Minister of Finance, Auditor General, Controller and Accountant-General, by any officer deputed by them and failure to keep or render such records shall be deemed to be a breach of discipline. This document which contains different regulations and legislation are the rules and regulations that control every act of public account in the country. The Financial Administration Act governing the work schedule of staff of public second cycle institutions should be copied and distributed to workers (Ghorman & Amakye, 2013).

Value for Money

Value for Money means not paying more for goods or services than its quality or availability justifies. Public spending implies a concern with economy (cost minimization), efficiency (output maximization) and effectiveness (full attainment of the intended results) (Davies, 2007; Deakin,

1998 & Glendinning, 1998). The most effective way to improve Value for Money is by reducing the level of irregularity and fraud through improvements in the educational systems of internal financial control (Kaplan, 2009).

Value for Money (VFM) can be achieved by eradicating waste in benefits services processes and systems. The critical success factor for a public sector organisation is the degree to which it fulfills its set objectives and mission in terms of being efficient, effective and economical. The internal control systems are key in achieving the organisational set mission and objectives; hence Value for Money. The main approach to VFM is the heads control over the use of resources in order to achieve its set objectives (Davies, 2007). Regulation 1802 of Internal Audit Act 2003, Act 658 requires the Head of Internal Audit to carry out regular reviews to ascertain whether institution receives VFM in all its activities.

Heads of Departments should establish sound arrangements for planning, appraising, authorising and controlling operations in order to achieve Value for Money. Davies (2007) holds that the public sector applies no consistency in defining Value for Money (VFM), and the decision making strategies of SHS are poorly defined and applied irregularly hence the schools are able to exploit the definition of VFM to justify their actions. However, many authors hold that Value for Money is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires and/ or provides, within the resources available to it.

The most effective way to improve Value for Money is by reducing the level of irregularity and fraud through improvements in the Government's

systems of internal financial control (Kaplan, 2009). Communities need to be assured that their resources are being used efficiently and effectively in providing the right service at the least cost. However, Kerr (2005) observed that the will to provide Value for Money in Government spending is weak because accountability to taxpayers and the public is generally weak.

According to Heald (2003), VFM analysis needs to pay attention to total risks and VFM is related to concepts of efficiency and effectiveness. Fryer, Jiju, and Ogden (2009) hold that despite a long period of implementing performance management within the public sector, improvements in performance, accountability, transparency, quality of service and Value for Money have not yet been achieved.

Supervision and Monitoring in Financial Control Practices

It is necessary for the school head to exercise adequate supervision over the work of the accountant and other accounting officers of the school. Supervision is required in a number of ways. In the preparation of annual budget estimates, the head does not only have to supervise the work of the accountant, he has to direct the accountant with respect to the items that have to be budgeted for in the estimates (Owusu, 1998. p.128). One important aspect that requires a very effective supervision is concerned with the writing of cheques. Before appending his signature to a particular cheque, the head should carefully make sure of the following issues.

First, there should be no unduly large spaces left in-between the words indicating the amount on the cheque leaf and a line should be ruled to cover the space left after the word "only" written on the cheque leaf. Second, the amount in figures should be written as close as possible to the cedi sign (GH¢)

and the two zeros written to represent no pesewas (if there are no pesewas) should be crossed. Double lines should cover the uncovered portion of the cheque. Again, a cheque leaf that is cancelled should not be removed from the cheque book. Also it is important to have the counterfoil also counter-signed by all signatories.

Furthermore, the head should never sign a blank cheque and, it is always necessary to make sure a cheque leaf is not taken from the back or middle of the cheque book. The practice of always checking whether the remaining cheque leaves are intact is highly recommended for heads to adhere to. The amount on the cheque should reflect the amount stated on the payment voucher which, in turn should be supported by documentary evidence. It is important to make sure there are no large spaces left after the following numbers (in words) since they can be altered: six(ty), seven(ty), eighty(ty) and nine(ty). It is necessary to state that there should be at least two signatories for a school cheque (Commonwealth Secretariat Module Five, 1993, pp 37-38).

The head has to develop an appropriate procedure for the collection of fees and other monies, such as PTA dues. Indiscriminate collection of fees and other monies into a common source could result in shortage and an improper approach to accountability. Purchasing is another crucial area which should receive the heads fullest attention. It is advisable that the head desist from the frequent use of certificates of honour. Efforts must be made to obtain receipts for goods purchased. It is a laudable achievement for the head of an educational institution to work seriously, faithfully and honestly in the area of financial management. Sound financial management ensures efficient use of resources and contributes creditably to the attainment of institutional goals and

objectives. According to GES Financial Administration Regulation (2004), the heads are supposed to do the following checks to ensure financial discipline:

1. The head must keep receipt register and receipt books under lock. He must form a procurement and budget committee to prioritize needs appropriately by purchasing the approved equipment or materials based on budget estimate.
2. All transactions must be submitted with receipts or honor certificates must be attached when there is no receipt.
3. The head must periodically invite the internal audit team to minimise wastage of financial resources. He must raise vouchers for every payment and ensure that the accountant and the accounting officers work in accordance with Ghana Education financial laws and regulations. The head must make provisions for the safe custody, banking and investment of cash, and the safe custody of value books, property and stores. Proper quarterly and annual accounts must be regularly prepared.

Challenges Related to Financial Controls Practices

Berk and Demarzo (2008) argue that the separation of ownership and control creates the possibility of management entrenchment facing little threat of being fired and replaced. Managers are free to run the firm in their own best interests. As a result, managers may make decisions that benefit themselves at investors' expense. No amount of planning and organising will assure that goals are attained. Control is therefore the essential final step in the management process to ensure that things proceed as planned or the unrealistic

plans and targets are revised, where appropriate. As the final step in the management process, controlling provides the critical link back to planning.

Cole and Kelly (2011) state that the primary aim of the control function of management is to measure performance against aims, objectives and standards with a view of enabling corrective actions to be taken, where necessary to keep plans on course. Control is essentially a question of developing feedback systems throughout the organisation by ensuring that there is progress, accurately and deviations if any that need to be made to stay on the course. Financial control takes the targets of desired performances, its standards, then collates information systematically which relates to actual performance (usually on a monthly or four-weekly period basis and identifies the variances between target and actual performance). The primary aims of financial control are to; establish short-term business plans, determine progress towards the achievement of short-term plans, ensure coordination between key areas of the organization, delegate measurable responsibilities to managers without loss of control and provide a controlled flexibility for meeting change in the short-term.

Berk and Demarzo (2008) lament that most projects require the firm to invest in net working capital and the firm in this case is secondary schools. The main components of net working capital are cash, inventory, receivables and payables. Working capital includes the cash that is needed to run the firm on a day-to-day basis. It does not include excess cash, which is cash that is not required to run the business and can be invested at a market rate. Inventory management receives extensive coverage in a course on operations management. Nevertheless, it is the firm's financial manager who must

arrange for the financing necessary to support the firm's inventory policy and who is responsible for ensuring the firm's overall profitability. Therefore, the role of the inventory manager is to balance the costs and benefits associated with inventory, because excessive inventory uses cash as efficient management of inventory increases firm value. There is a need for precautionary balance which is the amount of cash a firm holds to counter the uncertainty surrounding firm's cash flows. These control activities lead us to corporate governance which in this case refers to the system of controls, regulations and incentives designed to prevent fraud from happening.

Boddy (2011) observes that financial control process incorporates four elements; setting objectives or targets, measuring actual performance, comparing this against the standard and taking action to correct any significant gap between the two. Therefore, controlling is the counterpart of planning and is the process of monitoring activities to ensure that results are in-line with the plan and taking the corrective action required. The balanced score card supplements measures of financial performance with those of customer satisfaction, internal process, and innovation and growth which all play a part in an overall assessment of performance.

Boddy (2011) found out that controls can encourage behaviour that is not in the best interests of the organisation, can encourage people to supply the system with inaccurate information and people will resist controls that they feel threaten their ability to satisfy their needs from work. Therefore, financial management in schools is at a crisis and research needs to be carried out to help in suggesting strategies for the way forward.

Summary

This chapter has reviewed literature on financial control in public second cycle institutions. From the review it can be concluded that as long as financial problems continue to exist in SHSs, there is the need for careful planning in education to optimize the available resources. Therefore, the present study was designed to address the problem of financial control and practices in allocation of funds, budgeting and financial management and how this can help improve for the implementation of school programmes, with particular reference to public second cycle institutions in Cape Coast Metropolis.

CHAPTER THREE

RESEARCH METHODS

This chapter presents the procedures used to conduct the study, focusing on study area, research design, target population, sample and sampling techniques, sampling frame, research instruments, pilot study, data collection procedure and finally data processing and analysis.

The Study Area

Cape Coast Metropolis is bounded to the north by Twifu-Heman-Lower-Denkyira, to the south by Gulf of Guinea, to the east by Abura-Asebu-Kwamankese District and to the west by Komenda-Edina-Ebirim-Aguafo. Cape Coast Metropolis has 12 public second cycle institutions with estimated students populations of about 25000. The Metropolitan has about six circuits with about 60 public Junior high schools. The Metropolitan is the cradle of education in Ghana. The Metropolitan has one University, a Polytechnic and one College of Education. However, the indigenes are mostly farmers and fishermen.

Rationale for Choice of Study Site

The study was conducted in Central region of Ghana specifically in the Cape Coast Metropolis. The schools selected were considered to be a mixture of well-endowed and less-endowed schools of which every school in Ghana exhibits one of these characteristics. Mismanagement of school funds have

been a matter of concern (Auditor-General Report, 2013-2014) and so I wanted to find out whether, even in the Metropolitan schools, there were grounds for the existence of these problems. Therefore all the 12 schools in Cape Coast Metropolis were targets for the purpose of assessing the effectiveness of the financial control activities.

Research Design

The study adopted cross-sectional survey design employing mixed methods, which is a procedure for collecting and analysing both quantitative and qualitative data at the same stage of the research process within a single study to understand a research problem more completely (Creswell, 2012). The researcher used a cross-sectional survey because it facilitated the collection of data from different strata of respondents namely, heads, assistant heads, accountants/bursars, directors and auditors. Survey research are procedures in quantitative research in which investigators administer a survey to a sample or to the entire population of people to describe the attitudes, opinions, behaviours, or characteristics of the population (Creswell, 2012). Surveys use a standard set of questions to get a broad overview of a group's opinions, attitudes, self-reported behaviours, and demographic and background information (Onley & Barnes, 2008).

Cross-sectional surveys gather information on a particular population at a distinct time. Longitudinal surveys on the other hand, collect information over a period of time. Creswell (2012) argues that despite the many applications of surveys today, there are still only two basic types of research surveys: cross sectional and longitudinal. He opines that survey researchers

use cross-sectional designs to collect data about current attitudes, opinions, or beliefs and longitudinal designs are used to study individuals over time.

Creswell (2012) argues that cross-sectional survey design has the advantage of measuring current attitudes or practices. It also provides information in a short amount of time, such as the time required for administering the survey and collecting the information. Cross-sectional survey was preferred as a method of data collection over others in this particular study due to the fact that many questions were asked and it was possible to reach the entire respondents within a short period of time (Fowler, 2002). The study used cross-sectional survey to collect information on the financial control practices of heads of public second cycle institutions in Cape Coast Metropolis of Ghana.

Cross-sectional survey design however has limitations in that it does not involve a treatment given to participants by the researcher. Because survey researchers do not experimentally manipulate the conditions, they cannot explain cause and effect; instead, they describe trends in the data rather than offer rigorous explanations. Survey researchers often correlate variables, but their focus is directed more toward learning about a population and less on relating variables or predicting outcomes (Creswell, 2012).

The study also used a mixed-methods approach. A Mixed-methods approach combines both qualitative and quantitative methods of research. Tashakkori and Teddlie (2003) argue that multiple methods are useful if they provide better opportunities for a researcher to answer research questions and where the methods allow a researcher to better evaluate the extent to which the

research findings can be trusted and inferences to be made from them. There are three types of mixed methods which include:

Sequential mixed methods: the researcher seeks to elaborate or expand the findings of one method with another method, the operative word being sequential. The researcher can e.g. commence with an exploratory, qualitative study that informs a second, quantitative study,

Concurrent mixed methods: the researcher unites or merges quantitative and qualitative data in order to provide a comprehensive analysis of the research problem, but here both forms of data are collected at the same time.

Transformative mixed methods: the researcher uses a theoretical lens as overarching perspective with focus on change and advocacy. The design contains both quantitative and qualitative data.

The type of mixed methods used is the concurrent transformative design. The concurrent transformative design may take on the design features of either a triangulation or nested design. That is, the two types of data are collected at the same time during one data collection phase and may have equal or unequal priority. This was guided by the use of a specific theoretical perspective. This perspective was based on ideologies such as prudential and efficiency theories, participatory research, and a conceptual or theoretical framework. This perspective is reflected in the purpose or research questions of the study.

The rationale for mixing was that neither quantitative nor qualitative methods were sufficient by themselves to capture the trends and details of the situation such as financial control practices in senior high schools. When used in combination, quantitative and qualitative methods complement each other

and allow for more complete analysis (Green, Caracelli & Graham, 1989, Tashakkori & Teddlie, 1998).

In the mixed methods approach, the researcher builds the knowledge on pragmatic grounds (Creswell, 2003; Maxcy, 2003) asserting truth is “what works” (Howe, 1988). While designing a mixed methods study, three issues need consideration: priority, implementation, and integration (Creswell, Plano, Clark, Guttman, & Hanson, 2003). Priority refers to which method, either quantitative or qualitative, is given more emphasis in the study. Implementation refers to whether the quantitative and qualitative data collection and analysis comes in sequence or in chronological stages, one following another, or in parallel or concurrently. Integration refers to the phase in the research process where the mixing or connecting of quantitative and qualitative data occurs.

In quantitative research, the researcher relies on numerical data (Charles & Mertler, 2002). He/she uses post-positivist claims for developing knowledge, such as cause and effect thinking, reduction to specific variables, hypotheses and questions, use of measurement and observation, and the test of theories. The researcher isolates variables and causally relates them to determine the magnitude and frequency of relationships. Quantitative analysis according to Borrego, Elliot and Douglas (2009) is for the researcher to project her findings onto larger population through an objective process. It allows the researcher to make generalisations or inferences based on the answers given. This type of analysis was needed for my study because of the objective opinion of the school leaders on the effectiveness of financial control practices on their day-to-day activities and running of the schools.

Qualitative analysis also, according to Borrego et al. (2009), is characterised by the collection and analysis of textual data which are surveys, interviews, focus group discussions, conversational analysis, observation of the context within which the study occurs. It allows the researcher to make connection between the study and his/her situation.

Qualitative research is mainly concerned with understanding the research problem from the participant perspective as they experience the problem as it is related to their reality and as they view the problem and ascribe meaning to their life-world. Qualitative research focuses on individuals' social actions, beliefs, thoughts and perceptions. Qualitative data can produce a wealth of knowledge from a restricted number of people. The experiences, opinions, feelings and knowledge of people could be captured by direct quotations, and are not distorted or limited by predetermined, standardized categories.

Justification for Using Mixed Methods Design

The use of mixed methods in the same research study has become common in recent times. Creswell (2003, 2005) suggests that the concept of mixing different methods probably originated as far back as 1959 when Campbell and Fiske used multiple methods to study the validity of psychological traits. Since then, mixed methods have been used in research activities in various fields including education. In fact, Borrego et al., (2009) states, "it is a legitimate inquiry approach" (p. 28). Since the beginning of the 1980s many papers have been published which argue that, even if there were differences in the philosophical assumptions, quantitative and qualitative methodologies were not mutually exclusive, and that the use of the concept of

'paradigm' in educational research was not appropriate in general (Creswell (2003; 2005). According to Creswell (2003), the position of such authors was that a paradigmatic view of social and educational research is neither true empirically nor historically. In practice, it has become feasible to combine quantitative and qualitative methods in the same study for different reasons. For example, when methods are combined in the same study there are a number of possible outcomes four of which are:

1. **Corroboration**, the 'same results' are derived from both quantitative and qualitative methods.
2. **Elaboration or expansion**, the qualitative data analysis exemplifies how the quantitative findings apply in particular cases.
3. **Complementarity**, the qualitative and quantitative results differ but together they generate insights.
4. **Contradiction**, where qualitative data and quantitative findings conflict (Brannen, 2005, p. 176).

However, in a review of 57 mixed methods studies, in US, Greene, Caracelli and Graham(1989) identified and gave the following examples of evaluation projects that demonstrated five purposes for adopting mixed methods design strategies: triangulation, complementarity, development, initiation, and expansion. Greene, Caracelli and Graham (1989) add that design that seeks to marry the two traditions are without inherent dangers which requires one to tread cautiously when applying them in a single research endeavour.

Creswell (2005) reminds researchers that working quantitatively and qualitatively involves considerations at each phase of the research enquiry.

Further, Creswell (2005) distinguishes between the ways in which qualitative and quantitative research are combined in terms of: (a) the importance given to qualitative and quantitative approaches in the research investigation, (b) the time ordering or sequencing of the approaches; and (c) compare the results from quantitative and qualitative analyses (Creswell, 2005).

Population

The target population for the study consisted of all the 12 public second cycle schools' heads, 31 assistant heads and 12 bursars/accountants in the Cape Coast Metropolis. The study also considered four other officers, namely, the regional and metropolitan directors and auditors. The total population size was 59.

These schools were Mfantshipim School, Adisadel School and St Augustine school which are all boys; Wesley Girls SHS and Holy Child School were also girls. The mixed schools were Aggrey Memorial Zion SHS, Ghana National School, Efutu SHS, Christ the King SHS and University Practice SHS. The technical schools were Oguaa Secondary Technical and Cape Coast Technical Institute.

Sample and Sampling Technique

The census technique was used to select all the members in the 12 schools. All the schools in the Metropolis were believed to have almost the same characteristics in terms of financial management practices. The respondents were therefore selected purposively and they were 12 heads, 12 accountants, 31 assistant heads, two education directors and two auditors in charge of senior high schools. Out of the 12 heads, six were females.

The reason was in the present study it was desirable to include specific sections of the study population that have potential in-depth information and understanding of the basic themes of the study. This method was chosen because the respondents answered the questions and responded to the interviews as objectively as possible. The total sample size was 59.

Table 1: Sampling Frame Using Census Technique

	Accessible Population					Total
	Heads	Asst. Heads	Accountants	Directors	Auditors	
Schools						
And Officers						
Mfantshipim School	1	3	1	-	-	5
St. Augustine College	1	3	1	-	-	5
Adisadel College	1	3	1	-	-	5
Holy Child	1	3	1	-	-	5
Wesley Girls SHS	1	3	1	-	-	5
Aggrey Memorial Zion	1	3	1	-	-	5
SHS						
Ghana National School	1	3	1	-	-	5
Efutu SHS	1	2	1	-	-	4
University Practice SHS	1	2	1	-	-	4
Christ the King SHS	1	2	1	-	-	4
Oguaa Secondary	1	2	1	-	-	4
Technical						
Cape Coast Technical	1	2	1	-	-	4
Institute						
Officers	-	-	-	2	2	4
Total	12	31	12	2	2	59

Source: Field Data (2015)

Instruments

A questionnaire and an interview guide were used as a data collection instruments. The use of mixed methods was intended to enable the triangulation of data and make assessment of the balance of evidence given.

The questionnaire was made up of 32 close-ended items for the assistant heads and the same items for the school accountants/bursars. Two sets of questionnaire were administered to the respondents. Set 1 was designed for the assistant heads of schools and set 2 for school accountants (bursars). A minimum of 43 copies of questionnaire were administered to 31 assistant heads and 12 accountants in the schools.

Close-ended questions, according to Cohen, Manion and Morrison (2003), are quick to compile and straight forward to code, and do not discriminate unduly on the basis of how articulate the respondents are. The five point likert-type scale used ranged from “Strongly agree (SA), “Agree” (A), “Undecided” (U), “Disagree” (D) to “Strongly Disagree” (SD). According to Ary, Jacobs and Razavieh (2002), the Likert-type scale is one of the most widely used techniques to measure attitudes. Borg and Gall (1997) found it to be popular, easy to construct, administer and score. This was distributed personally to the respondents of the selected schools on appointed and accepted dates. The questionnaire was appropriate because it was assumed that since the respondents were literate they would be able to respond to the questions unaided. The questionnaires were advantageous in that they saved time, were confidential, had increased access to populations and eliminated interviewer bias (Kombo & Tromp, 2006).

An interview was conducted with the heads, regional and Metropolitan directors as well as the auditors on one-on-one basis on different dates scheduled by both the researcher and the participants. The responses were handwritten and/or tape recorded for easy analysis. Interviews were conducted with 12 heads, two directors of education and two internal auditors in charge of second cycle schools in the metropolis. In all, the interviewees were 16. Its advantage was that it had direct contact or conversation between the researcher and the respondent, and it allowed clarity of responses. Secondly, more detailed information was elicited, as it gave the opportunity to follow up the ideas and probe responses, which could lead to vital areas of information that the researcher might overlook while designing the schedule.

Pilot Testing of Instruments

The interview guide and questionnaire were first tried out on two of the public schools in Mfantseman Municipality, namely Mfantseman Girls and Methodist Senior High, Saltpond. The motive behind the pilot-test was to help evaluate and enhance the efficiency and reliability of the instruments used. This pilot-test involved 11 respondents from two schools. They were two Heads, two accountants, five Assistant Heads, one Municipal education director and the internal auditor in charge of education.

Mfantseman Municipality was chosen for pilot study because it was found to be very close to Cape Coast Metropolis and also has commonalities with the latter. After critical examination of the pilot-test instruments I amended the wording of a few items. This was necessary because some of the questions were found either to be unclear or not relevant.

Reliability

Mugenda and Mugenda (2003) define reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trial. The piloting of the instrument facilitates the assessment of the clarity of the questionnaire and interview items. Those items found to be inadequate or vague were modified to improve the quality of the research instrument, thus increasing its reliability.

The objective of the pilot-test was to determine the clarity and adequacy of the instruments in testing their reliability and validity. The pilot testing enabled the researcher to modify some aspects of the original questionnaire and interview guide using Cronbach Alpha reliability test. Cronbach's Alpha reliability coefficient was established to be .765 which is above the threshold of .700. Such reliability values, according to Livingstone (1985), were a fair indication of good internal consistency, and the researcher concluded that the instruments were adequately reliable.

Validity

Validity is defined as the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda & Mugenda, 2003). In other words, validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Validity, according to Borg and Gall (1989) is the degree to which a test measures what it purports to measure. The pilot study helped to improve face validity of the instruments. According to Borg and Gall (1989), content validity of an instrument is improved through expert judgment. As such, the researcher sought assistance

of his supervisors, who are experts in research, in order to improve content validity of the instruments.

Trustworthiness of Qualitative Research

Quantitative research is commonly established in terms of its reliability and validity; however these criteria are inappropriate for qualitative research because they reflect a particular philosophical and epistemological orientation. Lincoln and Guba cited in Malan (2001), suggest that qualitative research should rather be assessed in terms of the credibility, transferability, dependability and conformability of its data. In this study, various attempts were made to enhance the trustworthiness of the research finding. The research used multiple forms of literature to obtain information. The data collected were cross-referenced with research conducted on similar works and this was meant to establish credibility.

Ethical Concerns

According to Creswell (2002), the moral principles and values influencing the conduct of research by a researcher or group of researchers are referred to as ethics. Furthermore, he stresses that researchers have to be honest with the way they conduct their work. Also, he outlines eight ethical issues in the researcher–respondents’ relationship such as: preserving the identity of the respondents; being careful not to expose respondents to mental stress; taking care of questions detrimental to their self-interest; not involving respondents in research without their knowledge; not using dangerous equipment for data collection; not being deceptive; not using force to get information; and not depriving respondents of their rights. I took the above

ethical issues into consideration when formulating the questionnaire and interview schedule for the data collection for this study.

Data Collection Procedure

A letter of introduction was obtained from the Institute for Educational Planning and Administration, University of Cape Coast and was sent to the selected senior high schools to obtain research permit (see appendix F). The sets of questionnaire were administered to the assistant heads and the accountants. Then, the heads, Directors of education as well as internal auditors in charge of education were interviewed. It took four months to finish the administration and the collection of the instruments.

The questions were discussed with the respondents and distributed to them to answer. This type of questionnaire was used because it helped in determining values as well as views, attitudes and experiences of the respondents. The intention for giving out sets of questionnaire was to obtain the views and opinions as to the objective of the study. Also, interviews were conducted on face-to-face basis involving direct interaction. This was done to facilitate direct and immediate access to respondents.

Data Analysis

Qualitative content analysis was used to analyse the transcribed interviews. Nieuwenhuis's (2007) guideline was used to reduce, condense and group the content of the interviews. A coding frame was drawn up, also providing for verbatim reporting where applicable. Preset codes were used. This was done to look for themes and similar ideas or responses to the questions posed to the respondents of which the respondent's information or speeches were translated into specific categories for the purposes of analysis.

The content analysis was done within the framework of the core management tasks of financial control, namely planning, organising, leading and controlling. From the categories, patterns and themes which could also be linked to the research questions were identified and described. The identification of emergent themes allowed the information to be analysed and related to the literature. According to McMillan and Schumacher (2001), qualitative data analysis is primarily an inductive process of organizing the data into categories and identifying patterns (relationships) among the categories.

Quantitative data were collected, edited and analysed using Statistical Product for Service Solution (SPSS), IBM version 20. As Martin and Acuna (2002) observe, SPSS Version 20 is able to handle large amounts of data, and given its wide spectrum of statistical procedures, purposefully designed for social sciences and it is also quite efficient. Analysis of output included descriptive statistics (means, standard deviation, frequencies and factor analysis), analysis of variance, chi-square and regression analysis. Research questions were analysed quantitatively and also qualitatively. Quantitative Analysis (QA) and Qualitative Transcriptions (QT) are initialed in the Table 2 which presents the data justification analysis strategies.

Table 2: Research Questions and Statistical Tools Employed

Research Questions	Statistical Tests
1. How do the heads manage funds for the running of second cycle schools in Cape Coast Metropolis?	QA: Descriptive statistics with factor analysis Justification: Using decision rule to find out how the predictors affect the criterion variable and isolating the weak variables.
2. What are the attitudes of heads of schools towards the usage of funds in senior high schools in Cape Coast Metropolis?	QT: Transcribing and describing the events. QA: Chi-Square (X^2) Justification: Establish relationship between the attitude of heads and the usage of school funds.
3. What are the predictive values of internal controls that prompt heads to comply with financial laws and regulations in the schools?	QT: Transcribing and describing the events. QA: Regression Analysis Justification: explaining how the independent variables contribute to predictive ability of dependent variable.
4. What are the school administrators' capacity for budget preparation and	QT: Transcribing and describing the events.

Table 2 continued

Research Questions	Statistical Tests
5. financial accounting?	QA: Chi-Square (X^2) Justification: Establish relationship between administrators' capacity for budget preparation and financial accounting.
6. In what ways do external financial control mechanisms influence internal financial control in senior high schools in Cape Coast Metropolis?	QT: Transcribing and describing the events. QA: Regression Analysis Justification: explaining how the independent variable contributes to predictive ability of dependent variable. QT: Transcribing and describing the events.

Conclusion

This chapter had described the research methodology adopted for the study: study area, research design, the population, sample and sampling technique, instruments, data administration and collection procedure and analysis of the data collected. This is where the researcher established a criterion devoid of randomness for selecting the sample. In the purposive sampling, the sample was chosen to suit the purposes of the study, hence justification for this chapter. The study design was cross-sectional survey with mixed methods.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter presents and discusses the findings of the study in respect of the financial control practices of heads of public second cycle institutions in Cape Coast Metropolis in Ghana. The report begins with the background of the respondents put under sub-headings of sex of the respondents, age, qualification, experience of work and highest course attained. Next to this is the presentation of the main findings according to the order of the research questions. Both quantitative and qualitative analyses are presented concurrently in line with the concurrent transformative mixed methods design that was used.

Socio-Demographic Characteristics of Respondents

This section discusses the background information of the respondents such as sex of the respondents, age, qualification, experience of work and highest course attained captured in the study.

Table 3: Demographic Information of Respondents

Variables	Assist. Heads		Accountants		Total	
	N	%	N	%	N	%
Sex						
Male	19	61.3	10	83.3	29	67.4
Female	12	38.7	2	16.7	14	32.6
Total	31	100.0	12	100.0	43	100.0
Age						
20– 29 years	-	-	-	-	-	-
30 – 39 years	-	-	-	-	-	-
40 – 49 years	9	29.0	2	16.7	11	25.6
50+ years	22	71.0	10	83.3	32	74.4
Total	31	100.0	12	100	43	100.0
Level of Education						
Masters	15	48.4	-	-	15	34.9
Bachelor Degree	16	51.6	3	25.0	19	44.1
HND	-	-	6	50.0	6	14.0
RSA	-	-	3	25.0	3	7.0
DBS	-	-	-	-	-	-
Total	31		12	100.0	43	100.0
Work Experience						
0-5 years	17	54.8	-	-	17	39.5
6-10 years	14	45.2	2	16.7	16	37.2
11+ years	-	-	10	83.3	10	23.3
Total	31	100.0	12	100.0	43	100.0
Highest Course						
Accounting	3	9.7	7	58.3	10	23.3
Educational	13	41.9	-	-	13	30.2
Administration						
Others	15	48.4	5	41.7	20	46.5
Total	31	100	12	100	43	100

Source: Field Data (2015)

Table 3 shows that the total number of respondents were 43. Over 67% of these were males and almost 33% were females. This shows that males dominate in assistant headship and as bursars/accountants than females in SHS in Cape Coast Metropolis. The reason is that males are anxious to be in higher positions than females. Political model emphasizes “prevalence of conflict in an institution. Interest groups form and pursue their interests at every opportunity. Decision making depends on bargaining and negotiation and the outcome usually on who has the power (Bush, 1995, pp.74 -7)

Table 3 also shows that 71% of assistant heads and over 83% of the school accountant were 50 years and above. The rest fell between 40-49 years. It can be inferred that most of the positions in Ghana Education Service are occupied by relatively older people. Cole & Kelly (2011) state that the primary aim of the control function of management is to measure performance against aims, objectives and standards with a view of enabling corrective actions to be taken, where necessary to keep plans on course. It is therefore prudence to have relatively older people to be in headship positions because long service is a requirement,

Table 3 again indicates that all the assistant heads were holding first degree and second degree with percentage point of 51.6 and 48.4 respectively. Majority of the bursars were HND holders with a percentage point of 50. None of the respondents were holding Diploma certificates. This clearly shows that most of the employees have had university qualification. The evidence is that many of the staff members were undertaking distance or sandwich programmes thus making the figure of university qualification increased to such an extent. Campher *et al.*, (2002) The classical problem of bridging gaps

between theoretical frameworks offered in programmes for school heads as financial managers on the one hand, and practical situations on the other, is still a reality. Closer and continuing contact of trainers with practising or operating environments, and opportunities for trainers to work for specific periods in schools and education offices would help to resolve this problem partly

Furthermore, Table 3 shows that the work experience of assistant heads was between 0-5 years recording 54.8% compared to the bursars recording over 83% with work experience of 11 years and above. It clearly indicates that the bursars or accountants spend a greater number of years in their position than assistant heads. Based on these results, it can be concluded that the accountants had worked on their position for a long time, so they had enough experience to do their jobs accordingly. Dean (1993) indicated that not only the heads must become knowledgeable about the management of their school fund but also the assistant heads and other departmental heads in order get more experience to become heads in future. Experience in financial management is not only needed by the heads but by all the members of staff who have a budget responsibility.

Also Table 3 indicates that 48.4% of the assistant heads had not done educational administration. However, more than 58% of the accountants /bursars had done accounting as an advanced course.

Heads should encourage discussion within departments about budget spending so that all members of the staff are aware of and have a say as to how the school fund is administered (Berkhout, 1992). Very often, a need for continuity, follow-up and recurrent training is not recognized and valued by

school heads themselves but by GES. A solution to these two problems could be partly found by making available a variety of development programmes and publicising their availability and usefulness to school heads as financial managers (Ribbins 2000).

Main Data

This section discusses the main findings of the study. The discussion is done in relation to the literature review.

Research Question 1: How do the heads manage funds for the running of second cycle schools in Cape Coast Metropolis?

The research question sought to find out how the heads managed school funds. Descriptive statistics and factor analysis were conducted.

Management of School Funds

The results on management of school funds were analyzed and interpreted based on the decision rule of the instrument scale which was ordered such that a mean close to 3.6- 4.0 represents Very Often; 3.0-3.5, Often; 2.0-2.9, Sometimes ; 1.9 and below–Never . Factor analysis was also done to isolate the weak variables. The findings are presented in Table 4 below: The ACTS represent Accountants and AHDS represent Assistant Heads.

Table 4: Distribution of Responses on Management of School Funds

Expenditures	V. Often		Often		Sometimes		Never	
	ACCT	AHDS	ACCT	AHDS	ACCT	AHDS	ACCT	AHDS
	Mean of the responses							
Money spent on food.	3.83	3.65						
Money spent on utilities.			3.17	3.58				
Money spent on fuel.	3.83	3.65						
Money spent on stationery.			3.17	3.32				
Money spent on training and conferences.					2.00	2.39		
Money spent on rehabilitation					2.17	2.29		
Mean value= 3.15								

Source: Field Data (2015)

Results from Table 4 shows that spending on food purchases in SHS and money spent on cost of fuel were the most frequently occurring activities. These registered means of 3.83 and 3.65 for the accountant and the assistant heads respectively. It implies that the administration very often spent on food purchases to feed the students and also spent on fuel. Training and conferences as well as rehabilitation of school buildings had a mean mark below 2.5, indicating that the school authorities sometimes undertook those activities and did not spend on them regularly. The results of the Accountants and the Assistant Heads confirmed that there were some commonalities in the operations of the administration in terms of their perceptions. The analysis

means that there is no cost management with regards to the frequent purchased of items. Thus, items were bought in piecemeal because they are perishable.

According to Hoy and Miskel (2010) the responses is in contradiction with the theorist Harvey-Leibenstein (1993) who postulated that the general efficiency of a school rests in transforming inputs at minimum costs into maximum benefit. Here, it is important to note that the achievement of the school using little resources to achieve so much will go a long way to speak about the school administrators' capacity to manage resources and also see them as managers with good management skills. Also Arthur-Laffer (1980) postulated that everybody including school managers must know how to handle and spend money wisely (Hoy & Miskel, 2010).

Factor Analysis on Assessment of the Suitability

For data to be analysed using factor analysis the sample size and the relationships of the variables should be considered. The Bartlett's test of sphericity should be significant if $p < .05$ for the factor analysis to be considered appropriate.

Table 5: Bartlett's Test of Sphericity

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.484
Bartlett's Test of Sphericity	Approx. Chi-Square	28.068
	df	15
	Sig.	.021

Source: Field Data (2015)

Table 5 indicates that the Bartlett's Test of Sphericity is $.021 < .05$ at alpha level of significant indicating that factor analysis had been used appropriately in this discussion.

Rotated Component Factor Analysis on Management of Funds

Factor analysis was used to extract factors that measure on the management of school funds using the Principal Component Analysis and Varimax Rotation Methods. Principal component analysis is used for scale development evaluation. Information in the table indicates how often money was spent on items. Varimax Rotation is an orthogonal approach attempting to minimize the number of variables that have high loadings on each factor. Table 6 indicates the results.

Table 6: Rotated Component Matrix on Management of School Funds

Components	How Often Money Spent on the Items		
	4 V. Often	3 Often	2 Sometimes
Money spent on food purchase	.672		.407
Money spent on utilities	.594		.604
Money spent on running cost of fuel	.445	.648	-.385
Money spent on purchase on stationery	-.651		.439
Money spent on training and conferences.		.442	.321
Money spent on rehabilitation on school buildings	.438	-.474	

Source: Field Data (2015)

From Table 6, results showed that the Factor Analysis yielded three components. The three components were composed of *very often*, *often* and *sometimes*. The content of the items that loaded highly on component 1 reflected how often schools spend money on food purchase, .672. I termed this factor as ‘necessity and urgency through which the school runs’ because food items were purchased very often. The second factor that loaded highly on component 2 consisted of items that illustrated how often your school spends money on fuel .648. I termed the factor ‘the engine around which the school runs because schools spent on it often. The third factor on component 3 loaded highly on how often your school spends on utilities .608. For this factor I termed it as ‘necessity in financial control’. It is concluded that the major factors influencing the expenditure trend in the schools were regular purchase of food, stationery and fuel cost.

Extracted Component on Management of School Funds

The extracted component showed the variances and the Eigenvalues of the factor loadings.

Table 7: Regression Analysis on management of School Funds

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.668	27.803	27.803	1.668	27.803	27.803
2	1.233	20.544	48.347	1.233	20.544	48.347
3	1.031	17.189	65.536	1.031	17.189	65.536
4	.826	13.759	79.295			
5	.699	11.642	90.937			
6	.544	9.063	100.000			

Source: Field Data (2015)

Extraction Method: Principal Component Analysis

Table 7 explains the total variance. The factors were interpreted as component 1 (food purchases) with variance (27.803%) with Eigenvalue 1.668; component 2 (utilities cost) yielded 20.544% with Eigenvalue 1.233 and component 3 (fuel cost) also gave 17.189% with Eigenvalue 1.031. These items were sustained and considered more important in the expenditure analysis. They explained 65.536% of the variance in the money spent in the management of schools' funds. Items with Eigenvalues less than 1.0 were isolated and rejected since they did not impact significantly on daily expenses in the schools. The remaining 34.462 % may be due to other factors not explained in the study that account for the expenditure pattern in the schools. They are the factors whose input is not significant.

Conclusion drawn from the analysis on Research Question 1 indicated that the heads managed funds but purchased perishable goods and used fuel

very often and were not able to maximize the little resources available because of price hikes. It means that the heads could not use the little resources to achieve maximum results.

Interviews with the Heads on Research Question 1

How do the heads manage funds for the running of second cycle schools in Cape Coast Metropolis?

The school heads were interviewed to indicate their views on how they managed the available funds at their disposal. The analysis of the transcriptions of the answers of all the twelve heads indicated five important categories of meaning relating to research question one.

Managing school funds in accordance with the school budget

With regard to funds use and its management, 42% of the heads indicated that they managed school funds in accordance with the school budget. They indicated that in their schools they were fortunate to have parents who support fund raising projects. It is very rare that they experience problems with parents who do not pay school fees. That is why they have enough funds set aside to engage in development projects.

Disbursement of fund based on financial regulations

Seventeen percent of the heads said the funds were disbursed mainly on recurrent expenditure in line with financial regulations of SHS. Thus, money must be spent on areas it had been budgeted for. Money not needed to meet operating costs or for compensating balances required by banks should be invested in interest-yielding securities.

Using voucher system for payment

Exactly 25% of the heads indicated that payment of any item must be done through the voucher system and must be authorised by the head through the use of payment voucher. The heads indicated that the expenditure in their schools is controlled in accordance with Financial Regulation Act 2004 (LI 1802).

Using expenditure guide book

Little above 8% of the schools' heads said that expenditure guide book must be kept by the bursar/accountant on each bank account to track and control deposits and withdrawals. The heads said they dare not sign blank cheques.

Recording fees in appropriate books

Eight percent of the heads indicated that school fees collected are recorded in appropriate books of account and sent to bank immediately or keep in school safe under tight lock. Also every money collected from students is receipted. This avoids embezzlement or misappropriation of fund in the schools.

In conclusion, the heads managed funds in accordance with the school budget drawn. This is based on the financial laws and regulations.

Interviews with the Directors and Auditors on Research Question 1

The directors stated that it is true as directors of schools they have sound knowledge of management of finances. How the heads disburse funds remains a big question they said. But the GES as an employer is charged with the responsibility of ensuring that every head follows the laid down procedures in funds disbursement.

The directors stated that the heads are audited periodically and they also submit monthly and quarterly returns on income and expenditure for them to know the financial status of their schools.

The auditors affirmed that they assist financial management through the provision of advice and appraisals concerning the design and operations of how reckless spending can be avoided. The internal auditors explained that they review, evaluate and report on the soundness, adequacy and application of systems, procedures and other internal controls in schools as to how the heads utilise the available funds.

In conclusion, directors and auditors monitor how the heads receive and expend funds through their financial statement analysis. The discussions are in consonance with Wanyama (2005), who stated that a basic tenet in financial control and management is that costs should be incurred only if by so doing, the school moved toward agreed-upon goals and objectives.

Conclusions from research question 1

From both quantitative and qualitative analysis indicated that the assistant heads and the accountants said the heads managed funds but purchased perishable goods and used fuel very often and were not able to maximise the little resources available because of price hikes. Both the heads and education officers asserted that the heads managed funds in accordance with the school budget drawn. The external officers are in charge of monitoring the heads financial management through their quarterly financial statement analysis. It is therefore deduced that all the participants found ways of managing the little resources at their disposal.

Research Question 2: What are the attitudes of heads of schools towards the usage of funds in second cycle schools in Cape Coast Metropolis?

This research question sought to find out how the heads attitudes influenced the way they used funds. Chi-square statistics and cross-tabulation were used for the analysis.

Attitude of Heads towards the Usage of School Funds

According to Financial Administration Regulation (2004), the control of the financial decisions and transactions that are subject to scrutiny. According to the Financial and Accounting Instructions for Secondary Schools 2004, it is the duty of the head of an institution to ensure that proper provision is made for the safe custody and banking and investment of cash. The heads must ensure that safe custody of value books property and stores, proper accounts, books of account and records are kept.

A chi-square analysis and cross-tabulation were used to find out how the school fees were receipted and the person who draws school budget. Table 7 indicates the results.

Table 8: Chi-square Analysis of the Usage of School Funds

			Who draws the preparation of school budget				Total school budget	
			Accountant		School Head		N	%
			N	%	N	%		
			12	100	31	100	43	100
What is the attitude of heads towards the use of funds	Using school money to buy consumable goods	attitude of heads towards the use of funds preparation of school budget	66.7%			33.3%	100.0%	
		Total	50.0%		46.7%	48.8%		
		attitude of heads towards the use of funds preparation of school budget	32.6%		16.3%	48.8%		
		Total	63.6%		36.4%	100.0%		
	Using school money to enrich themselves	attitude of heads towards the use of funds preparation of school budget	25.0%		26.7%	25.6%		
		Total	16.3%		9.3%	25.6%		
		attitude of heads towards the use of funds preparation of school budget	63.6%		36.4%	100.0%		
		Total	25.0%		26.7%	25.6%		
	Using school money to embark on developmental projects	attitude of heads towards the use of funds preparation of school budget	16.3%		9.3%	25.6%		
		Total	65.1%		34.9%	100.0%		
		attitude of heads towards the use of funds preparation of school budget	100.0%		100.0%	100.0%		
		Total	65.1%		34.9%	100.0%		

Source: Field Data (2015)

Table 8 shows a very impressive number of 66.7% of the school accountants indicated that the accountants have expertise to use funds to buy consumable goods. Thirty-three percent of the assistant heads indicated the heads use school money to buy consumable goods for daily activities.

There was a consensus built on the responses between the assistant heads and the accountants that both the heads and the accountants have the expertise to use funds to buy consumable goods, however, heads authorised the school accountants to use fund as they monitor the process.

With the issue of who draws the preparation of the school budget, 50.0% of the accountants said they draw the school budget whereas 46.7 % of the assistant heads indicated that the heads draw the budget. The decision was inconclusive between the two respondents therefore a chi-square test of association was performed.

A cross-tabulation and chi-square statistics were done to determine the degree of association between schools' heads and the accountants in terms of using money to buy consumable goods and budget preparation in the schools.

Table 9: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.043	2	.979
Likelihood Ratio	.043	2	.979
Linear-by-Linear Association	.035	1	.853
N of Valid Cases	43		

Source: Field Data (2015)

The result in Table 9 shows a chi-square statistic of .043 with $df = 2$ and an associated probability, $p = .979$ for both the heads and the accountants. This was statistically not significant at the 0.05 alpha level of significance ($\chi^2 = .043$; $df = 2$; $p = .979 > 0.05$). The results meant that there is no association between the accountant and the head as the one who draws the budget for the school and use funds to buy consumable goods.

According to Hoy and Miskel (2010) the responses is in consonant with the theorist Harvey-Leibenstein (1993) who postulated that the general efficiency of a school rests in transforming inputs at minimum costs into maximum benefit. Here, it is important to note that the achievement of the school using little resources to achieve so much will go a long way to speak about the school administrators' capacity to manage resources and also see them as managers with good management skills.

To conclude the analyses on research question two, the financial officers have high level of expertise in the use of funds. The attitudes of heads of schools towards the usage of funds were that the heads authorised the accountants to prepare the budgets and also spend money on consumable goods regularly. The reason was that the heads had limited knowledge in financial administration so they delegate such responsibility to the school accountants. The reason of delegation was that the accountants had the expertise in the financial administration and therefore they draw the school budget.

Interviews with the Heads on Research Question 2

What are the attitudes of heads of schools towards the usage of funds in second cycle schools in Cape Coast Metropolis?

Analysis of this issue showed the underlying categories of meaning from the heads.

Delegation of financial duties

Fifty-eight percent of the heads said in terms of delegation of any of their financial management roles to other senior management team, the heads felt reluctant to do so because they are directly accountable for any mismanagement, misappropriation or embezzlement of funds that occur in their administration. However, due to expert hands they need to work with, they do delegate financial duties to school accountants. The reason given by the heads was that they do not have much in-depth knowledge on financial management hence the delegation.

Strict documentation of funds and records reporting to the users

Less than 9% of respondents indicated that there is strict documentation of every money that is received and disbursed. The internal school auditors audit the schools so that they do the right thing. Records on the finance are kept and report to the various stakeholders including board of governors, directors of education, parents, educationists etc. for analysis.

Applying for virement

Thirty-three percent of the heads admitted that they applied for virement occasionally. The reason was that it breached the financial regulations to use funds inappropriately so permission is sought from the appropriate quarters.

Thus, they use an amount of under spending related to one heading of expenditure in order to cover up over spending in another area. The heads vied

when they needed money urgently to complete a task which had been far overspent.

Have internal and external auditing checks

Seventeen percent of the heads said the schools periodically had internal as well as external auditors who audited the schools' financial records quarterly or annually. Measures such as correct accounting practices relating to the drawing up of income and expenditure statements, drawing up of the school budget, assessing the conditions of the schools' assets and staff involvement contributed to accountability and transparency in the usage of school funds.

Ensuring transparency in procurement system

Twenty-five percent of the school heads answered that they advertised goods, works and services the school needed within a given period of time before they ordered the items which fulfill the Public Procurement Law 2003 (Act 663). The reason was that, the effectiveness of the procurement law is based on its transparency and accountability and the schools' compliance so that they maximize the little available resources.

The heads however, indicated that poor procurement system resulted in higher costs to government, institutions and the public. People who are involved in procurement are confronted with corrupt practices because some awards of contract do not go through competitive tendering at certain times. The school tender committee and tender evaluation panel are not involved and that leads to corrupt practices.

In summary the heads used funds by delegating their financial roles to the accountants who have in-depth knowledge of financial management and

the usage of funds, however, procurement at times does not go through competitive tendering.

Interviews from the Directors and Auditors on Research Question 2

Directors and the auditors stated that the audited financial statements in schools are submitted quarterly or annually to the regional and metropolitan offices, and feedback is given to schools to recognise their efforts and to correct any anomalies in their use of funds in schools.

Another aspect that needed attention was the role auditors' play in schools. Auditors' reports were not to find fault with the heads but to monitor how they used school funds. The directors indicated that the heads vied in occasions when they want to release funds from under-spending area to complement over-spending areas and they do this through the application of virement.

In conclusion, the education officials ensured that the heads used funds judiciously and that was done through regular monitoring and auditing of the schools' accounts. Saxton and Guo (2011) however, lament over the issue of corruption in the educational sector and how to improve accountability and transparency in each domain of educational planning and management such as financing, teacher management, public procurement which are of more interest and worth examining.

Conclusions from Research Question 2

Conclusions drawn from Research Question 2 merge the quantitative and qualitative analysis. In the quantitative analysis, the assistant heads and school accountants indicated that the attitudes of heads of schools towards the usage of funds were that they are the spending officers and the management of

school funds is their mandate but due to limited knowledge in financial administration they delegate financial roles to the school accountants.

In the qualitative analysis majority of the heads indicated that due to expert hands they need to work with, they do delegate financial duties to school accountants who are more knowledgeable in financial accounting and that ensures proper use of funds. The education officers ensured that the heads used funds judiciously and that was done through regular monitoring and auditing the schools' accounts. In a nut-shell, the attitude of the heads in the usage of funds is done by expert hands hence the delegation.

Research Question 3: What are the predictive values of internal controls that prompt heads to comply with financial laws and regulations in the schools?

The discussion sought to identify the influence of internal controls leading to effective financial control practices. The discussions were analysed using multiple regression analysis.

Internal Controls Analysis

Multiple regression was used to determine the level of prediction of the independent variable. $Y = 5.599 + (-0.134 * X_1) + ((0.043 * X_2) + (-0.285 * X_3) + (0.105 * X_4) + (0.042 * X_5) + (0.362 * X_6))$. The analysis of variance of the multiple regression data yielded an F-ratio of .37 statistically was not significant at the $p = .963$ of 0.05 alpha level.

The independent variables are control environment, control activities, risk assessment, information and communication, monitoring, and information technology) for internal control systems of the dependent variable on financial control. The discussion centered on information technology (.362),

information and communication (.105), control activities (.043), monitoring (.042), control environment (-.134) and risk assessment (-.285). The analysis is discussed as per Table 10:

Table 10: Internal Controls Using Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.599	3.657		1.531	.137
Compliance to financial regulation and guidelines to avoid fraud.	-.072	.346	-.044	-.207	.838
School financial policies, procedures and guidelines are documented.	-.148	.317	-.090	-.467	.644
Expenditures are approved.	.124	.392	.067	.316	.755
Finance committee helps to control funds.	-.119	.210	-.139	-.564	.577
Internal audit reduces financial risk in the school.	-.133	.185	-.146	-.721	.477
Information communicated to stakeholders.	.112	.130	.178	.861	.396
School procurements provide reliable information.	-.120	.339	-.073	-.353	.726
The Accounting Officer publicizes the funds.	-.062	.189	-.067	-.328	.746
Monitoring helps to assess performance of heads.	.461	.289	.351	1.593	.122
The head considers audit findings.	-.508	.332	-.309	-1.530	.137
R=.983 R ² =.966 R ² Adjusted =.949 Std. Error =.928					

Source: Field Data (2015)

Information in Table 10 yielded a multiple regression square (R^2) of .966. Results show that the coefficient of determination R^2 adjusted = .949 predicting that 94.9% of the total variations in financial control is explained by control environment, control activities, risk assessment, information and communication, monitoring, and information technology. This means that other factors not explained in the study accounted for only 5.1%. The value of $R=.983$ in this model indicated a good and a high level of prediction. The results showed that analysis of variance of the multiple regression data yielded an F-ratio of .37 which is statistically not significant at $p = .963 > 0.5$ alpha level.

The control activities, information and communication, monitoring, and information technology yielded positive but weak relationships whereas the control environment and risk assessment predicted less and related negatively as practices on financial control. The overall model was not significant at $p = .963 > 0.05$ at alpha level and this indicated that there are other factors that affect financial control apart from the factors in the model.

ANOVA Model on Multiple Regression Analysis

Analysis of variance was conducted to find out the significance of the variables. The results are shown in Table 11.

Table 11: Internal Controls Using ANOVA Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.138	13	.318	.388	.963
Residual	23.769	29	.820		
Total	27.907	42			

Assumed Alpha value (α) of 5% (0.05)

Source: Field Data (2015)

Table 11 presents the ANOVA results which indicate that there was no significant difference between means of factors influencing financial control in SHS, ($F = .388$; $p = .963 > 0.05$; $df = 13, 29$). The results suggest that apart from the control systems in the model, there are other factors not accounted for. This finding is not in consonance with the findings of Cole and Kelly (2011) who state that the primary aim of the control function of management is to measure performance against aims, objectives and standards with a view of enabling corrective actions to be taken, where necessary to keep plans on course.

Conclusion drawn from the Research Question 3 indicated that there were four internal controls that contributed positively to financial control in the schools. These are information technology, information and communication, control activities as well as monitoring. These positive contributions but weak relationships show that there are some lapses in the financial administration.

Interviews with the Heads on Research Question 3

What are the predictive values of internal controls that prompt heads to comply with financial laws and regulations in the schools?

An analysis of the transcriptions of the answers of all the twelve heads indicated four important categories of meaning with this particular question.

Using computerized financial tracking system to control funds and assets

Thirty-three percent of the heads affirmed that they used computerized financial tracking system and it facilitated financial activities in the schools. They said it minimizes fraud and embezzlement of funds in the schools' financial activities. Majority of the heads did not have any idea about the

computerized financial tracking system. They therefore, used the manual system to check the schools' finances. It therefore means that computerized financial tracking system would make the heads abreast with the modern technology but the heads need in-service training on ICT to make them more efficient.

Delegation of financial duties and monitoring the process

All the heads said they delegated financial duties to the accountants and monitored their day-to-day activities. They monitored them through authorisation and inspection of cheques and value books to avoid any fraud. Although duties were delegated, heads made sure that the accountants conformed and complied with all the necessary accounting practices.

Segregation of financial duties

Majority of the heads, totaling 80%, answered affirmatively that no one person is responsible for the recording and processing of a complete transaction. Transactions involved several people to reduce the risk of internal manipulation or accidental error and increases the element of checking of work. The heads indicated that there is segregation of duties of at least two employees involved in processing a transaction, so that one employee provides an independent check on the performance of the other. The heads further stated that measures like segregation of duty and other watch-dogs put in place gave little or no room for corrupt practices and defrauding the school.

Periodic auditing in schools

All the heads said their schools were audited quarterly or annually. Controls are enforced by external auditors from audit service and internal auditors from Regional and District Education Offices to monitor the

operations of the school. Audit is integrated into the schools everyday accounting system so the internal school account is audited periodically.

In conclusion, internal control mechanisms of segregation of financial duties ensured frugal and careful utilisation of financial resources and sound internal controls. These controls are strategic planning, budgeting, monitoring and evaluation, regular audits, quarterly reports, budget preparation, workshops, as well as external controls are strong indices to compel heads to comply with financial laws and regulations in the schools.

Interviews with the Directors and Auditors

The directors said the school auditors do regular auditing to avert any fraud. The internal auditors stated that the heads institute control systems in their schools before they do the auditing. The directors and auditors indicated that school fees are collected through bankers draft to avoid any fraud.

The officers indicated that the school account is audited periodically. Thus, if a school is detected as being financially indisciplined it is placed on financial supervision for violating mandates governing internal accounting and the maintenance of proper documentation of school accounts.

Internal auditors in the schools do regular and routine checking in order to perfect the system. The metropolitan and regional internal auditors audit the schools termly and report to the directors of education. The external auditors on the other hand audit the schools annually and report to Parliament. Parliament then invites those schools who are victims of audit session and are queried to appear before the Public Account Committee for interrogation and investigation to be done.

In conclusion, the officials indicated that the schools are audited periodically to ensure compliance and also that school fees are collected through bankers' draft to avoid any fraud. Ghorman and Amakye (2013) opined that "financial duties and responsibilities of heads among other things are to exercise supervision over the works of the bursars and other accounting officers" (p.75). The heads make sure that proper books of account and records are kept and budget estimates prepared.

The assertions are supported by the GES Financial Administration Regulation 2004 (LI 1802) which states that the heads have to develop an appropriate procedure for the collection of fees and other monies, such as PTA dues. Indiscriminate collection of fees and other monies into a common source resulted in shortage and an improper approach to accountability.

Conclusions from Research Question 3

Based on quantitative analysis it is concluded that the internal controls in relation to information technology, information and communication, control activities and monitoring had positive contributions but weak relationships. These positive contributions but weak relationships show that there are some lapses in the financial administration.

The qualitative transcriptions indicated that there is segregation of financial duties in the schools to avoid fraud. Also the schools are audited periodically to ensure financial discipline.

Research Question 4: What are the school administrators' capacity for budget preparation and financial accounting?

This research question addressed the issue regarding the heads capability and knowledge level in financial accounting and budget preparation. Cross-tabulation and chi-square statistics were used to analyse the results.

Financial Control Practices and Payment of School Fees

Cross-tabulation and chi-square analyses were done to determine the degree of association between schools' heads and the accountants in terms of financial control practices and how the school fees were paid. Table 12 presents the results.

Table 12: Payment of School Fees Using Chi-square Analysis

Variable		How is school fees paid				
		Bank Draft (%)	Cash (%)	Pay-in-slip (%)	Others (%)	
How will you describe the financial control practices in your school	Not Very Effective	Financial control practices	(66.7)	(16.7)	(0.0)	(16.7)
		School fees paid	(11.4)	(50.0)	(0.0)	(20.0)
		Total	(9.3)	(2.3)	(0.0)	(2.3)
	Effective	Financial control practices	(100.0)	(0.0)	(0.0)	(0.0)
		School fees paid	(5.7)	(0.0)	(0.0)	(0.0)
		Total	(4.7)	(0.0)	(0.0)	(0.0)
Very Effective	Financial control practices	(83.3)	(0.0)	(0.0)	(16.7)	
	School fees paid	(42.9)	(0.0)	(0.0)	(60.0)	
	Total	(34.9)	(0.0)	(0.0)	(7.0)	
Total	financial control practices	(81.4)	(4.7)	(2.3)	(11.6)	
	school fees paid	(100.0)	(100)	(100.0)	(100.0)	
Total		(81.4)	(4.7)	(2.3)	(11.6)	

Source: Field Data (2015)

Table 12 shows the relationship between financial control practices and how the school fees were paid. The cross-tabulation indicated that financial control practices was 83.3% and how school fees were paid yielded 42.9% as being effective and it was done through bankers' draft. With regard to the other means of collecting fees like cash, pay-in-slip and others the results were not significant except for others, with percentage point of 60 as effective. However, there was 100% indication of ineffectiveness of financial control but school fees paid through bankers draft yielded 5.7%. The school fees paid by cash yielded 50% but was considered ineffective. The assertion was that the schools collected their school fees through the bankers' draft. These percentages were analyzed with a chi-square test.

Table 13: Significant Test of the Chi-Square

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.872	9	.753
Likelihood Ratio	11.967	9	.063
Linear-by-Linear Association	.044	1	.833
N of Valid Cases	43		

Source: Field Data (2015)

The results in Table 13 shows that they were not significant, $\chi^2 (9, N=43) = 5.872, p = .753 > 0.05$ alpha level. The implication is that apart from paying school fees through bankers' draft, there are other means by which school fees are collected. Jowell (2009) assertion did not conform to the findings on paying school fees. He said financial control mechanisms when become overly rigid and lose sight of their operating objectives, counter measures and subterfuges will emerge that may destroy the effectiveness of the system and possibly the institution itself.

Financial Control Practices on Financial Administration

A cross-tabulation and chi-square statistics were done to determine the degree of association between schools' heads and the accountants in terms of results were indicated as per Table 14.

Table 14: Financial Control and Financial Administration Using Chi-square

Variables		How would you describe the financial administration in your school				
		Very Closed (%)	Fairly Open (%)	Open (%)	Very Open (%)	
How will you describe the financial control practices in your school	Not Very Effective	Financial control practices	(16.7)	(16.7)	(66.7)	(0.0)
		Financial administration in your school	(16.7)	(8.3)	(22.2)	(0.0)
	Effective	Total	(2.3)	(2.3)	(9.3)	(0.0)
		Financial control practices	(0.0)	(50.0)	(0.0)	(50.0)
	Not Effective	Financial administration in your school	(0.0)	(8.3)	(0.0)	(14.3)
		Total	(0.0)	(2.3)	(0.0)	(2.3)
	Effective	Financial control practices	(16.7)	(11.1)	(61.1)	(11.1)
		Financial administration in your school	(50.0)	(16.7)	(61.1)	(28.6)
	Very Effective	Total	(7.0)	(4.7)	(25.6)	(4.7)
		Financial control practices	(11.8)	(47.1)	(17.6)	(23.5)
	Very Effective	Financial administration in your present school	(33.3)	(66.7)	(16.7)	(57.1)
		Total	(4.7)	(18.6)	(7.0)	(9.3)
	Total	Financial control practices	(14.0)	(27.9)	(42.9)	(16.3)
		Financial administration in your school	(100.0)	(100.0)	(100.0)	(100.0)
Total		Total	(14.0)	(27.9)	(41.9)	(16.3)

$X^2 = 14.051$ df = 9 sig = .121

Source: Field Data (2015)

As shown in Table 14, cross-tabulation indicates that 47.1 and 66.7 percent of financial control and financial administration respectively practiced in the schools are very effective and fairly open. However, 66.7% of financial control and 22.2% of financial administration was not very effective but open in the schools.

It therefore stands to reason that financial control and financial administration in the schools were either very effective or not effective depending on the heads' knowledge level. Based on this conflicting issue, a chi-square was employed to analyse the results.

Table 15: Significant Test of the Chi-Square

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.051	9	.121
Likelihood Ratio	11.967	9	.063
Linear-by-Linear Association	.044	1	.833
N of Valid Cases	43		

Source: Field Data (2015)

These frequencies were analysed in Table 15 with a chi-square goodness of fit test. The results, $\chi^2(9, N=43) = 14.051, p = .121 > 0.05$ at alpha level did not produce any significant result. The results indicated that financial control in the schools depended on how open and effective the financial administration is practiced in those schools.

Conclusion drawn from Research Question 4 shows that there were 83.3% indications that money paid through bankers draft was effective. About 67 % of the respondents also admitted that the financial control was not very effective but open in their financial operations. The reason for

ineffectiveness is that the heads had limited knowledge in financial administration. This suggests that the heads were also ineffective in budget preparation and financial accounting in SHS. The analysis is supported by Alin, Boer, Freer, van Ginneken, Klaasen, Mbane, Mokoetle, Moynihan, Odera, Swain, Tajuddin, and Tewodros (2006) that financial control is achieved by designing systems and procedures to suit the particular needs of an institution. For the purpose of financial control and accountability of senior high schools, it is vital that an overall financial policy be put in place. The policy included individual policies pertaining to the school like income, budgeting, expenditure, travel, auditing, petty cash, assets, salaries, staff loans and the opening and operation of a bank account.

Interviews with the Heads on Research Question 4

What are the school administrators' capacity for budget preparation and financial accounting?

Four categories of meaning were identified after analysing the interviewees' answers to the above mentioned research question.

Knowledgeable in financial accounting

Almost 45% of the heads stated that they were knowledgeable in the financial accounting procedures and management of school funds. They maintained that they learned a lot as far as financial accounting is concerned and it has improved their understanding of controlling finances in the school.

However, more than 55% of the heads also indicated that interpreting financial accounting was their problem in controlling school funds. They indicated that they then delegate the schools' accountants to do everything concerning drawing up the budget and balancing the school account.

Preparation of budget

All the heads of the schools stated that they made sure the budget estimates were prepared by the accountants and promptly submitted to heads for scrutiny. The budget reflected the works and programmes of the schools, giving indications of the amount of work the schools undertake during the ensuing year. In schools, the Medium Term Expenditure Framework (MTEF) approach for preparation of budget estimates was conformed to and followed.

Financial offences against financial rules and regulations

About 42% of the heads indicated that financial offences are against financial rules and regulations and it is an offence to do any payment without authorisation or providing receipts on items purchased. Fifty-eight percent of the heads stated that established procedures of rules and regulations are sometimes not followed because they brought about delays.

Attend workshops on financial administration

Majority of the interviewees responded that they attended workshops but that was not regular affairs. They suggested that there should be regular training for new administrators and all serving staff so as to promote their financial competency and that would enhance productivity.

The heads said they are trained on the use of school financial document which comprise receipts books for making entries in the cash book, sales and purchase invoices, students bill books, store receipts vouchers, purchase order, credit and debit note, cheques, pay-in-slips, payroll, payslip, cash analysis book and many more. In conclusion, the heads gave the inputs to the school accountant to draw up the budget estimate as they monitor the process because of their limited knowledge in financial accounting and budget preparations.

Interviews with the Directors and Auditors

The directors indicated that the heads of schools satisfy two aspects of responsibility in fiscal control measures. First, heads carry out programme of activities within the limits of funds made available to their schools. Also recurrent expenditures are released on quarterly allocations and expenditure should not exceed the quarterly allocation without prior authority from the Minister of Finance through the Metropolitan and Regional Directors and the Director-General. The school budget is monitored, supervised and controlled in that direction.

The Regional Director said the human resource management at the regional level organises periodic training and workshops for the heads especially at the beginning, middle and the end of the term on judicious utilisation of school funds.

The directors recommended situational leadership style and open administration in the schools. That is a leader should act based on the situation and environment he/she finds him/herself. The impact of situational leadership would not compromise with any financial malfeasance.

Another issue was that the GES has established partnership with the higher education institutions like the Institute for Educational Planning and Administration at University of Cape Coast, University of Education, Winneba and GIPMA all in Ghana, have specially designed courses that bear or include financial accounting and management of finances.

The directors and the auditors indicated that there is training for the heads on the use of value books given to the schools which include: receipts books for making entries in the cash book, students bill books, store receipts

vouchers, purchase order, sales and purchase invoices, credit and debit note, cheques, pay-in-slips, payroll, payslips, cash analysis book, green book/petty cash book, school charges book etc. in order to ensure administrators' capacity for budget preparation and financial accounting in schools. In sum, the heads were given enough training to function as financial administrators in the schools. The assertions were buttressed by Parry (1997), who posited that a sound financial control system supports school accountability by disclosing to the stakeholders the use of resources in the past, present and future. In an era of economic policy reform, it has become a critical element of determining the overall ability of the heads in their capacity for budget preparation and financial accounting in schools in order to minimise fraud and errors in the schools administration.

Conclusions from Research Question 4

The quantitative analysis indicated that the heads have limited knowledge in financial administration and that proved their ineffectiveness in budget preparation and financial accounting in SHS.

The qualitative transcriptions indicated that the heads gave the inputs to the school accountant to draw up the budget estimate as they monitored the process because of their limited knowledge in financial accounting and budget preparations. The education officials were of the view that the heads were given enough training to function as financial administrators in the schools. In all cases it was evident that the heads had limited knowledge in financial accounting and budget preparations as they always rely on the accountants.

Research Question 5: In what ways do external financial control mechanisms influence internal financial control in second cycle schools in Cape Coast Metropolis?

Research question 5 explained the contribution of external control and how it affects the internal control mechanisms in the schools. The discussion sought to identify the influence of internal controls leading to effective financial control practices. The discussions were analysed using multiple regression analysis.

External and Internal Control Analysis

Multiple regression was used to determine the level of prediction of the independent variable on dependent variable (financial control). $Y = 2.167 + (0.392 * X_1) + ((0.058 * X_2) + 0.07 * X_3)$. Table 16 indicates the result.

Table 16: Internal and External Control Using Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.167	.767		2.824	.008
External control ensures effective internal control system	.081	.103	.175	.784	.438
Internal control does not depend on external control	.176	.156	.217	1.131	.266
Internal control leads to reliable financial reporting	.245	.151	.252	1.624	.113
Heads comply with external checks and reply queries promptly	-.123	.110	-.194	-1.119	.271
Accountants follow best practices receiving and expending school funds	-.014	.126	-.020	-.112	.912
External control leads to reliable financial reporting	.058	.153	.090	.381	.705

R=.479 R²= .229 Adjusted R²= .101 Standard Error= .543

Source: Field Data (2015)

Dependent Variable: financial control

Information in Table 16 gives a multiple regression square (R²) of .229. Results show that the coefficient of determination R² adjusted = .101 predicting that 10.1% of the total variations in financial control is explained by Efficiency and Effectiveness of Operations (EEO), Accuracy and Reliability

of Informative Financial Reporting (ARFR) and Compliance with Applicable Laws, Regulations, Policies and Procedures (CRPP).

This means that other factors not explained in the study accounted for 89.91%. The value of $R=.479$ in this model indicated a not satisfactory and a low level of prediction in financial control practices. The results showed that analysis of variance of the multiple regression data yielded an F-ratio of 1.786 which is statistically not significant at $p = .130 > 0.5$ alpha level.

The variables yielded positive but weak relationships indicating that the objective of the schools were distorted due to weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools.

ANOVA Model on Multiple Regression Analysis

Analysis of variance was conducted to find out the significance of the variables. The results are shown in Table 17.

Table 17: Internal Controls Using ANOVA Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.158	6	.526	1.786	.130 ^b
Residual	10.609	36	.295		
Total	13.767	42			

Assumed Alpha value (α) of 5% (0.05)

Source: Field Data (2015)

Table 17 presents results indicate that there was no significant relationships among the factors influencing financial control in SHS, ($F = .1.786$, $p=.130 > 0.05$; $df = 6, 36$). The results suggest that apart from the external control that influence the internal control systems in the model, there

are other control factors not accounted for so that the objective of the schools can be achieved. This finding is not in consonance with the findings of Cole and Kelly (2011) who state that the primary aim of the control function of management is to measure performance against aims, objectives and standards with a view of enabling corrective actions to be taken, where necessary to keep plans on course.

Conclusion drawn from the Research Question 5 indicated that the internal control variables (such as efficiency and effectiveness of operations, accuracy and reliability of informative financial reporting) and compliance with applicable laws, regulations, policies and procedures contributed positively but with weak relationships to financial control in the schools. These positive contributions but weak relationships showed that there were weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools.

Interviews with the Heads on Research Question 5

In what ways do external financial control mechanisms influence internal financial control in second cycle schools in Cape Coast Metropolis?

Three major issues cropped up in this discussion from the heads.

Auditing the schools financial records quarterly or annually

Almost 67% of heads indicated that their schools' financial records were audited by the internal and external auditors quarterly or annually. Measures were put in place to ensure correct accounting practices to influence financial control mechanisms. They admitted that the internal and external auditing was done to ensure financial discipline in schools. Internal and external auditors

inform the Auditor-General of any irregularity and misappropriation of school funds by the heads.

Answering audit queries

Fifty-eight percent of the heads disclosed that their schools received audit queries when internal control system had failed to meet the institutional objectives. The heads indicated that they replied to the auditor's queries as soon as possible. The school in which several irregularities and inefficiency in financial control were detected were placed on financial supervision for violating mandates governing internal account and the maintenance of proper documentation of school accounts.

Invitation to public Account Committee

About 25% of the heads indicated that Public Accounts Committee is charged with the responsibility of monitoring and supervising the resource utilisation of all government departments and for that matter the schools. The public Accounts Committee scrutinises the annual reports of the schools submitted by the Auditor-General and in the exercise of its functions it is empowered to enforce the attendance of witnesses and examine them on oath, affirmation or otherwise; and compel the production of documents to justify the utilisation of public resources. Reasons given ranged from missing vouchers, negligence, and collusion by public officials.

In conclusion, the heads admitted that the internal and external auditing is done to ensure financial discipline in schools. Internal and external auditors inform the Auditor-General of any irregularity and mismanagement of school funds by the heads.

Interviews with the Directors and Auditors

The directors indicated that during visits they query heads when they suspect collusion in the administration. The auditors indicated that they give queries to heads when they detect fraud and irregularities in the school accounting records and query them and then ask them to submit their reports to the Metropolitan or the Regional Director of Education. The heads promptly react and answer the queries. Metropolitan Director presents information on financial reports to Regional Director and Regional Director in turn make an onward submission of the information to stakeholders such as Director-General of GES, and MoE in making rational decisions. This is done quarterly or annually.

The directors and internal auditors indicated that they take reasonable steps to prevent and detect fraud. They check that the heads prepare financial statements which give a true and fair view.

Directors and auditors said that the internal and external auditors audit the value books in the schools per Financial Administration Act 2003 and Regulation 2004. They go through the document to find out if the amount received and budgeted for is the actual money expended and whether these expenditures are backed by valid receipts and documents. The internal auditors audit the schools termly while the external auditors audit the schools annually to minimise or avert embezzlement and fraud.

In sum, the auditors indicated that they give queries to heads when they detect fraud and irregularities in the school accounting records and then submit their reports to the metropolitan or regional director of education.

The interviews conducted were contrary to the Auditor-General's report accounts of local governments of 2003/2004 which were not audited by the close of financial year 2006/2007, three years after the statutory period, owing to capacity limitations (OAG Report, 2006). Bryner (2003) confirmation did not support that there have been allegations in media reports that the external auditors sent to districts collude with district officials to cover-up financial improprieties in schools.

Conclusions from Research Question 5

In the quantitative analysis, Data analysed from the questionnaire indicated that internal control variables such as efficiency and effectiveness of operations, accuracy and reliability of informative financial reporting and compliance with applicable laws, regulations, policies and procedures contributed positively but with weak relationships to financial control in the schools

The qualitative studies indicated that the internal and external auditing is done in schools to ensure financial discipline by the heads. Internal Auditors inform the Auditor-General of any irregularity and misappropriation of school funds by school heads. The auditors indicated that they give queries to heads when they detect fraud and irregularities in the school accounting records and then submit their reports to the metropolitan or regional director of education for necessary actions. There are convergent views in both the quantitative and the qualitative analysis in the discussion of the results all aimed at averting fraud and financial improprieties.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter summarises and concludes the findings of the study. It presents the summary of the findings and the conclusions drawn from them, and lastly the recommendations. Suggestions are also made on areas of further study.

Summary

The study investigated financial control practices of heads of public second cycle institutions in Cape Coast Metropolis of Ghana. The study adopted cross-sectional survey with mixed methods design. Census technique was used to select 12 senior high schools with 59 participants made up of 12 heads, 31 assistant heads, 12 bursars/accountants, the Regional and the Metropolitan Directors of education as well as Regional and Metropolitan Auditors in Cape Coast. Instruments used for the study were questionnaire for quantitative studies and interview guide for qualitative.

The data collected were analysed using both quantitative and qualitative methods. The quantitative method used includes descriptive and inferential statistics (factor analysis, chi-square, multiple regression and two-way ANOVA) analysis. Nieuwenhuis's (2007) guideline was used to reduce, condense and group the content of the interviews using textual and content analysis.

The overall objective of this study was to examine financial control practices of heads of public second cycle institutions in Cape Coast Metropolis of Ghana. The specific objectives which are in the form of research questions of the study were:

1. How do the heads manage funds for the running of second cycle schools in Cape Coast Metropolis?
2. What are the attitudes of heads of schools towards the usage of funds in second cycle schools in Cape Coast Metropolis?
3. What are the predictive values of internal controls that prompt heads to comply with financial laws and regulations in the schools?
4. What are the school administrators' capacity for budget preparation and financial accounting?
5. In what ways do external financial control mechanisms influence internal financial control in second cycle schools in Cape Coast Metropolis?

The major findings are summarized in the section that follows:

Key Findings

Data analysis gave the following findings, which are summarized below as per the research questions:

1. The first research question of this study was to find out how the heads managed funds for the running of second cycle schools in Cape Coast Metropolis.
 - a. Data analysis and interpretation of questionnaire responses from the respondents showed that the heads purchased perishable foods and used fuel very often since the food items got rotten and therefore were

not able to maximize the little resources available because of the price hikes.

- b. The interview results from the heads showed that the heads managed funds in accordance with the school budget drawn. This is done based on financial laws and regulations.
 - c. The directors and auditors monitored how the heads received and expended fund through their financial statement analysis. It meant that all the participants found ways of managing the little resources at their disposal.
 - a. Both the heads and education officers asserted that the heads managed funds in accordance with the school budget drawn. The external and internal auditors are in charge of monitoring the heads financial management through their quarterly and annual financial statement analysis.
2. The second research question concerned with “the attitudes of heads of schools towards the usage of funds in second cycle schools in Cape Coast Metropolis”.
- a. Data analysed from the responses in the questionnaires indicated that the financial officers kept the money in school safe and under lock and key. The attitudes of heads of schools towards the usage of funds were that the heads are the spending officers and the management of school funds is their core mandate but had limited knowledge in financial administration so they delegated that financial roles to the school accountants.

- b. The interview from the heads also confirmed that that they used funds appropriately by delegating their financial roles to the accountants who have in-depth knowledge in financial management and the usage of funds.
 - c. The education officials said the heads used funds judiciously and that was done through regular monitoring and auditing the schools' accounts. Discussions from both quantitative and qualitative showed that the attitude of the heads in the usage of funds is done by expert hands.
3. The third research question sought to determine how the predictive values of internal controls prompt heads to comply with financial laws and regulations in the schools.
- a. Data analysis and interpretation of questionnaire responses on the regression results produced regression equation indicated that there were four internal controls that contributed positively to the financial operations in the schools. These are information technology, information and communication, control activities and monitoring.
 - b. These items gave positive contributions but weak relationship on financial control and this may lead mismanagement of school funds.
 - c. The analysis indicated that the internal controls such as information technology, information and communication, control activities and monitoring were not the only control measures in the schools.
 - d. The interview from the heads showed that internal control mechanisms and segregation of financial duties ensured checks and balances of financial resources and sound internal controls. These controls like

strategic planning, budgeting, monitoring and evaluation, regular audits, quarterly reports, budget preparation, workshops, as well as external controls compelled heads to comply with financial laws and regulations in the schools.

- e. The officials indicated that the schools are audited periodically to ensure compliance and also school fees collected through bankers' draft is effective. The schools are audited periodically to ensure financial discipline.
4. The Research Question 4 sought to establish the relationship between the school administrators' capacity for budget preparation and financial accounting.
 - a. Data from the questionnaire responses showed that there was 83.3% indication that money paid through bankers draft was effective. The financial control and financial administration in the schools were very effective but fairly open.
 - b. However, about 67% of the respondents admitted that the school administration was not very effective but open in financial operations. The reason for ineffectiveness was that the heads had limited knowledge in financial administration. This suggests that the heads were also ineffective in budget preparation and financial accounting in SHS.
 - c. The heads gave the inputs to the school accountant to draw up the budget estimate as they monitor the process because of their limited knowledge in financial accounting and budget preparations.

- d. Preparation for bid had influenced on external control (contract advertisement).
 - e. The directors gave enough training to the heads to function as financial administrators in the schools.
 - f. Discussions from the quantitative results indicated that the heads had limited knowledge in financial administration and that proved their ineffectiveness. The heads were also ineffective in budget preparation and financial accounting.
 - g. Again, the qualitative transcriptions indicated that the heads gave the inputs to the school accountant to draw up the budget estimate as they monitor the process because of their limited knowledge in financial accounting and budget preparations.
5. The fifth research question addressed ways by which external financial control mechanisms influenced internal financial control in second cycle schools in Cape Coast Metropolis.
- a. Data analysed from the questionnaire indicated that internal control variables such as efficiency and effectiveness of operations, accuracy and reliability of informative financial reporting and compliance with applicable laws, regulations, policies and procedures contributed positively but with weak relationships to financial control in the schools. These positive contributions but weak relationships showed that there were weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools.
 - a. The public account committee also invites the finance officers to

explain circumstances leading to embezzlement, misappropriations or misapplications of school funds. These external controls checks the activities in the schools and make heads conform to financial laws and regulations in GES.

- b. The heads admitted that the internal and external auditing is done to ensure financial discipline in schools. Internal Auditors inform Auditor-General of any irregularity and misappropriation of school funds by school heads.
- c. The auditors indicated that they gave queries to heads when they detected fraud and irregularities in the school accounting records and then submit their reports to the metropolitan or regional director of education.
- d. Both the quantitative and qualitative there were similar views on external and internal control practices indicated that there were weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools.

Conclusions

Based on the results of the study, the following conclusions were made:

The financial control practices in second cycle public schools are based on financial laws and regulations of GES. However, some of these heads are not yet conversant with and do not adhere to all the regulations and guidelines regarding their financial roles and responsibilities due to limited knowledge of the budget preparation, execution and reporting and the overall financial management tasks .

Financial controls practices were apparently attributed to the less involvement by the supportive financial administrators coupled with the lack of prerequisite training in practical exposure to accounting and financial administration by the Heads as financial administrators. Headmasters are caught in the web because they do not have the requisite skills to detect any underhand deals by the bursars/accountants.

Apart from the heads and accountants, school personnel like the academic staff, assistant headmasters among others are not informed of financial activities in the schools. They do not have access to information on the financial standing and audit reports on the schools either. Consequently, that category of school personnel tends to lend very little support to school activities since their efforts are not recognised. The absence of co-operation in financial management ends up creating serious challenges to effective teaching and learning.

The study found out that there were differences in the heads and accountants understanding of their respective roles in financial administration. They all regarded themselves as the spending officers which could lead to conflict in school administration. The heads were not confident in their knowledge of financial administration. This may not help the heads in directing and controlling the accountants effectively.

The inclusion of school-based audit staff to complement the work of Metropolitan and Regional Auditors is a clarion call in the right direction. The headmasters would work hard to comply with all financial administration regulations in in the school due to regular checks. This would inspire

confidence in stakeholders, school personnel and development partners to contribute benevolently towards the overall development of the school.

Risk assessment and control environment components were measured against the model's control components; they were ineffective and gave negative contributions. However, other components in the model proved positive. There are therefore recommendations put forwards to minimise the exigencies and loophole in financial administration in Senior High Schools.

The variables such as efficiency and effectiveness of operations, accuracy and reliability of informative financial reporting and compliance with applicable laws, regulations, policies and procedures contributed positively but also with weak relationships and indicated that there were weakness in external financial control mechanisms that influenced internal financial control practices in public second cycle schools

Recommendations

The following recommendations were drawn with regard to the study findings:

1. It is recommended that there should be periodic in-service training on financial administration for the account personnel and the heads since training improves knowledge, skills and abilities. Sub-division of duties of account officers should be strengthened. This will ensure that accounting staff follow proper accounting control practices. The heads needed to be as well trained on the computerized financial tracking system in checking the school finances regularly to detect fraud and embezzlement of school funds

2. It is recommended some level of competence in financial administration should be imposed as a requirement for personnel seeking promotion to the position of headship in the Ghana Education Service.
3. The preparation of the budget estimates must be based on adequate information elicited from the supportive financial administrators. It might also help if the supportive financial administrators' would be involved in the discussion of any available data before the estimates are prepared. There is the need for Heads to ensure that their school estimates are prepared early enough and are given prior approval by their respective Boards of Governors before they are finally submitted to the Ministry of Education for consideration and approval.
4. A budget-committee including a board member, and a member of the Business department should be formed in schools. The committee must examine revenue projections, the school budget and the overall financial picture of the school. The budget committee could exercise oversight function so as to make financial administration more democratic and collegial.
5. It is also recommended that the GES as a matter of urgency, make available copies of the relevant materials and references on financial administration to all schools. When this is done it is expected that all parties to the financial administration of schools would become conversant with their respective roles to avoid conflicts.
6. To help promote efficiency in financial management and administration, the Ministry of Education should endeavour to appoint

internal auditors to all schools to help enforce the control measure in the schools. School-based internal auditors should be put in place by GES, to ensure that financial reports reflect the reality of budget implementation. School-based auditors would detect inadequately prepared book keeping, as well as embezzlement by unscrupulous individuals. This effort should complement regular auditing conducted by GES internal and external auditors.

7. Risk assessment and control environment and other components with weaknesses in the model should be categorically and directly designed, embedded within the rest of the activities, and spelt out in the control structure for improvements in financial control in the school.
8. It is recommended that the objectives of financial control in the schools should be achieved through SMART (specific, measurable, achievable, reliable and time-bound) principles. The SMART principles should also be achieved through goal settings.

Suggestions for Further Studies

The following areas are recommended for further research:

1. There should be a study to explore and identify the conflict areas of financial control between the heads and bursars/accountants and how the conflict can be avoided to promote coherence in pursuant of public interest in management of school funds.
2. There should be a study on the use of computerized financial tracking system to protect assets in the SHS.

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APPENDIX A
UNIVERSITY OF CAPE COAST
INSTITUTE FOR EDUCATIONAL PLANNING AND
ADMINISTRATION
INTERVIEW GUIDE FOR THE HEADS ON FINANCIAL CONTROL
PRACTICES IN SECOND CYCLE SCHOOLS

This research is meant for academic purpose. It will try to find out the financial control practices of heads of public second cycle schools. Please, provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential.

SECTION A: Management of school funds

1. How do you manage the school funds in accordance with the school budget?
2. How do you control the disbursement of funds in the school?
3. How do you control the expenditure in the school?
4. What challenges do you face in your financial administration?

SECTION B: The attitude of heads towards the usage of school funds

5. What measures do you put in place to ensure transparency, accountability and responsibility in financial administration?
6. What are the challenges your schools face, when procuring goods, works, and services?
7. Does your school advertise procurements that are supposed to be advertised?

8. Are the financial committee and the staff involved in controlling the school finances?
9. Do you have occasions to vie?
10. Under what conditions do you have to vie?

SECTION C: Internal controls and compliance with financial laws and regulations in second cycle schools

11. Have there been conditions under which staff in charge of financial administration defrauded school funds? What were/was the condition(s)
12. What leadership style do you employ in the school administration and how does it impact on school finances?
13. Do you delegate any of the financial role functions to your senior management team, if so what functions do you delegate?
14. State how the financial control practice can be improved.
15. What are the sources of funds available to your school?
16. Does your school have internal generated fund?
17. Has your school been audited?
18. How do financial laws and regulations affect the financial control and management practice in your school?
19. What is the accepted mode of payment of fees by your students?

SECTION D: The school administrators' capacity for budget preparation and financial accounting

20. How many courses/workshops on financial administration organized by GES or other agencies have you participated in?
21. What extent has the workshop(s) impacted on the financial management of your school?

22. How many documents/books on financial administration supplied by the GES have you? Who draws up the school budget and what is your role?
23. Do you use the computerized financial tracking to control school finances?
24. Do you think that you are adequately knowledgeable to manage the finances of your school?
25. What other means of improvements could be done on financial control practices?

SECTION E: External control mechanisms influencing internal financial control practices in second cycle schools

26. How is external and internal auditing done in your school and how often is the school audited each year?
27. Has your school been ever queried after an auditing session?
28. What has the nature of the audit query (ies)/and what was your response to the query?
29. How do you treat the external auditor's query on financial control practices in your school?

APPENDIX B
UNIVERSITY OF CAPE COAST
INSTITUTE FOR EDUCATIONAL PLANNING AND
ADMINISTRATION
INTERVIEW WITH EDUCATION DIRECTORS & AUDITORS IN
CAPE COAST METROPOLIS

This research is meant for academic purpose. It will try to find out the financial control practices of heads of public second cycle schools from Regional, Metropolitan Directors and Auditors. Please, provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential

SECTION A: Management of school funds

1. What are your main duties in controlling finances in SHS?
2. How do funds managed in SHS?
3. How do cash receipts in the school treated?
4. How do you control the expenditure in schools in the metropolis?

SECTION B: The attitude of heads towards the usage of school funds

5. At what intervals is auditing done in SHS?
6. What are your experiences of budgeting, financial reports and controls in SHS?
7. What measures do you have in place to ensure transparency, accountability and responsibility of the school finances in metropolis?
8. Do your heads have occasions to vie?
9. How do school funds being used?

SECTION C: Internal controls and compliance with financial laws and regulations in second cycle schools

10. What leadership style do SHS heads employ in the school administration and how do you expect it to impact on school finances?
11. What are the control measures put in place to check misapplication, misappropriation and embezzlement of school funds?
12. State how the financial control practices can be improved.
13. What is your stake in assessing school financial statements? How often do you assess it?
14. How is external and internal auditing done in the school and how often is the schools supposed to be audited each year?
15. Have you ever queried after an auditing session or a visit to the school?
16. What has the nature of the audit query (ies) or visit and what have been your reactions?

SECTION D: The school administrators' capacity for budget preparation and financial accounting

17. How many workshops on financial administration are organized by GES to schools in the metropolis in each term?
18. What extent has the workshop(s) impacted on the financial management of the school?
19. How many documents/books on financial administration are supplied by the GES to the schools under your jurisdiction?
20. Who draws up the school budget and what is your role?

SECTION E: External control mechanisms influencing internal financial control in second cycle schools

21. By what measures are school funds allocated to secondary schools by the government?
22. Are you involved in school budgeting? If yes. What are your experiences of budgeting?
23. What is the procedure of financial reports preparations?
24. To whom do you present these financial reports and how often?

APPENDIX C

UNIVERSITY OF CAPE COAST

INSTITUTE FOR EDUCATIONAL PLANNING AND

ADMINISTRATION

QUESTIONNAIRE FOR ASSISTANTS HEADS

This research is meant for academic purpose. It will try to find out the financial control practices of heads of public senior high schools. Please, provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential. Please do not write your name anywhere on this questionnaire. Please tick [] where appropriate or fill in the required information in the spaces provided.

SECTION A: Background Information

1. Gender: a. Male [] b. Female []
2. Age: a. 20-29 yrs. [] b. 30-39yrs [] c. 40-49 yrs. [] d. 50 and above []
3. Highest level of education: a. Diploma [] b. HND [] c. Degree [] d. Post graduate [] e. Others specify.....
4. Work experience in Assistant headship: a. 0-5 yrs [] b. 6-10 yrs [] c. 11 yrs and above []
5. Please, select the title of the highest course you have pursued:
a. Accounting [] b. Educational Administration [] c. Others specify.....

SECTION B: Management of school funds

How often do your school manage money on the following items?

	Items	Not at all	Sometimes	Often	Very Often
6.	Food purchase				
7.	Utilities				
8.	Cost on fuel				
9.	Purchase of stationery				
10.	Training and conferences				
11.	Rehabilitations on school buildings				

SECTION C: The attitude of heads towards the usage of school funds

12. What is the attitude of heads towards the usage of school funds?

- a. Using the money to buy consumable goods
- b. Using the money to enrich themselves
- c. Using the money to embark on developmental projects

13. Who draws the preparation of the school budget? Accountant []

- b. Headmaster []
- c) Others please specify

SECTION D: Internal controls and compliance with financial laws and regulations in second cycle schools

Application of financial administration regulations

	VARIABLES	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
	Control Environment					
14	There is compliance to financial regulation and guidelines in my school to avoid fraud.					
15	The school financial policies, procedures and guidelines are documented and followed.					
	Control Activities					
16	The school expenditures and income are duly inspected and approved by the head.					
17	Auditors inspect receipts and other value books quarterly.					
	Risk Assessment					
18	The finance committee has a strategy of identifying risks in controlling funds.					
19	Internal Audit staff reduces the occurrence of financial risk in the school.					
	Information and Communication					
20	Information is communicated to all stakeholders on school finances.					
21	School procurements are recorded to provide reliable information.					
22	The Accounting Officer publicizes the funds received and expend in the school.					
	Monitoring					
23	Monitoring helps to assess performance of heads in utilizing school funds over time.					
24	The Head considers audit findings and recommendations and takes adequate precautions.					

	I Technology					
25	The school head uses computerised integrated financial management systems to track finances in order to minimize fraud					
26	The financial strength of the school is put at its website.					

SECTION E: The school administrators’ capacity and knowledge level for budget preparation and financial accounting

25. How would you describe financial administration in your present school?

- a. Very open [] b. Open [] c. Fairly open [] d. closed []

26. How is school fees paid?

- a. Bank draft [] b. Cash [] c. Pay-in-slip [] d. Others []

27. How will you describe the financial controls practices in the school?

- a. Very Effective [] b. Effective [] c. Not Effective [] Not very effective []

SECTION F: External control mechanisms influencing internal financial control in second cycle schools

VARIABLES		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Efficiency In Financial Operation						
28.	External control ensures effective internal control system.					
29.	Internal control does not depend on external control.					
Accuracy in financial Reporting						
30.	External control leads to accuracy in financial reporting.					
31.	Internal control leads to accuracy in financial reporting.					
Compliance with financial Laws						
32.	Heads comply with external checks and reply queries promptly.					
33.	Accountant follows best practices in receiving and expending school funds.					

APPENDIX D

UNIVERSITY OF CAPE COAST

INSTITUTE FOR EDUCATIONAL PLANNING AND

ADMINISTRATION

QUESTIONNAIRE FOR THE ACCOUNTANTS

This research is meant for academic purpose. It will try to find out the financial control practices of heads of public senior high schools. Please, provide answers to these questions as honestly and precisely as possible. Responses to these questions will be treated as confidential. Please do not write your name anywhere on this questionnaire. Please tick [] where appropriate or fill in the required information in the spaces provided.

SECTION A: Background Information

1. Gender : a. Male [] b. Female []
2. Age : a. 20-29 yrs [] b. 30-39yrs [] c. 40-49 yrs [] d. 50 and above []
3. What is your qualification? a. DBS [] b. RSA [] c. HND [] d. First Degree [] e. Other specify.....
4. Work experience as an accountant: 0-5 yrs [] 6-10 yrs [] 11 yrs and above []
5. Please, select the title of the highest course you have pursued :
a. Accounting [] b. Educational Administration []
c. Others specify.....

SECTION B: Management of school funds

How often do your school manage money on the following items?

	Items	Not at all	Sometimes	Often	Very Often
6.	Food purchase				
7.	Utilities				
8.	Cost on fuel				
9.	Purchase of stationery				
10.	Training and conferences				
11.	Rehabilitations on school buildings				

SECTION C: The attitude of heads towards the usage of school funds

12. What is the attitude of heads towards the usage of school funds?

- b. Using school money to buy consumable goods
- b. Using school money to enrich themselves
- c. Using school money to embark on developmental projects

14. Who draws the preparation of the school budget? Accountant []

- b. Headmaster []
- c) Others please specify

SECTION D: Internal controls and compliance with financial laws and regulations in second cycle schools

Application of financial administration regulations

	VARIABLES	Strong ly Disagr	Disagr ee	Undec ided	Agree	Strong ly Agree
	Control Environment					
14	There is compliance to financial regulation and guidelines in my school to avoid fraud.					
15	The school financial policies, procedures and guidelines are documented and followed.					
	Control Activities					
16	The school expenditures and income are duly inspected and approved by the head.					
17	Auditors inspect receipts and other value books quarterly.					
	Risk Assessment					
18	The finance committee has a strategy of identifying risks in controlling funds.					
19	Internal Audit staff reduces the occurrence of financial risk in the school.					
	Information and Communication					
20	Information is communicated to all stakeholders on school finances.					
21	School procurements are recorded to provide reliable information.					
22	The Accounting Officer publicizes the funds received and expend in the school.					
	Monitoring					
23	Monitoring helps to assess performance of heads in utilizing school funds over time.					
24	The Head considers audit findings and recommendations and takes adequate precautions.					

	I Technology					
25	The school head uses computerised integrated financial management systems to track finances in order to minimize fraud					
26	The financial strength of the school is put at its website.					

SECTION E: The school administrators’ capacity and knowledge level for budget preparation and financial accounting

27. How would you describe financial administration in your present school?

- a. Very open [] b. Open [] c. Fairly open [] d. closed []

28. How is school fees paid?

- a. Bank draft [] b. Cash [] c. Pay-in-slip [] d. Others []

29. How will you describe the financial controls practices in the school?

- a. Very Effective [] b. Effective [] c. Not Effective [] Not very effective []

SECTION F: External control mechanisms influencing internal financial control in second cycle schools

	VARIABLES	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
	Efficiency In Financial Operation					
30.	External control ensures effective internal control system.					
31.	Internal control does not depend on external control.					
	Accuracy in financial Reporting					
32.	External control leads to accuracy in financial reporting.					
33.	Internal control leads to reliable in financial reporting.					
	Compliance with financial Laws					
34.	Heads comply with external checks and reply queries promptly.					
35.	Accountant follows best practices in receiving and expending school funds.					

APPENDIX E

RELIABILITY STATISTICS

Cronbach's Alpha	N of Items
.765	26

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
80.43	19.619	4.429	26

APPENDIX F

LETTER OF INTRODUCTION



UNIVERSITY OF CAPE COAST
COLLEGE OF EDUCATION STUDIES
INSTITUTE FOR EDUCATIONAL PLANNING AND ADMINISTRATION

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30th January, 2015


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LETTER OF INTRODUCTION

The bearer of this letter **Mr. Anthony Abaasa-Ababio** is an M.Phil student of the Institute for Educational Planning and Administration (IEPA) of the University of Cape Coast. He requires some information from you/your institution for the purpose of writing his thesis on the topic, **“The Effectiveness of Financial Control Practices of Heads of Public Second Cycle Institutions in Cape Coast Metropolis”** as a requirement for M.Phil Degree Programme.

Kindly give the necessary assistance that **Mr. Abaasa-Ababio** requires to enable him gather the information he needs.

While anticipating your co-operation, we thank you for any help that you may be able to give him.


Evelyn Nyan (Mrs.)
Assistant Registrar
For: DIRECTOR

FACULTY OF EDUCATION
INSTITUTE FOR EDUCATIONAL
PLANNING & ADMINISTRATION
UNIVERSITY OF CAPE COAST
CAPE COAST