

## **Influence of auditing practices on management of finances in public secondary schools. A case of Kisii South sub-County, Kenya.**

Public secondary schools in Kenya receive substantial finances from different sources such as the Free Secondary Education Fund, bursary schemes, school fees and infrastructural improvement which need proper utilization for the improvement of education standards in the country. For example, between 2003 and 2008, donors and the government paid Ksh.28.3 billion for infrastructural improvement in schools. Statistics indicate that up to 60% of these finances are mismanaged which leads to poor performance of the Secondary schools with studies on this phenomenon concentrating on management factors. While the role of audit practices in the management of finances has been studied for different organizations, its specific relationship with financial performance of public Secondary schools is not clear. This study therefore sought to establish the influence of auditing practices on the management of finances in public Secondary schools in Kisii South Sub-County, Kisii County, Kenya. The specific objectives of the study were: to establish the influence of auditing planning on the management of finances in public Secondary schools; to ascertain the influence of auditing conduct on management of finances in public Secondary schools; to analyze the influence of audit reports on management of finances in public Secondary schools; and to establish the role of audit follow-up on the management of finances in public secondary schools. The study employed a correlational research design. The target population consisted 31 principals and 31 bursars of 31 public Secondary schools in Kisii South Sub-County. A census of all the respondents was carried and saturated sampling was used. Primary data was collected using structured and non-structured questionnaires. The instruments were personally administered by drop-and-pick method. The data collected was coded and analyzed by use of Statistical Package for Social Sciences (SPSS). The Descriptive statistics by using the weighted mean and standard deviation and inferential statistics by use of Pearson's correlation and regression analysis were used to analyse the data. The data was presented in pie charts, bar graphs and tables. The study found out that audit planning has a positive significant effect on management of finances ( $\beta = 0.394$ ;  $p < 0.05$ ); audit conduct has a positive significant relationship with management of finances at ( $\beta = 0.706$ ;  $p < 0.05$ ); audit reporting has an insignificant relationship with management of finances in public Secondary schools ( $\beta=0.112$ ;  $p < 0.05$ ) and that audit follow-up has a positive and significant contribution to the management of finances in public Secondary schools ( $\beta = 0.404$ ,  $p = 0.00$ ). It is concluded that management of finances in public secondary schools is poor because auditing practices are not widely applied by the management of schools. The study recommends that auditing practices are applied extensively in the management of finances in public Secondary schools since they influence the management of finances and that audit conduct is applied extensively since it has the greatest contribution to the management of finances in the Secondary schools.