

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

SCHOOL OF BUSINESS



**FINANCIAL IRREGULARITIES AND INADEQUATE EDUCATIONAL
RESOURCES IN GHANA : A CASE OF SECONDARY SCHOOLS IN KWAHU**

BY

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DECLARATION

I hereby declare that this submission is my own work towards the Master Of Science Degree in Accounting and Finance and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of any University, except where due acknowledgement has been made in the text.

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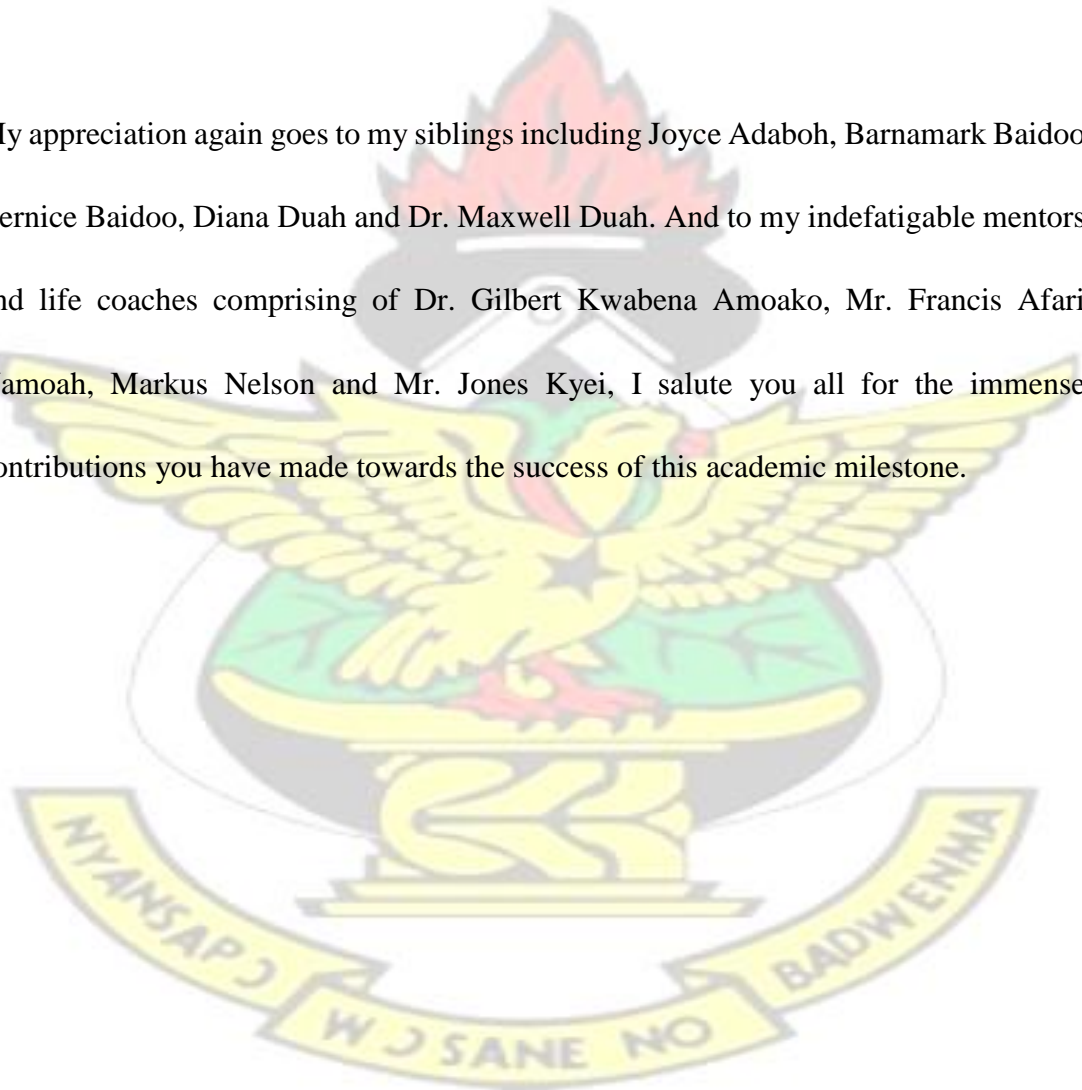
ABSTRACT

The purpose of the study is to analyse the impact of financial irregularities on educational resources of secondary schools in Kwahu Zone, Eastern Region of Ghana. Eighteen (18) out of twenty-one (21) schools in the Zone were used for the study. The study adopted both quantitative and qualitative data collection sources. Quantitative data were obtained from the Auditor General Reports (2014 - 2018) while questionnaire was used to collect qualitative data from thirty-nine (39) school management members, twelve (12) internal auditors and six (6) external auditors. The data collected through the questionnaire were coded and fed into the Statistical Package for Social Sciences (SPSS) software version 26. The study revealed that financial irregularities among the second cycle institutions are caused by management inability to comprehend with all the relevant content of the legal and regulatory framework of school resources and weak internal control systems in the schools. Again, it was revealed that, financial irregularities have contributed immensely to numerous challenges and inadequacy of educational resources facing the schools. These findings suggest that the level of adequacy of school resources will be enhanced if mechanism are instituted to reduce the degree of financial irregularities in the school. It is therefore recommended that, continuous education and training should be given to school management especially Headmasters and Accountants to be abreast with the applicable laws and regulations governing the use of school resources. This will enable them to do away with the difficulties in comprehending and complying with the financial laws on educational resources.

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DEDICATION

I dedicate this Thesis to my family comprising of my wife, Dina Duku and children,

Johnson Duah Debrah, Success Tiwaah Duah and Perez Duah Debrah.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The mandate of this study is to analyse the impact of financial irregularities on the educational resources of Second Cycle Schools in Ghana. This study has become necessary due to the persistent occurrence of gross disregards for laws and regulations governing the use of public resources resulting to lost of huge amount of financial resources without much attention being given to the dire consequences. According to Banyern and Nasamu (2015), the characterisation of the public sectors in Ghana with financial irregularities is beyond imagination. They further assert that, the situation has made the Auditor General to score most of these sectors below average in many areas of resource management. For Appiah and Abdulai (2017) unaccounted financial resources amount to GH¢118, 820,175.66 in 2016 as reported in the Auditor General report. Second Cycle Schools in the country have not been spared with this menace and the rate at which these irregularities are increasing in the schools has also become alarmed. Mobegi (2015) is right to posit that “not all funds that reached schools are used to serve their intended purpose”. The Auditor General (AG) adds up by annually reporting financial malfeasance in the areas of procurement of stores, cash management, contract irregularities, etc among Second Cycle Schools in Ghana. For instance, in the year 2016 report, an accountant did not lodge an amount of GH¢314,173.00 belonging to a school into the school’s account but rather used it for personal purpose (Auditor

General, 2016). Further, an amount of GH¢1,895,029.11 went into irregularities among the schools in Kwahu Zone (Auditor General Reports, 2014 - 2018).

On the contrary, one expects that managers of public educational institutions will ensure efficient utilization of resources available to them and are used for their intended purposes. Asamoah (2016) believes that proper usage of resources especially funds have an impact on the success of an educational institution. Komlagmi-Dovene (2016), also agree with Asamoah when he states that, the extent to which public funds are managed determines the confidence that citizens have in a government of the day. Due to this, it is an obligatory for all heads of schools, bursars, storekeepers and any other person entrusted with public funds to comply with the provisions in the financial laws and regulations. Some of these regulatory frameworks include but not limited to Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service. Bogt and Tillema (2016) argue that conscious efforts is required to enforce these laws governing the use of resources in a public institution including schools for the purpose of maintenance of confidence and trust. To Acheampong (2016), there is a requirement as enshrines in the enactments that an independent body must assess and monitor managers of public resource for the purposes of compliance, safe guarding public assets and performance according to policies and ethical values .

Teaching and Non-teaching resources undoubtedly are important and integral part for an educational institution to achieve the purpose of its establishment. The availability of the resources and their effective use to support academic work is the essence of educational quality (UNESCO, 2008; Onyeson and Chimizie, 2013). Oyeniyi (2010) maintains that, educational resources affect efficiency in education, students' knowledge acquisition and skills after graduating from school. Thus educational resources help to promote capabilities of learners. Through the use of the resources, schools are able to conduct research to solve human needs and discover new and better ways of doing things. Educational resources include factors affecting the output of education (Houck and Moonyoung, 2012). According to Lee and Zuze (2011), instructional materials, infrastructure, desk, teachers, auxiliary staff, all form part of educational resources. Their provisions to augment the work of education has also become a national priority of most countries. For example, from the years 2013 to 2017, an average of 21.64% of Government of Ghana annual expenses are on the provision of classrooms, dormitories, libraries, text books, motor vehicles, payment of teaching and non-teaching staff salaries, etc to the education sector (UNESCO Institute of Statistics, 2019). Despite the numerous usefulness of educational resources and the chunk of national budget expenditure that goes into their provisions, resources constraint do not leave the neck of public schools in Ghana. This is observed by Agabi (2012) that, there is inadequate material resources required for the implementation of government policies relating to education in the schools. Evidence is that Senior High Schools now run shift system as current school resources are unable to accommodate

all the students in a single track. There are also poorly stocked libraries and insufficient supply of instructional materials, school buildings, dormitories, etc in the schools (Kyei, 2019). These situation unveil the inadequacy of educational resources facing Second Cycle Schools in the country. The less adequacy of teaching and learning resources impedes academic works (Kabwos et'al, 2015).

The state of financial irregularities and inadequate educational resources entangling the schools as elaborated above calls for answers to the following questions. Why will Second Cycle Schools continually indulge in financial irregularities even though the Auditor General annually raises red flags on them? To what extent has these canker contributed to the inadequate of school resources? In what ways can the irregularities be reduced to the barest minimum if not totally eliminated? Hence, this study seeks for answers to these questions by analysing the impact of Financial Irregularities on Educational Resources of Secondary Schools in Ghana.

1.2 Statement of the Problem

Several studies on Financial Management Practices in Second Cycle Schools show that financial irregularity is an omnipresent phenomenon. For instance, in the studies of Abaasa-Ababio (2015), on Financial Control Practices of heads of Public Second Cycle Institutions in Cape Coast Metropolis. The study adopts a cross-sectional survey with mixed-method design. It is discovered that there are underhand dealings by Bursars which Headmasters are unable to detect due to their lack of knowledge in financial

management. Salamat, (2007) also studies the practices of Financial Administration in Public Secondary Schools in the Accra Metropolis. Data are gathered using a questionnaire with an internal reliability coefficient of 0.7147. It is revealed in that study that most headmasters lack the requisite knowledge in financial management and is making it difficult for them to supervise the work of their accountants. He also finds out that, the schools are unable to generate enough cash to fund their programmes. This has resulted in the creation of huge debts for the schools. In the study of Nketiah, (2017) to establish the relationship between Governance, Financial Controls, and Financial Irregularity in Senior High Schools in Ghana, it is found that, there is a correlation among the variables.

On inadequacy of educational resources, Kyei, (2019) studies the Challenges of Financing Secondary Education in Ghana, it is revealed that there is insufficient supply of classroom resources like tables and chairs, seating space, etc. He further finds out that, the compound resources; such as school fence, school gate, notice board, school ground, dining hall, toilet facility; of most of the Second Cycle Schools in Ghana are less adequate. These findings confirm the finding of Koramoah (2016), that the educational infrastructures in most of the Second Cycle Schools are not adequate. To Adamu (2019) on his study on Challenges of Free Senior High School Programme, it is discovered that inadequate infrastructure, lack of adequate distribution of teaching and learning materials, insufficient teachers are some of the problems facing Second Cycle Schools in Ghana.

However, how disregards for regulatory frameworks have contributed to the inadequacy of educational resources of Second Cycle Schools in Ghana is rarely established in literature. It is in this view that this study focuses on to analyse the impact of Financial Irregularities on Educational Resources of Secondary Schools in Ghana. The study will also propose an efficient way to solve the problem of financial irregularities to improve resources utilization in secondary schools.

1.3 Objective of the Study

The general objective of the study is to analyse the impact of financial irregularities on educational resources of Second Cycle Institutions in Kwahu Zone, Eastern Region of Ghana. However, the following will be the specific objectives:

- i. To examine the factors contributing to non-compliance of financial laws and regulations in the use of school resources
- ii. To assess the extent to which non-compliance of financial laws and regulations affect school resources
- iii. To identify financial management practices to improve the efficient use of school resources

1.4 Research Questions

Answers to the following research questions will be sought to achieve the objectives of the study:

- i. What are the factors contributing to non-compliance of financial laws and

regulations in the use of school resources?

- ii. To what extent is non-compliance of financial laws and regulations affecting school resources?
- iii. What are the financial management practices to improve efficient use of school resources?

1.5 Significance of the Study

The findings of this research will provide essential information to policy-makers on financial irregularities and financial control practices in Second Cycle Institutions in Ghana. The findings of the study will also help stakeholders of education to propose innovative strategies to address financial irregularities associated with Second Cycle Institutions to improve efficiency in the use of educational resources. Besides, the study will add to the already existing literature and reinforce knowledge on financial control practices of Second Cycle Schools in Ghana. Finally, the study is expected to serve as a base research material for future researchers who will like to conduct any study on financial irregularities in Second Cycle Institutions.

1.6 Summary of Methodology

The study will use positivism philosophical approach. This philosophy would be chosen because the phenomena under study needs to be approached from an objective standpoint. The study also will adopt a descriptive research design. Descriptive research helps to gain better understanding of a problem. This design will be appropriate for the

study as it will provide better understanding and clarity of the nature of the variables under study. Eighteen (18) out of twenty-one (21) schools in the Zone will be used for the study. Quantitative data will be obtained from the Auditor General Reports (2014 - 2018) while questionnaire will be used to collect qualitative data from thirty-nine (39) school management members, twelve (12) internal auditors and six (6) external auditors. The data collected through the questionnaire will be coded and fed into the Statistical Package for Social Sciences (SPSS) software version 26. It will then be analysed using descriptive statistics. Tables, pie charts, bar charts and histograms will also be used to present both the primary and statistical data.

1.7 Scope of the Study

Geographically, the study is limited to Second Cycle Institutions of Kwahu Zone in the Eastern Region of Ghana. Kwahu Zone of the Eastern Region is chosen because there are many constraints on the use of school resources and most of these schools also regularly appear in the Auditor General Reports for financial malpractices. Also, the Zone is near to the researcher, who is a staff in one of the Senior High Schools in the region and as such it is not very difficult to obtain data. Contextually, much emphasis shall be placed on schools featuring in Auditor General Reports from 2014 to 2018.

1.8 Limitation of the Study

This study is limited in the following ways:

First, Kwahu Zone of the Eastern Region is the scope of this study. The schools in the zone may have a different degree of impact of financial irregularities than other zones in the country. Therefore, the findings of the study will not represent all Second Cycle Institutions in Ghana and will not be generalized. Second, the response from respondents may not be a true reflection of reality. There may be a potential personal bias of respondents influencing their responses and may not be the true reflection on the ground.

1.9 Organization of the Study

The whole thesis will be divided into five chapters. The chapter one will be for the introduction where the background of the study, statement of the problem, objective, research questions, significance of the study, a summary of the methodology, limitation and scope of the study will be outlined. Chapter two will be for the review of conceptual literature, theoretical and empirical literature relating to financial irregularities and educational resources. Chapter three shall be devoted to the presentation of the data and methodology that will be used in the study. Chapter four will present the analyses and discussions of results while the final chapter; chapter five will focus on the conclusions and recommendation for further research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter of the study is devoted to conceptual review, theoretical review, empirical review and conceptual framework.

2.1 Conceptual Review

The conceptual review of the study consists of educational resources, financial irregularities and the concept of secondary school administration in Ghana

2.1.1 Educational Resources

This section discusses educational resources which include the meaning of educational resources, classification of educational resources, sources of educational resources, challenges of availability and utilization of educational resources and regulatory framework on educational resources in second cycle schools.

2.1.1.1 Meaning of Educational Resources

According to Usman (2016), resources are all the materials and non-material components required and useful for achieving goals of an institution. The quality and quantity of input resources and how they are used largely influence quality and quantity of output in education. For Cohen, Raudenbush and Ball (2003), educational resources refer to monetary items in the school. This includes instructional materials, physical facilities, library and its related items, teachers' formal qualification and many more. NOUN (2009) also asserts that school resources consist of the teaching and non-

teaching workers, people in the school community, real objects, specimen or models, chalk and display boards, school buildings and layout and other basic items of students' writing materials that promote learning. Education resources enhance school administration and make teaching and learning activities very simple (Usman, 2016).

In this study, education resources are the physical items, manpower and infrastructure needed to facilitate teaching and learning and administrative work of an educational institute. This includes instructional materials, desk, vehicles, classrooms, dormitories, bungalows, land size, the layout of the school, computers, offices, teachers, non-teaching staff, feeding item, school beds, library system, laboratories, infirmary, sanitation items, lighting system, water system, cash, etc. Any item that is used by schools in achieving the purpose of its establishment can be considered as educational resources. These resources are said to be inadequate when there is insufficient supply of them and or lacking the requisite qualities to meet their growing demands.

2.1.1.2 Classification of Educational Resources

Houck and Moonyoung (2012), group educational resources into input and throughput. Spending and physical resources make up the input while teacher quality, peer effects, family support and educational programmes are the throughput. To them, input and throughput influence students' achievement. Also, for Lee and Zuze (2011), physical and human resources constitute educational resources and are used by schools. Physical resources include instructional materials, infrastructure and desk. Teachers, support

staff and students make up the human resources. NOUN (2009) asserts that education resources can be grouped into five (5). They are physical/material resources, financial resources, time resources, human resources, information technology (ICT) resources and community resources.

Physical/Material Resources are tangible resources that can easily be seen and observed in any educational institution. Examples are the classrooms administrative offices, cars, sick bays, library, laboratory, etc. that contribute to the attainment of the school's objectives.

Financial Resources are the monies needed for the effective running of the school. In school administration, money is essential for the purchases of stores items. In addition to this, funds are required to compensate workers of the school.

Time is the application of hours of duty to other resources of the school.

Human Resources consist of staff, students, parents, community members and other stakeholders. Human resources plan, organise, coordinating, control, manipulate and maintain other forms of resources of the school.

In this study, educational resources are grouped into two. They are academic resources and auxiliary resources.

Academic Resources are the resources that are directly used in the teaching and learning process at school. Examples include teachers, students, instructional materials, classrooms, desk, display boards, chalk or whiteboard markers, libraries, computers,

etc. Without these resources, it will be very difficult for teaching and learning to take place. They are purely for academic work in the school. They are core and needed for knowledge impartation.

Auxiliary Resources are the supportive resources that enhance academic work in the school. These resources are not directly used in the teaching and process but they complement the work of academic resources in the school. Examples include non-teaching staff (administrators, accounts staff, labourers, cooks, matrons, storekeepers, librarians, school nurses, drivers, security personnel, etc.), vehicle and its related resources, office facilities, dormitories, beds, water system, lighting system, sanitation items, etc.

2.1.1.3 Sources of Educational Resources

Resources for schools' activities come from various sources, (Commonwealth Secretariat, 1993; Owusu, 1998; Doudu, 2001). According to the World Bank (2011), the Central Government is the main source of educational funding in Ghana. This major funding is derived from the annual budget allocated to the schools, mainly used for the payment of compensation of school workers and provision of instructional facilities. The Ghana Education Trust Fund also supports the schools with the provision of school buildings, dormitories, bungalows, etc.

Again, Ghana receives several financial support for specific aspects of secondary education over decades. For instance, the education sector received support from the

Social Impact Mitigation Levy (SIML) Funds. Currently, the World Bank support secondary education under the Secondary Education Improvement Project (SEIP). International donor agencies like United Kingdom Aid, United State Aid, etc have also partner the Government of Ghana in the provision of educational resources to the schools.

Other sources of funding include Metropolitan, Municipal and District Assemblies (MMDAs). The MMDAs provide some form of funding at their respective metropolis, municipals and districts. Parent-Teacher Associations (PTA), old students and religious organizations also support the schools with some amount of resources (GES, 2013). Corporate bodies are also not left out by sponsoring educational programmes and awarding scholarships to some specific individuals. Some also support educational institutions through their Corporate Social Responsibilities (Koramoah, 2016).

2.1.1.4 Challenges of Availability and Utilization of Educational Resources

Armah (2017) states that inadequate infrastructure and teaching and learning materials, insufficient instructional time, overloaded curriculum content, lack of skilled and experienced teachers, among others are the challenges facing the availability and the use of educational resources. NOUN (2009), also posits that the challenges of availability and utilization of school resources include:

- i. Shortage of supply of funds to procure other educational resources

ii. Misuse of school facilities. Workers of school either ignorantly or intentionally abuse the use of educational resources. This could be due to lack of technical know-how or improper training of school staff.

iii. Poor management of school resources. Some school managers due to their corrupt attitude pilferage funds meant for school activities. There is lack of maintenance of school facilities, the supply of sub-standard resources as a result of poor management.

iv. Inadequate school facilities to boost effective teaching and learning.

2.1.1.5 Regulatory Framework of Educational Resources at Second Cycle Schools

It is an obligatory for all heads of second cycle schools, bursars, storekeepers and any other person entrusted with public funds to comply with the provisions in the financial laws and regulations. Some of the financial laws and regulations that managers of educational resources are to comply with includes Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Secondary Schools, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service, etc. The regulatory framework is intended to generate public confidence in public financial managers in relation to the efficient, economic and effective use of resources put under their stewardship. Accounting and non-accounting officers are made aware of the legal implications of financial transactions, so as to prevent unlawful actions and decisions that may result in losses and wastes. Knowing the regulatory framework prevents misunderstanding of the

functions of public financial managers and the controls they exercise; hence they foster good and healthy relationship among public officers and also between the officers and the public. Their enactments prescribe the duties of officials managing public funds. The following are some of the summary provision in the legal framework of educational resources:

2.1.1.5.1 Public Financial Management Act, 2016, Act 921

This Act prescribes clearly the powers and duties of public financial managers. It also defines the main actors in the financial administration of the country, the assignment of responsibilities, their functions and roles. This includes the responsibilities and powers of Minister of Finance, Chief Director, Principal Spending Officers, the Controller and Deputy and Accountant-General, Parliament and their Oversight Responsibilities. The act also addresses how assets of a covered entity are managed and cared for, the role of internal and external auditors in ensuring spending officers use public resources judiciously and many more.

2.1.1.5.2 Public Financial Management Regulations 2019 (L.I. 2378)

These regulations are made by the Minister of Finance in the exercise of the powers conferred upon him by the Public Financial Management Act 2016, Act 921. They are basically rules and regulations governing the management of public finances. It addresses government payment process focusing on responsibilities for payment,

certification of completion of work, an inspection of work, inspection for certification, record of invoices and supporting documents, approval of payment vouchers, who qualifies for compensation, and others.

2.1.1.5.3 Public Procurement Act, 2003 (Act 663) as Amended with Act 914

The procurement act is applicable to a covered entity and it describes the content of a procurement plan, methods of procurement including competitive tendering, single sourcing, etc. Public officers are to comply with the provisions in the procurement act to ensure there is value for money in using public funds.

2.1.2 Financial Irregularities

This section includes the meaning of financial irregularities and areas of financial irregularities in schools.

2.1.2.1 Meaning of Financial Irregularities

According to Rangongo (2016), financial irregularities, in other words, financial mismanagement is the poor minding of school resources, maladministration as corrupt behaviour, corruption as wrongdoing on the part of an authority, and misappropriation as dishonest use of school funds for one's own use. It is also the failure of school authorities or any other relevant functionaries to discharge their financial responsibilities properly and fully. This may be unintentional, meaning that it may stem from mistakes, incompetence, negligence or carelessness (i.e. financial misconduct in

handling or reporting usage of money given). It may be intentional (such as in the case of bribes, illegal activities and misappropriation of school resources for personal use or gain) (Ochse, 2004; Svensson, 2005; Western Cape Education Department, 2009). Talane and Pillay (2013) emphasize that financial mismanagement involves a host of activities, including misappropriation of funds, disregard for due processes, and lack of financial reporting to stakeholders of the school. In this study, financial irregularities are defined as the gross disregards for financial acts, enactments, regulations and instruction by managers of public resources.

2.1.2.2 Areas of Financial Irregularities Facing Schools

Significant among the irregularities which have been recurring over the years and have appeared many times in the auditor's reports include procurement/stores irregularities, payroll irregularities, tax irregularities as well as cash management and other irregularities. The persistent failure of Heads of the institutions to comply with the provisions of the financial regulations and accounting instructions is noted as the bane of these irregularities (Quartey, 2015).

2.1.2.2.1 Procurement Irregularities

These irregularities occur when officers do not comply with the laid down rules and regulations in procurement laws in procuring goods, services and works. Examples of procurement irregularities are uncompetitive procurement (failure to obtain at least three price quotations), store items issued without approved requisition vouchers, amount spent on repairs and maintenance without works order and certificate of

satisfactory completion of work done before effecting payment, fuel unaccounted for, procurement made without procurement plan with exception of emergency buying, failure to either sign contract agreement with suppliers or constitute entity tender committee, missing school items, procuring above the threshold, among others.

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2.1.2.2.2 Payroll Irregularities

Payroll irregularities include but not limited to failure to recover unearned salaries, failure to recover overpaid salaries from staff, failure to recover overdue salary advance granted to staff, etc.

2.1.2.2.3 Tax Irregularities

Some officers discharging their duties as managers of educational resources fail to deduct withholding tax, procure goods from non-VAT registered persons resulting to non-payment of VAT by the suppliers, failure to obtain VAT invoice or receipts to support VAT paid to the supplier, etc.

2.1.2.2.4 Cash Management Irregularities

This includes failure to support expenditure incurred with invoices, receipts and acknowledgement to authenticate payment. Thus, absence of documentary evidence to justify payment. Failure to lodge fees collected into school's account by accounts staff, cheques lodgement not credited by the bank, failure to present payment voucher with supporting documents, diversion of fees collected and belonging to the school into

personal use and overpayment to suppliers are all cash irregularities occurring in the use of educational resources. In addition to the above, failure to collect rent revenue belonging to the school from staff occupying government bungalows and failure to use monies meant for school uniforms and medicals are all part of cash management irregularities in schools. Other cash management irregularities like unreceipted payments, excessive use of honour certificate, direct disbursement from school fees collected, excessive cash payment, physical cash collection of school fees instead of payment orders or banker's draft, disbursement by cash instead of cheque and failure to produce a stock register of value books.

2.1.2.2.5 Other Irregularities

There is an abandonment of school projects, impoundments of school properties for failing to pay judgement debt, PTA failing to submit accounts for auditing, etc.

2.1.3 The Concept of School Administration at Second Cycle Level

According to Okendu (2012), School administration is an idea comprising of how resources are mobilized for the purposes of goal accomplishment in an education institute. Educational Administration is the step by step activities of combining human, material resources and programmes that are available for education and carefully using them systematically within defined guidelines or policies to achieve educational goals

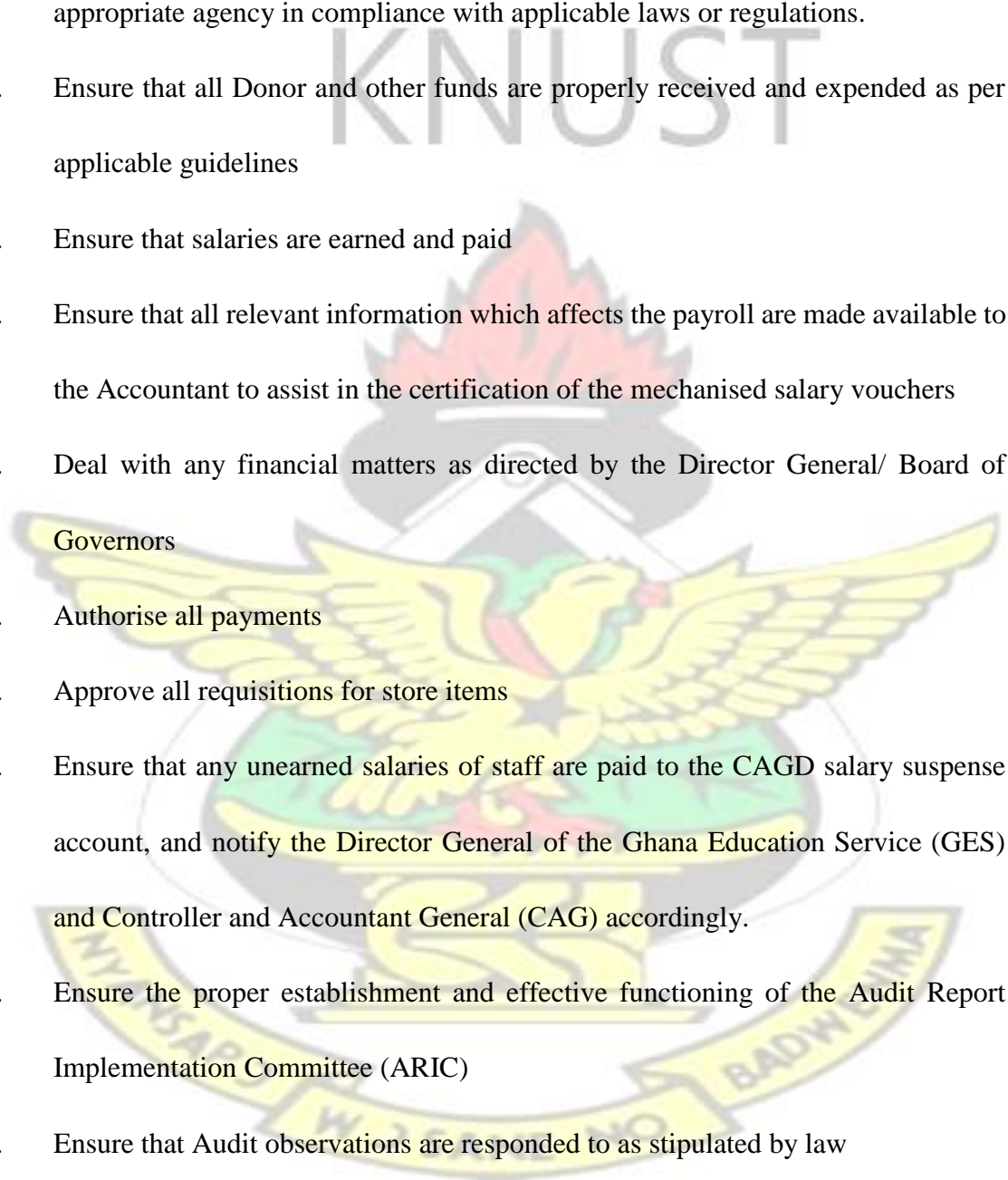
(Nwankwo, 1987). National Teachers Institute NTI, (2006) opines that school administrators are responsible for bringing together all the diverse resources and utilising them effectively to achieve the goals of the school. Okendu (2012) continues that judiciously using both human and material resources for effective teaching and learning is a mark of every school administrator.

In Ghana, second cycle schools are run by a board of governors. Composition of the board of governors include the representative of Director General of Education, Regional Director of Education, the District Director of Education, Lawyer from Regional Education Directorate, Headmaster, a representative from the Traditional Council, representative of the Local Assembly, Member of Parliament in the area, representatives of Old Students Association, PTA Chairman, representative of Teaching Staff, representative of Non-Teaching Staff, if it is a mission school, representatives from that Mission also form part of the board. However, the day to day operating activities of second cycle schools is done by management spearhead by the Headmaster. Management of second cycle school consists of the Headmaster, Bursar/Accountant, Assistant Headmasters and Heads of Department. The duties of Headmaster and Bursar/Accountant in relation to the management of educational resources are considered for the study.

2.1.3.1 Duties of Headmaster

In the Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service in October 2014, the following duties of a headmaster of a school are elaborated:

- i. Exercise supervision over the work of the Accountant
- ii. Ensure that bank accounts are opened for the institution and operated in accordance with the current legal provisions
- iii. Ensure that proper books of account and related records are kept
- iv. Ensure timely submission of proper and accurate financial statements and other returns
- v. Ensure that proper provision is made for the safe custody and banking of cash as well as the safe custody of value books, property and stores
- vi. Ensure that budgets are prepared for all sources of funds and submitted to the appropriate authorities
- vii. Ensure that revenue is properly collected, recorded, and banked under the Financial Administration Regulation (FAR)
- viii. Ensure that expenditure is incurred in accordance with the approved budget or as varied by the approved provisions.
- ix. Ensure the establishment and proper functioning of the procurement and entity committee
- x. Ensure the timely preparation and approval of the procurement plan
- xi. Consider contracts recommended by the procurement/entity committee
- xii. Investigate losses and take appropriate action

- 
- xiii. Ensure that debts owed by the institution are promptly paid and that debts owed to the institution are promptly collected
 - xiv. Ensure that all taxes due are promptly deducted/collected and paid to the appropriate agency in compliance with applicable laws or regulations.
 - xv. Ensure that all Donor and other funds are properly received and expended as per applicable guidelines
 - xvi. Ensure that salaries are earned and paid
 - xvii. Ensure that all relevant information which affects the payroll are made available to the Accountant to assist in the certification of the mechanised salary vouchers
 - xviii. Deal with any financial matters as directed by the Director General/ Board of Governors
 - xix. Authorise all payments
 - xx. Approve all requisitions for store items
 - xxi. Ensure that any unearned salaries of staff are paid to the CAGD salary suspense account, and notify the Director General of the Ghana Education Service (GES) and Controller and Accountant General (CAG) accordingly.
 - xxii. Ensure the proper establishment and effective functioning of the Audit Report Implementation Committee (ARIC)
 - xxiii. Ensure that Audit observations are responded to as stipulated by law
 - xxiv. To constitute Board of Survey to certify balances at the end of the year.

2.1.3.2 Duties of Accountant/Bursar

The Accountant shall be in charge of the Accounts of the Department and be responsible to the Head of the Institution. The duties of the Accountant include:

- i. Properly advise the headmaster on all financial matters
- ii. Assist the head of the school to control expenditure within the approved budget.
- iii. Prepare work schedules, supervise and provide on the job training for subordinate accounting staff
- iv. Maintain a register for all value books, see to it that they are kept under lock and key and are in safe custody
- v. Secure the proper collection of all revenue due and ensure its timely banking
- vi. Ensure all payment vouchers paid are stamped “paid” with the paid stamp
- vii. Keep proper records of all transactions and produce the same for inspection when duly called upon to do so.
- viii. Keep records of all debtors and creditors in the ledgers
- ix. Supervise the preparation and submission of salary inputs to the GES Headquarters and CAG
- x. Maintain a register for recording all data which affect the payrolls emanating from the Payroll Processing Sections (PPS)
- xi. Maintain and regularly update salary abstract register and advise management appropriately.
- xii. Ensure that all payments are made
- xiii. Certify all mechanised salary payment vouchers
- xiv. Prepare and present financial statements timely.

- xv. Participate in budget preparation
- xvi. Support the head to address all audit observations
- xvii. Supervise the stores and the kitchen departments
- xviii. Ensure that adequate records are kept for fuel purchased and logbooks maintained for all vehicles
- xix. Support the head in the management of transport where there is no transport officer.

2.2 Theoretical Framework

This study considers two theories; agency theory and accountability theory.

2.2.1 Agency Theory

An agency is a relationship between two parties where one is the agent and the other, the principal. The principal hires the agent to undertake certain activities on its behalf. The authority to make decisions that affect the principal is given to the agent. Again, the principal entrusts his resources into the hands of the agent but has little or no involvement with daily operations. The losses incurred by the agent are affected by the principal's resources. Agency theory explains and resolves problems emanating from the relationship between the agent and the principal. What the principal can do in an agency relationship is to use monitoring system, performance evaluation system, linking performance with pay, etc. as control devices to force the agent to perform better, mitigate the effects of information asymmetry and conflict of interest.

2.2.1.1 Application of Agency Theory to the Use of Educational Resources in Schools

Public Schools in Ghana can be viewed in an agency relationship. The basic role of educating Ghanaians rests with the government. Ghanaians, as principals have social contracts with governments to render educational services. The Ghana Education Service (GES) is the agency of the ministry of education (MoE) is mandated to create a conducive atmosphere in all schools, colleges and those in managerial positions for the sustenance of effective teaching and learning and promote management efficiency in the education sector. Thus, the school board of directors are elected to ensure that this mandate of the GES is achieved. This makes the board of directors of each school the principal agent of GES. But for the day-to-day running of the schools, school management teams, headed by the headmaster/mistress, act as an arm-extension of the board of directors.

The agent (headmaster/headmistress) being the highest authority in the school (administrator), is responsible to put school expenditure under control and spend on the school's priorities in line with financial laws and regulations and or as directed by government through its educational agencies. The authority to monitor and control school funds and the routine financial management of the school's resources by the head comes from the board of governors who represent the shareholders (Ghanaians). The head also has absolute responsibility on the financial records and reporting. In line with Agency Theory, the management being the agent with full responsibility for

financial management are supervised so as to reduce agency costs. And the state of affairs in relation to management of school's resources are made known regularly to the board of governors and government through financial reports in the form of monthly, quarterly, mid-year and final accounts. Again, auditors from both Ghana Education Service and Ghana Audit Service perform routine audit on financial records which have been prepared by school management to check whether there has been compliance with laws and regulations and ensurance of value for money in using public resources. Any unresolved irregularities detected are then reported to government through its allied agencies.

An agency problem arises when there is a divergence of objectives between heads of schools and government regarding the use of school resources. The school managers have much information about the implementation process of the school's policies. This brings spatiality of information between the managers and resources providers. At the same time, there is no interest congruence between school managers and the resource providers, and therefore school managers, who are assumed to be utility-maximizing actors, are likely to use their discretion to pursue their parochial agenda to the detriment of the school. Kim and Cho, (2015) asset that this creates opportunistic behaviour of school management and can result into moral hazard and adverse selection.

This theory is adopted for the study because financial irregularities occurring in schools may be due to agency problem. Again, the concepts and principles of agency theory is

a common situation in the use of educational resources. Adverse selection of decision in schools emerges when providers of school resources are not fully informed about the abilities of the potentials of managers of the resources. However, where resource providers are aware of the potential agency problems, government and other stakeholders of education become interested in guarding against opportunistic behaviour by developing appropriate laws, regulations and directives. The central theme of the agency theory is on how the principal can put the behaviour of the agent under control in a situation of conflict of interest which regularly occurs in the public sector (Halachmi and Boorsma, 1998) hence, the enactment of Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Secondary Schools, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service, etc.

2.2.2 Accountability Theory

The study also adopts the theory of accountability propagated by Carrington, DeBuse and Lee (2008). The concept of accountability is wide and can be used to mean something different in a context (Joannides, 2012). According to Blagescu and Casas (2005), Bovens (2007) and O'Dwyer and Unerman (2007), accountability is the relationship based on commitments of some people to demonstrate, review and take responsibility for performance, and both of the results are achieved in light of agreed expectations and used means. It is not just something formal, however, it consists of moral rights and obligations (Said et'al., 2018). When leaders are held accountable for

their actions, they become obligated to utilise resources wisely for performance improvement (McCall, 2012; Allen & Dennis, 2010; Hall et'al., 2004).

Definitions of accountability also tend to revolve around a specific theme (Frinks and Klimoski, 2004). This theme concerns the interpersonal context and focuses on persons in two distinct roles. One is sometimes referred to as the “agent” (Adelberg & Batson, 1978; Cummings & Anton, 1990), and is the focal person whose behaviour is subject to evaluation by another. The other is often referred to as the “audience” or “principle,” and is some person or persons having opportunity and reason to observe and evaluate the agent. Internal and external accountability are the two sources of accountability (London & Smither, 1997). Internal source of accountability is the individuals’ feeling accountable for behaviours that are self-imposed or that are imposed by others. Schlenker and Weigold (1989) opine that the personal evaluation of behaviour makes accountability a viable concept. Under external accountability, individuals feel responsible and obligated to perform certain behaviours because they are expected by others to do so.

Accountability theory is also rooted in explanations for predictable behaviour. It places a great deal of emphasis on interpersonal relationships. Furthermore, it postulates a central role for interpersonal expectations, emphasizes the importance of compliance, the consequence of non-compliance (Cummings & Anton, 1990; Ferris et’ al, 1995; Schlenker et’ al, 1994). Accountability requires integrity, internal controls and

leadership qualities from persons being accountable (Alams et' al, 2018); and compliance with laws and regulations (Dubnick & Justice, 2004).

2.2.2.1 Application of Accountability Theory to the Use of School Resources

Schools and other educational institutions are established, maintained and sustained essentially to achieve certain assured objectives. The goals of such an establishment cannot be easily achieved without putting in place certain mechanisms towards the success of the implementation of policies and programmes (Dangara, 2016). In public schools, accountability is usually linked to the management of the scarce resources of education to ensure prudent utilization of available resources for the attainment of the stated goals of education. According to NOUN (2008) Accountability in education is the answerability to one's actions in the educational system. It is the state of being accountable to the stakeholders in education and accountable for the resources used in education. This is emphasised by Okoroma (2007) who states that accountability in education is considered due to the following reasons: (i) the school system, which facilitates the objectives of education, is a creation of the society which must maintain checks and balances. (ii) Education is generally funded by the government through taxes, which must necessarily exercise some control in all facets of the educational process. The tasks of accounting, auditing and reporting are associated with the business of formal education. The concept of educational accountability is used to describe (a) the nature, sources and amount of revenue inputs, (b) the appropriation of revenues to various programmes and (c) the actual expenditures in these programmes.

Educational accountability promotes effective teaching and learning. It prevents the misapplication of public funds and resources. Accountability skills help to strengthen the school system with the ability to provide a meaningful account or report to acknowledge that educational objectives identified and intended to be achieved with given resources have been achieved. It encourages keeping proper records or account of all incomes received and all expenditures made to the satisfaction of the public that supports education.

Financial resources have been allocated to the schools to be used for the enhancement of teaching and learning. Heads of school are responsible for the efficient utilization of the resources. The resources do not belong to the heads and their management teams but they hold them in trust for the government and other bodies that made the resources available. How heads of schools have used the resources vi-sa-ve the achievement of the objectives of the school and ensuring value for money, the heads are held accountable for their actions and in-actions hence; the adoption of the accountability theory for this study.

2.3 Empirical Review

Globally, financial irregularity is a major worry (Transparency International, 2013).

In the study of Hollak and Poisson (2007) on the factors conducive to the development of financial malpractice at school level in France, they site lack of professional norms and transparency at each administration ladder creates an opportunity for financial

malpractices. Ochse (2004) adds in the study on preventing corruption in the education system: a practical guide at Eschborn, Germany, inadequate enforcement of provisions in the existing laws and regulations and inefficient expertise of people managing school resources promotes financial irregularities in schools contribute to corruption in school.

In other parts of Africa financial malpractices exist. Rango, Mohlakwana and Beckman (2016) investigate the underlying causes of financial mismanagement in public schools and focus on the perceptions of various role players in the Limpopo Province of South Africa. The study adopts qualitative research to arrive at an in-depth understanding of why financial mismanagement occurs in certain schools. Semi-structured interviews with principals, finance officers and departmental officials are used to collect primary data and analyse thematically. The findings of the study reveal lack of knowledge of legislation and skills, poor monitoring and control of funds, unavailability of financial policies in schools, omission to act against culprits, and lack of honesty, openness and trustworthiness contribute to financial mismanagement in secondary schools. In the study of Okon, Akpan and Ukpono (2013) on financial control measures and enhancement of principals' administrative effectiveness in secondary schools in Akwa, Ibom State in Nigeria, the study reveals that financial mismanagement is an omnipresent phenomenon in Secondary Schools due to improper use of financial control measures by principals.

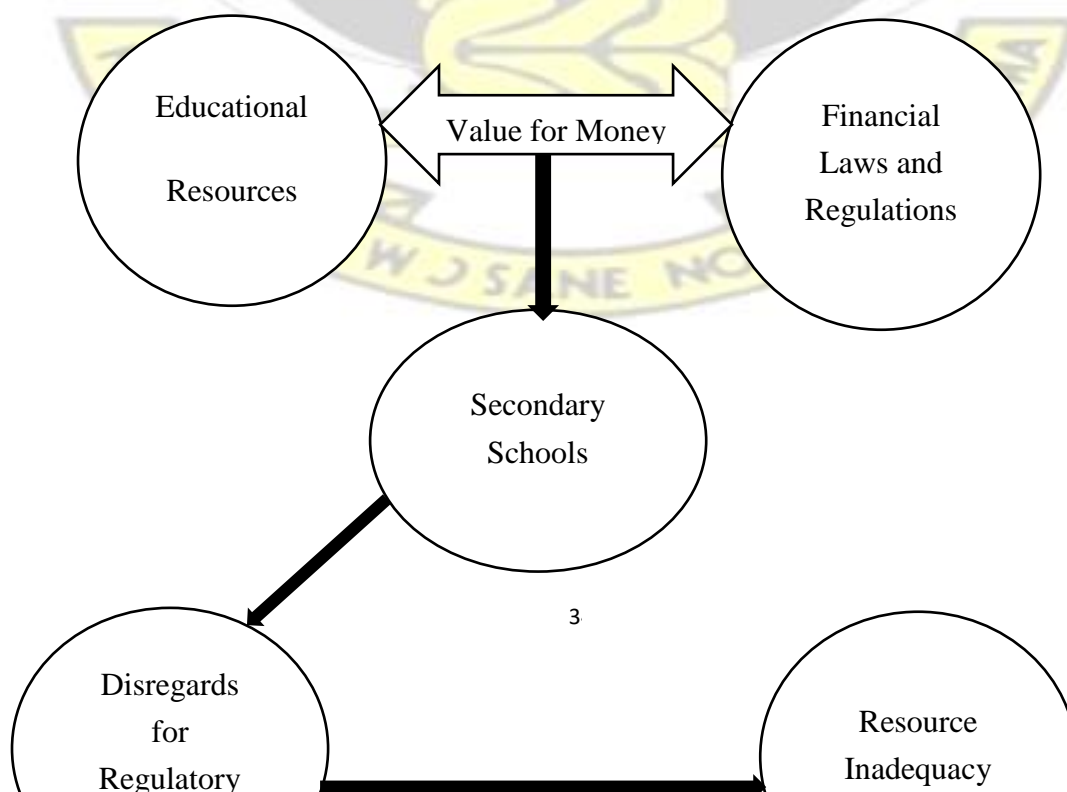
The situation in Ghana is indifferent as several studies on financial management practices in Secondary Schools show the existence of financial irregularities in schools. Abaasa-Ababio (2015), conducts a study on financial control practices of heads of public second cycle institutions in Cape Coast Metropolis. In that study, a cross-sectional survey with the mixed-method design is adopted. The findings of the study reveal that there are underhand dealing by bursars which headmasters are unable to detect due to their lack of knowledge in financial management. Salamat, (2007) study on the practices of financial administration in public secondary schools in the Accra Metropolis. Data are gathered using a questionnaire with an internal reliability coefficient of 0.7147. It is revealed that most headmasters lack the requisite knowledge in financial management and is making it difficult for them to supervise the work of their accountants. It is also in the study that, the schools are unable to generate enough cash to fund their programmes. This results in the creation of huge debts for the schools. In the study of Nketiah, (2017) to establish the relationship between governance, financial controls, and financial irregularity in Senior High Schools in Ghana, it is established that there is a correlation among the variables.

With Kyei, (2019) study on the challenge of financing secondary education, it is detected that there is an insufficient supply of classroom resources like tables and chairs, seating space. It is further found that the compound resources; such as school fence, school gate, notice board, school ground, dining hall, toilet facility; of most of the second cycle schools in Ghana are also less adequate. These findings confirm the

finding of Koramoah, (2016), that the educational infrastructure in most of the second cycle schools is not adequate. To Adamu (2019) on the study on challenges of the free senior high school programme, it is revealed that there is inadequate infrastructure, lack of adequate distribution of teaching and learning materials, insufficient teachers are some of the problems facing second cycle schools in Ghana. The studies cited above confirm the occurrence of financial irregularities and inadequate educational resources at the school level. And so the question that this study seeks to answer is, how has the financial irregularities perpetrated by the second cycle institutions contributed to the inadequacy of educational resources?

2.4 Conceptual Framework

Figure 2.4: Conceptual framework for the impact of financial irregularities on the educational resource.



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Source: Author's construct (2020)

Public schools have been established by the citizenry through the government with the mandate of training human resources which are eminent in the development of a country. The necessity of this task behoves on government, parents and other benevolent donors to make resources such as funds, instructional materials, physical facilities, etc. to the schools. The government then recruits the services of school heads, accountants (bursars), matrons, storekeepers, and other staff to mind the affairs of the school. Some of the duties of these managers include ensuring that school resources are best put to use in a manner that enhances effective teaching and learning and value for money. This creates an agency relationship between resources providers and resource managers of the school.

To reduce agency cost, there are enactments of Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Secondary Schools, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service, etc, within which school management are to behave. School management led by the heads in the discharge of accountability,

regularly reports in the form of financial statement to the government through the board and Ghana Education Service.

Upon receiving of the financial statement, Schools are held accountable for the quality of their resource management, determine the level of compliance with laws and regulations and attainment of value for money through external financial audit and inspection by the government. Any irregularities detected by the auditors are reported to the government in the form of an audit report for necessary action to be taken.

The logo of Kwame Ninsin University of Science and Technology (KNUST) is centered in the background. It features a yellow eagle with its wings spread, perched on a green shield. Above the eagle is a white book with a red flame-like shape above it. The entire emblem is set against a white background with the word 'KNUST' in large, light grey letters.

CHAPTER THREE

DATA AND METHODOLOGY

3.0 Introduction

This part of the study is devoted to the description of the procedures that were adopted to undertake the study. It covered research philosophy, research design, the population of the study, sample and sample technique, data source, data collection instruments, data collection procedure, reliability and validity of data and data analysis.

3.1 Research Philosophy

The study used positivism philosophical approach. Positivism adhered to the view that only factual knowledge gained from observation, including measurement, could be trusted. Lewin (1988) posited that the positivist collects and objectively interprets data. According to Kura (2012), the positivists study variables objectively. This philosophy was chosen because the phenomena under study were approached from an objective standpoint and fact-based.

3.2 Research Design

The study employed a descriptive design to explore the constituents of financial irregularities and their contributions to the inadequacy of physical resources in eighteen (18) secondary schools in Kwahu Zone. This helped to provide better understanding and clarity of the nature of the variables that the study focused on.

The study also adopted the mixed method to collect, analyse and interpret both quantitative and qualitative data. By this approach, it helped to gain a deeper and better understanding of the various aspects of the phenomenon while off-setted the inherent weakness associated with using each approach alone.

3.3 Population

All public Second Cycle Schools in Kwahu Zone of Eastern Region constituted the population of the study. Schools in the zone were chosen because of their continuous appearance in Auditors General Reports and the amount involved in the financial

irregularities were also huge compared with other zones in the region. There were twenty one (21) Second Cycle Schools in the zone.

3.4 Sample and Sampling Technique

For this study, eighteen (18) Second Cycle Schools with fifty-four (54) participants were the sample of the study. The researcher listed all the second cycle schools in the Eastern Region with their cases of financial irregularities in the reports of the Auditor General from 2014 to 2018. Out of these, the schools which fell within Kwahu Zone were picked as the focus was on schools in the zone with issues of financial irregularities. The schools that were not selected had no issue of financial irregularities in the years under review. All the eighteen (18) second cycle schools purposively selected to represent the zone had appeared in the Auditor General Reports in one or more times with not less than one (1) case of financial irregularities within the last five (5) years. This approach was adopted as it provided the areas of financial irregularities and its associate measurements. The eighteen (18) schools represented 85.71% of the total schools in the zone; a fair proportion of the population.

Three (3) management members comprised of the Headmaster/Headmistress, Bursar/Accountant and other were selected from twelve schools, two (2) Internal Auditors from each of the six (6) Districts in the Zone, six (6) External Auditors from Ghana Audit Service constituted the fifty four (54) participants used for the study. This number of participants were used because the seventy-two (72) respondents whom the

questionnaires were sent to, only fifty-four (54) of them representing 75% of the respondents responded within time. Twelve participants in the school management category responded late and time constraint did not permit the researcher to include the delayed responses. Heads and Accountants were purposively picked as part of management members of the school with the belief that they took and implemented most financial decisions of the schools. The other management member of the school was also selected based on the availability of such member. These made them suitable for the study.

Again, the Public Finance Management Act, Financial Administration Regulations and other legal and regulatory frameworks of school resources required Auditors from both Ghana Education Service and Ghana Audit Service to audit and investigate financial records of schools. The Auditors performed their duties to check how management had complied with the relevant provisions in the legal frameworks and ensured value for money in discharging duties as stewards of public resources. Hence, the involvement of the Auditors as part of the sample for the study. These Auditors were also purposively chosen based on their experience with Second Cycle Schools as Auditors and their availability to respond to the questionnaires.

3.5 Data Source and Collection Instruments

The study adopted a dual source of mixed data collection to gather both qualitative and quantitative data. Quantitative data was obtained from the Auditor General Reports

while questionnaire was used to obtain qualitative data from school management, internal and external Auditors. With the questionnaire, the study obtained availability and adequacy as a measure of inadequate educational resources in the schools. Questionnaire was also chosen above other primary data collection tools because it gave the respondents ample time to respond, and all the people that were used for the study were literate. Participants of the sample group under questionnaire remained anonymous. The reports of the Auditor General from 2014 to 2018 were used to ascertain the monetary values of irregularities committed by the schools. The reports also provided the areas and measurement of financial irregularities in the schools. The five years ending 2018 of Auditor General reports were chosen because the researcher saw them as the most current and relevant to the study.

3.6 Data Validity and Reliability

The questionnaire was constructed in a simple clear language making respondents understood the questions and responded accordingly. Before administering the questionnaire, a pre-test of the questions was conducted on ten (10) people who could have formed part of the sample if chosen to check the validity of the questions. Also, the construction of the questionnaire ensured that personal bias of the researcher and offensive responses to respondents were eliminated. Data from Ghana Audit Service could be trusted for its authenticity and reliability as it adopted standard methods in data collections and gave room for insignificant margin of errors.

3.7 Data Analysis

The data collected through the questionnaire were coded and fed into the Statistical Package for Social Sciences (SPSS) software version 26. It was then analysed using descriptive statistics. Tables and bar graph were also used to present both the primary and statistical data. The scores of the responses from the sets of questionnaires that were administered were grouped according to the research objectives. The study also followed line-by-line and thematic analysis of Mboji (2015) for the analysis as it was found to be suitable. Then, coefficient of the responses was calculated using Pearson Product Moment to establish the relationship between financial irregularity and inadequate educational.

CHAPTER FOUR

ANALYSIS AND PRESENTATION OF FINDINGS

This part of the study addresses the data evaluation and deliberation of the result of the study. The data analysis was divided into three sub-divisions. The first part examines the demographic characteristics of respondents in the area of position and working experience and how these features influence the responses of the respondents to the research questions asked. The second part of this section delivers a wide-ranging analysis of the objective of the study which includes the factors contributing to non-compliance of financial laws and regulations in the use of school resources, the extent to which non-compliance of financial laws and regulations affect school resources and

identification of financial management practices to improve the efficient use of school resources. The final section contains the discussion of the findings.

4.1 Demographic Characteristics

Tavakol and Dennick, (2011) assert that having knowledge about the demographic characteristics of respondents aids to ascertain the dependability and veracity of the data obtained and creates assurance and credibility in the outcome of the study. Table 4.1 and Figure 4. 1 show the demographic characteristics of respondents with respect to their academic qualifications and work experiences respectively.

Table 4.1: Academic Qualification of Respondents

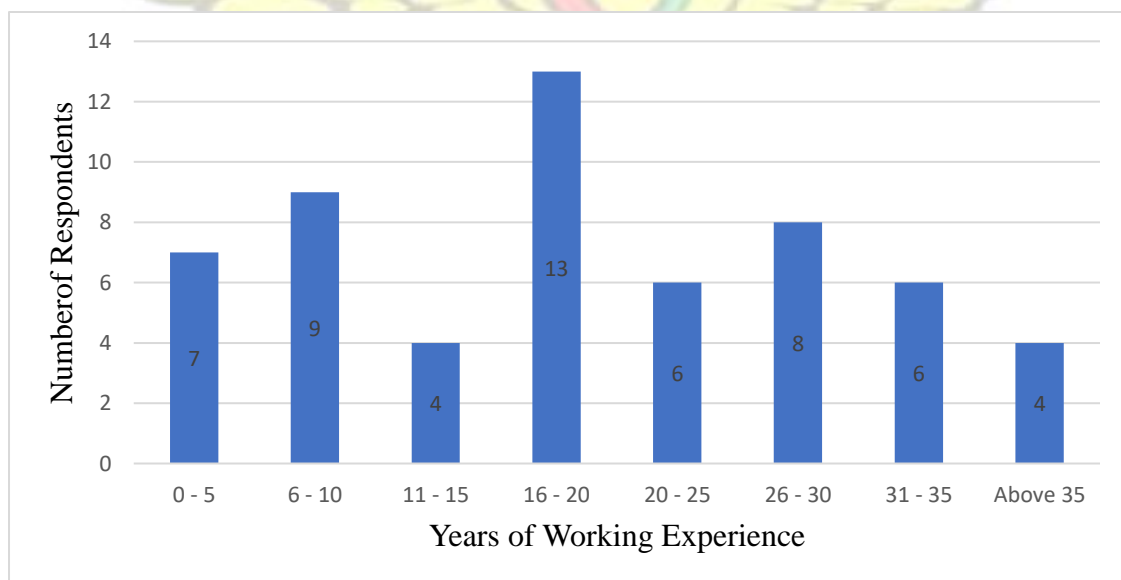
Respondents	SHS/A'Level / O'Level	Diploma/ HND	Under Graduate	PGD	Masters Degree	PhD	Total
Headmaster			4	2	7		13
Accountant		3	7		3		13
Other Mgt. Member			3	4	6		13
Internal Auditors		1	9		2		12
External Auditors			4		2		6
Total Survey Participants							57

Source: Field Survey, 2020

Table 4.1 discloses the academic qualifications of survey participants who are the respondents of the questionnaire. This includes 13 Headmasters, 13 Accountants, 13 Other Management Members, 12 Internal Auditors (2 from each of the 6 District

Directorates of Education in the Zone) and 6 External Auditors from Ghana Audit Service. According to Table 4.1, 53 respondents representing 92.99% have higher education ranging from undergraduates to masters degree. Only 4 respondents representing 7.01% are diploma and HND holders. This supposes that respondents are well educated and will be able to read the questionnaires, understand the requirement of each question and provide the right responses accordingly.

Figure 4.1: Work Experience of Respondents



Source: Field Survey, 2020

Figure 4.1 displays work experience of survey respondents. According to the Figure, 7 respondents representing 12.28% of the 57 respondents had worked below six (6)

years with their respective organisations and fifty-one (51) respondents; indicating 89.42% had worked from 6 years and above in Ghana Education Service or Ghana Audit Service. This shows that the respondents had sufficient experience, which suggests that they had in-depth knowledge of their field of operations, which would result to provide a reliable response.

4.2. Descriptive Statistics of Financial Irregularities in Second Cycle Schools

As reported in the Auditor General Reports; payroll, tax, procurement and cash management irregularities constitute the components of financial irregularities in the Second Cycle Schools of Kwahu Zone, the descriptive statistics and evidence of financial irregularities in the second cycle schools are shown in Table 4.2.

Table 4.2 : Descriptive Statistics of Financial Irregularities

Irregularity	Minimum	Maximum	Sum	Mean
Cash	1,373.79	497,939.58	90,5826.16	150,971.02
Procurement	71,467.65	1,139,822.65	2,280,028.90	456,005.78
Tax	21,984.92	218,152.87	436,305.76	87,261.15
Payroll	4,741.21	39,114.01	78,228.02	26,076.00

Source: Auditor General Reports 2014 to 2018

The first point of call when issues of public financial management emerge is the Auditor-General. All statutory institutions including second cycle schools are subject to rigorous scrutiny at the end of each accounting year in accordance with the provisions in the Public Financial Administration Act which is in consonance with the Financial

Regulations. Table 4.2 presents descriptive statistics of the components and evidence of financial irregularities of the Secondary Schools in Kwahu Zone. From the table, a total amount of GH¢1,895,029.11 goes into various forms of financial irregularities for the years 2014 to 2018. This makes averagely cash figures of GH¢379,005.82 and GH¢473,757.28 being lost each year and to a variable of financial irregularities respectively. The procurement component recorded the highest sum of irregularity (GH¢1,139,822.65). This constitutes over 60% of the total irregularity reported. The least of the sums of irregularities was recorded within the payroll component (GH¢78,228.02). All these monies meant for productive activities of the schools have been lost due to disregards for laws and regulations.

4.3 Factors Contributing to Non-Compliance of Financial Laws and Regulation

This section contains the descriptive statistics of the causes of non-compliance of financial laws and regulations in cash management, procurement/store, tax and payroll from the perspective of school management and auditors in the use of school resources.

Table 4.3: Descriptive Statistic Results for Factors Contributing to Non-Compliance of Financial Laws and Regulations in Relation to Tax

Statement	Min.	Maxi.	Mean	SD
Supplier is not a registered VAT person	1	25	19.75	7.778
Registered VAT person but no invoice	3	20	9.75	7.932
School has no money to remit withholding taxes	7	20	13.00	6.557
There is money but for pressing needs of the school	2	17	9.75	6.344

person where they have the liberty to search for duly registered ones outside the enclaves of the school. This is a clear indication of lazy way of spending public funds. It can also mean that transaction has actually not taken place but fictitiously management finding means to cover up their under hand dealings.

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Table 4.4: Descriptive Statistics of Factors Contributing to Non-Compliance of Financial Laws and Regulations in relation to Procurement/Store

Statement	Min.	Maxi.	Mean	SD
I pay on circumstances for jobs without no job order or work done certificate	2	30	13.00	14.933
The school does not use competitive tendering due to the difficulty in obtaining three price quotations	3	19	9.75	6.801
Not all fuel bought are for school vehicles	1	17	9.75	6.702
School procures above threshold due to emergency buying	2	25	9.75	10.626
School procures above threshold due to absence of tender committee	1	27	9.75	12.258

Source: Field Survey, 2020 N = 39 SD = Standard Deviation

According to Table 4.4, majority of the respondents agree that management pay on circumstances even though work done by suppliers has no work order and work done certificates (Mean = 13; SD = 14.93). The usefulness of job order and job done

certificates is to attest that jobs or contracts awarded to a contractor has been done according to specifications on the job. Management going ahead to make payment even though payment voucher for a job has no work order and job done certificates is a clear contradiction of the provisions in Public Financial Management Act. Management behaves that way may be they are unaware of this provisions or with corrupt intention. Again, majority of the respondents agree that schools use uncompetitive procurement because the suppliers are either their regular suppliers, it is difficult to obtain three price quotations (Mean = 9.75; SD = 6.8) and the emergency need of the items they buy (Mean = 9.75; SD = 6.81). According to the Procurement Act, it is required of users of public funds to resort to competitive tendering when procuring goods and service for an entity. This is done to ensure value for money by getting a quality product or service at affordable prices. This means public funds are spent without much consideration of ensuring value for money. Single source procurement has been one way of managers of public resources hide behind to enrich themselves illegally at the expense of interest of the public. Also, it is shown in Table 4.2 that majority of the respondents agree that schools in the zone are unable to account for all fuel bought due to the failure of recording fuel bought into the vehicles logbooks, logged in fuel receipts but the receipts are missing and not all fuel the schools bought are meant for school vehicles (Mean = 9.75; SD = 6.75). Every official vehicle of the school is required to have vehicle movement book to track the movement of the vehicle including recording immediately fuel bought for official business. These receipts are then given to the accountant as evidence of fuel purchased to keep proper books of accounts. It is required also to have

a separate log book for private vehicles using fuel bought officially for school's business. Where the schools are deliberately contravening this, it indicates the carelessness attitude of school management especially the Accountant and the Headmaster or corrupt mindset of school management towards the use of public resources. Further, majority of the respondents are in strong agreement with the fact that store items are not routed through store, the school procures above its threshold (Mean = 9.75; SD = 10.63) due to emergency buying and absent of tender committee in the schools (Mean = 9.75; SD = 12.58). To ensure the judicious use of public resources, and procurement of goods and services are carried out in a fair and transparent manner, the Public Procurement Act 2016 as amended (Act 914) mandates every procurement entity to have a tendering committee. Goods procured by the schools are also to be given to the store department of the schools before issue. However, School management transacting public businesses in contradiction with these provision with reasons best known to them. Few of the respondents disagree that emergency buying and absent of tender committee cause store items not to pass through stores and school management procuring above its threshold is not a contributing factor to non-compliance with laws and regulations. This shows how ignorance some of the respondents are with the content of regulatory framework of school resources.

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Table 4.5: Descriptive Statistics of Factors Contributing to Non-Compliance of Financial Laws and Regulations in Relation to Cash Management

Statement	Min.	Maxi.	Mean	SD
Payee has no Receipt and/Invoice	1	23	9.75	10.372
Payee is illiterate and cannot issue Receipt	1	15	9.75	6.076
Receipt/Invoice obtained but missing	3	14	9.75	4.787
Receipt/Invoice obtained but missing	3	14	9.75	4.787
- Overpayment to Suppliers is caused by:				
- Payment by instalment	2	19	13.00	9.539
- Erroneous payment	2	25	9.75	10.626
Non-Payment of Rent is caused by:				
- High cost of rent	2	37	16.25	14.819
- Dilapidated bungalows	10	18	13.00	4.359
- School members do not pay rent	3	25	9.75	10.308
Failure to prepare bank reconciliation statement	1	25	19.50	7.778
Failure to report issues of uncredited cheques to school bankers	3	20	9.75	7.932

Bank cannot authenticate payment order	3	17	9.75	6.801
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Source: Field Survey, 2020 N = 39 SD = Standard Deviation

Table 4.5 presents the descriptive statistic results for factors contributing to non-compliance of financial laws and regulations in relation to cash management. The study showed that majority of the respondents (Mean = 9.75; SD = 6.07) agree payee whom payment has been made to have neither invoice nor receipt to issue. With what makes schools engage in overpayment to the suppliers majority agree that overpayment to suppliers occur due to bit by bit payments that school management resort to in settling suppliers debt (Mean = 13.00, SD = 9.53) and erroneous payment (Mean = 9.75, SD = 10.62), not deliberate. Accountant and Headmasters are supposed to be professionals entrusted with prudent management of public funds. Considering their level of experience and academic qualification elaborated in Figure 4.1 and Table respectively, it is hard to belief that over payments are made to suppliers due to instalment and erroneous payments. Again, majority agree that high cost of rent (Mean = 39; SD = 16.25). Comparing the cost of rent of accommodation on school campus to outside school campus, it is undoubtedly that, accommodation on campus is far cheaper than outside. It is a deliberate failure of accommodation committee and accountant to ensure that rent are paid regularly. Majority agree that failure to prepare bank reconciliation statement (Mean = 16.25; SD = 14.81) and failure to report issues of uncredited cheques to the school bankers (Mean = 9.75; SD =7.93) account for cash management irregularities in the schools. One of the key duties of an Accountant of every secondary school is the preparation of monthly bank reconciliation statements to

bring the cash book and the bank statement balances into agreement if any. Failure to perform this core function resulting late detection of uncredited cheques demonstrate weak competencies of some school management. However, few of the respondent were not sure whether payee is illiterate and cannot issue receipt (Mean =9.75, SD = 6.07) and receipt obtained but missing (Mean = 9.75; SD = 4.78) account for cash management irregularities in the schools.

Table 4.6: Descriptive Statistics Results for Other Factors Contributing to Non-Compliance of Financial Laws and Regulations

Statement	Min.	Maxi.	Mean	SD
The content of accounting policy, designs and instructions are difficult to understand	1	25	19.75	7.778
The content of regulatory framework on school resources are too technical	1	20	13.00	7.550

Source: Field Survey, 2020 N = 39 SD = Standard Deviation

From Table 4.6 majority responses from the participants agree that the content of accounting policy, design and instruction by Controller and Accountant General Department (CAGD) and Ghana Education Service (GES) are difficult to understand (Mean 19.75; SD = 7.778) and the content of the regulatory framework on the school resources is too technical for comprehension (Mean 13.00; SD = 7.550). This shows that management lack adequate financial management knowledge, skills and expertise require to run the affairs of public resources. Appointment of headship and bursar-ship are given to staff without intensively and thoroughly training them on the regulatory framework to manage public resources. Due to this lack of financial management

training, school management are not in the position to detect anomalies and infractions of regulatory frameworks in discharging their functions. Accountants are to offer wise financial advice to headmasters while headmasters are to exercise oversight responsibilities of Accountants. These two key management members lacking the understanding of the regulatory frameworks definitely may find it difficult to apply them as well and thereby resorting to trial and error practices.

4.2.2.6 Causes of Financial Irregularities: Auditors Perspective

A separate set of questionnaire is designed and administered on the auditors of school resources. From their responses, the following common items run through their responses and are considered by them as the causes of financial irregularities in the use of schools' resources:

- i. Ignorance
- ii. Complacency
- iii. Negligence
- iv. Lack of Education, supervision, training and commitment to work.
- v. Low remuneration for staff
- vi. Weak and ineffective internal control system.
- vii. Especially schools in the remote areas may not be able to get suppliers who are able to comply with laws

4.4 Inadequacy and Challenges of Educational Resources in the Schools

On the questionnaire administered on management of school resource (Headmasters, Accountants and other Management member), respondents were asked to indicate the inadequacy or otherwise of some resources in the schools. Again, survey participants were asked to indicate the level of agreement or otherwise with the list of educational resources in their schools. Table 4.8 and Table 4.9 contain the descriptive statistics of their responses.

Table 4.7: Descriptive Statistics of Inadequacy of Educational Resources

Statement	Min.	Max.	Mean	SD
Library and its accessories available but inadequate	2	22	9.75	8.808
Classrooms and its accessories available but inadequate	5	20	10	6.879
Science laboratory and its accessories available but inadequate	4	24	9.75	9.535
ICT laboratory and its accessories available but inadequate	9	21	13.00	6.928
Library and its accessories available but inadequate	4	18	10.25	5.795
Textbooks available but inadequate	5	22	13	8.544
Staff available but inadequate	5	20	9.75	6.898

Source: Field Survey, 2020 N = 39 SD = Standard Deviation

From Table 4.7 majority of the respondents representing say that educational resources such as classrooms and its accessories (Mean = 10; SD = 6.88), science laboratory and its accessories (Mean = 9.75; SD = 9.53), ICT laboratory and its accessories, library and its accessories (Mean = 10.25; SD = 5.79), vehicles (Mean = 9.75; SD = 6.39), textbooks (Mean = 13; SD = 8.54), teaching and non-teaching staff are available in the

schools but inadequate to augment effective academic work. Inadequacy of these resources imply that funds meant for development projects have not been properly utilized and the nature of physical facilities available in the school is directly correlated with the amount of time staff especially teachers spend in the school. For instance, when science and ICT laboratories are insufficient and non-conductive, teachers' morale is lowered and students' performance may be affected. The amount of learning that takes place is proportionate to the quality and adequacy of resources available in the school.

Table 4.8: Descriptive Statistics of Educational Resources Challenges Facing Second Cycle Schools

Statement	Min.	Max.	Mean	SD
Broken down vehicles	6	23	13	8.888
Broken down machines and equipment	5	22	13	8.544
Abandoned school projects	5	20	13	7.549
Lack of maintenance of school building	7	20	13	6.557
Improper sanitation system	8	22	13	7.810
Inadequate staff bungalows	10	29	19.5	13.435

Source: Field Survey, 2020

N = 39

SD Standard Deviation

In addition to inadequate of educational resources elaborated in Table 4.7, Table 4.8 also presents descriptive statistics of educational resources challenges facing the schools. It is shown that majority of the respondents agree that there are challenges of broken down of school vehicles (Mean = 13; SD = 8.88) broken down of machines and equipments (Mean = 13; SD = 8.54), under resourced school administration (Mean = 13; SD = 4.58), abandoned school projects (Mean = 13; SD = 7.54), lack of maintenance

of school building (Mean = 13; SD = 6.55), improper sanitation system (Mean = 13; SD = 7.81) and inadequate staff bungalows (Mean = 19.5; SD = 13.43) are found among the second cycle schools in Kwahu Zone. Lack of maintenance of school buildings indicates that, classrooms, dormitories and office buildings have developed cracks, leaking roofs, broken doors and windows and poor conditions on the floors with potholes. Congestion, poor lightening and drainage systems are also symptoms of absent of maintenance on school buildings. Again, improper sanitation systems mean that sanitation facilities for the schools are not accommodative as there are few and dilapidated toilets facilities for both students and staff forcing them to queue and waste a lot of productive time. Bad smelling wash rooms due to lack of cleaning detergents and water to tidy up the place, bushy compound housing snakes and other dangerous poisonous reptiles threatening human lives are all indicators that sanitation system are in a bad state. Where funds are not used properly to improve infrastructure, performance could be affected due to poor facilities. Further, due to the inadequate of staff bungalows to accommodate staff especially house masters and other teaching staff, it is difficult to supervise students' activities during prep times, teachers reporting to class late due to lengthy distance from their houses to school. This breeds a lot of insubordination, truancy and other deviant behaviour among students which affect the success of their academic life.

4.4 The Extent to which Financial Irregularities Affect Educational Resources

This section considers whether the financial irregularities discussed have contributed to the inadequacy and challenges of educational resources confronting second cycle schools as elaborated in Kwahu Zone.

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Table 4.9: Descriptive Statistics of Impact of Financial Irregularities on Educational Resources

Statement	Min.	Maxi.	Mean	SD
Tax irregularities deny government the needed revenue to provide resources lacking in the school for effective teaching and learning	2	17	9.75	7.847
Unearned and overpayment salaries deny the government the needed revenue to recruit staff to fill vacancies in your school	4	23	13.00	9.539
Unaccounted fuel purchased negatively affect the school's fund	4	19	13.00	7.937
Unapproved Stores creates an opportunity for waste and misuse of resources	5	20	13.00	7.549
Unapproved Stores shortage of store items	9	21	13.33	6.658
Payment for repairs and maintenance without work order and certificate of work done:				
- affect the quality of work done	7	16	9.75	4.193
- do not promote value for money	5	17	9.75	5.251
- drain school funds as work is not actually done	5	21	13.00	8.00
uncredited cheques do not enable the school to receive adequate monies to fund school activities	6	19	13.00	6.557
Over payments to suppliers:-shortage of funds	5	19	9.75	6.601

Outstanding Rent affects the School in these ways:

- Lack of maintenance of school buildings	4	22	13.00	9.00
- Lack of renovation of staff bungalows	8	21	13.00	7.00
- Lack of funds to build new bungalows	1	13	9.75	5.852

Source: Field Survey, 2020

N = 39

SD = Standard Deviation

Table 4.9 presents descriptive statistics of the impact of tax irregularities on educational resources. Majority of the respondents agree that tax irregularities (Mean = 9.75; SD = 7.84) as a result of the failure of schools to remit withholding taxes, purchasing from non-VAT registered persons, failure to deduct statutory tax, etc. do not help the government to receive the required tax revenue to provide school resource. Tax is the wheel on which most government expenditure ride on. Through taxes paid either withholding, value added, etc school buildings are built, vehicles are supplied to schools, teaching materials and other resources needs are provided by the government to the schools. Ghana Education Trust Fund also depend on a proportion of the value added taxes to fund the infrastructure deficits facing the schools. The infractions of tax regulations by the schools clearly indicate that government and its allied agencies will squeeze water out of rocks to meet the needs of the schools.

Again, majority of the respondents agree that payroll irregularities negatively affect recruitment of teaching and non-teaching staff into schools (Mean = 13.00; SD = 9.53) as the government is denied the needed revenue through unearned salaries. Government spends within budget and each expenditure item is allocated with a fund. Where people who are not supposed to be paid from the budget allotment benefits unduly, it stress up

the budget making it difficult to recruit to fill vacancies. This has contributed greatly to the rise of teacher-student ratios and insufficient administrative staff in the schools. The inadequate of teaching staff makes some tutors to teach as high as thirty (30) and above teaching periods a week instead of the required teaching periods of twenty four (24). Kitchen staff, labourers and administrator stay over night due to the gap in the human resource capacity in the schools. This negatively affect the health of the staff and in the long run low productivity.

Also, according to Table 4.11, majority of the respondents agree that, unaccounted fuel purchased (Mean = 13.00; SD = 7.93) and unapproved stores create an opportunity for wastage and misuse of store items. Where store management practices do not enhance effective compliance with procurement laws, shortage of food items, stationeries, sanitation materials and undue financial distress are inevitably be mounted on the schools. The responses from the participants clearly indicates that. Correspondence of the school with other institutions cannot go on, school vehicles cannot move due to lack of money to fuelled them, shortage in examinations papers due to misuse of printing materials hampering effective assessments of students and students' rioting is bound to happen as they are unsatisfied with school feeding.

Further, majority agree that payment for repairs and maintenance without work done and job order certificate affect quality of work done (Mean = 9.75; SD = 4.19), do not promote value for money (Mean = 9.75; SD = 5.25) and drains funds as work is not

actually done (Mean = 13.00; SD = 8.00). Public expenditure is meant to meet three criteria (effectiveness, efficiency and economy). One sure way to achieve this is to ensure that contracts awarded are done to specification and evidenced by work done certificates signed by an inspector from the school. The broken down of machines, equipments and vehicles affecting the smooth running of the school is clearly linked with shoddy works management have condoned with contractors to do for their own parochial interest.

Moreover, as disclosed in Table 4.9 majority agree that failure of schools to make their bankers credit all payment orders presented to bank (Mean = 13.00; SD = 6.55) and over payment to suppliers (Mean = 9.75; SD = 6.60) deny the schools adequate monies to fund school activities. This brings shortage of cash to the schools. Shortage of cash means, not all services can effectively be provided by the school to support effective teaching and administrative functions. The school will then be compelled to buy on credit, creating both shadow and real creditors in their statements of financial positions. Table 4.9 postulates again that non-payment of rent by occupants of school bungalows leads to lack of maintenance of the bungalows, lack of renovation of staff bungalows and lack of funds to build new bungalows for staff .

4.4.1 Impact of Financial Irregularities on Educational Resources: Auditors Perspective

Responses from the questionnaire administered on the auditors with regards to the impact of financial irregularities on educational resources show among the following common impacts as the outcome:

- i. Inefficient use of school resources
- ii. Some of the resources end up going waste
- iii. Misapplication of resources which can lead to financial loss to the school.
- iv. Denies schools the needed facilities to develop
- v. It retards the schools' development

4.5 Identification of Financial Management Practices to Improve Efficient Use of School Resources

School managements are asked in the questionnaire on what should be done to improve financial management practices in the school. All the 39 respondents representing 100% strongly agree and agree that the following should be done:

- i. Strict compliance with the provisions in the legal and regulatory framework of school resources (Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service)
- ii. Strengthening internal controls on school resources
- iii. Institution of a budget implementation committee
- iv. Preparation of financial statement

- v. Monthly Preparation of bank reconciliation statement
- vi. Authorization of transactions and all store items before issuing
- vii. Spending within budget
- viii. Preparation and enforcement of procurement plan
- ix. Regular training of school management and accounts staff on current trends in financial management practices

However, with all payment should be routed through bank, only 4 respondents representing 11.1% disagree that these activities will improve financial management practices in the schools while the remaining 35 respondents representing 88.91% strongly agree and disagree to that. None of the respondents strongly disagree.

Again, the responses from the 18 auditors also indicate that the following should be done to improve the efficient use of school resources:

- i. Compliance with relevant financial regulations, instructions and guidelines in the use of school resources.
- ii. Vigorous training of staff and management on financial laws
- iii. Encouraging local suppliers to register with GRA

	<p>Inadequate Educational Resources</p>
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Financial Irregularity	Pearson Correlation	.999
	Sig. (2-tailed)	0.027

Table 4.10: Correlations Analysis of Financial Irregularity and Inadequate Educational Resources

Source: Field Survey 2020 Correlation is significant at the 0.05 level (2 tailed)

Pearson Product Correlation of financial irregularities and inadequate educational resources is found to be very high positive and statistically significant ($r = 0.99$, $p < 0.05$). This shows that an increase in in financial irregularities will lead to a very high increase in inadequate educational resources.

4.6 Discussion of Findings

The first objective of the study is to examine the factors contributing to non-compliance of financial laws and regulations. The findings in the study indicate that there is occurrence of financial malfeasance in the second cycle schools of Kwahu Zone. This finding is in agreement with the findings of Abaasa-Ababio (2015) that, there are underhand dealings in the secondary schools by managers of school resources. Okon, Akpan and Ukpango (2013) confirm that financial malpractices is an omnipresent phenomenon in secondary schools. The study also finds that non-compliance with financial laws and regulations is caused by the inability of school management to comprehend with all the relevant content of the legal and regulatory framework of school resources. This finding is indifferent with the findings of Salamat (2007) and Abaasa-Ababio (2015) that, most headmasters of second cycle schools lack the

requisite knowledge in financial management and is making it difficult to supervise financial duties in the schools. Finally, the study reveals that financial irregularities are also caused by the failure of schools to deal with registered tax persons, failure of management to report issues of uncredited cheques to the school bankers, validation of formal staff who are on transfer and posting, emergency buying of store items, absent of tender committees in the schools, failure to log in fuel bought into the vehicle log books, difficulty in getting three price quotations, etc. All these factors are symptoms of weak internal control systems in the schools. Rango, Mohlakwan and Beckman (2016) are not far from right when they opine that financial mismanagement in public schools is caused by poor monitoring and control of funds.

The second objective of the study is to assess the extent to which non-compliance of financial laws and regulations affect school resources. The findings reveal that second cycle schools are challenged with educational resources. There are broken down of vehicles, machines and equipment, abandoned school projects, poor sanitation systems, inadequate: textbooks, tables and chairs, ICT equipment, classrooms, dormitories, etc. These findings are in tandem with Koramoah (2016), Adamu (2019) and Kyei (2019), that the educational infrastructure in most of the second cycle schools is inadequate. Again, the study reveals that non-compliance of financial laws and regulations in the use of school resources has contributed a fair share to the challenges of inadequate educational resources listed above. This finding is not different from the findings of Mobegi (2015), where it is ascertained that lack of sound financial management practices affect the quality of resources in government schools which include poor

classrooms conditions, laboratories, libraries, toilets and dormitories. Ntim and Boahene (2016), IMANI (2016) also support that financial irregularities have dire implications of an institutions' resources utilization. Osim (2016) further points out that corruption is a major problem that has also impacted on the quality and access to resources in education. Government, the main source of funding of school resources is denied with tax revenue as the schools fail to pay taxes withheld from suppliers, deal with non-tax registered persons and fail to deduct statutory tax from suppliers' payments. The schools' funds are also drained due to financial losses. This is because overpayments are made to suppliers, fuel is not accounted for, payment orders sent to banks are not credited by the bankers, non-payment of rent by occupants of school bungalows, etc. The schools encounter wastage, misuse and shortage of store items due to unapproved stores. These have negatively impacted the schools as Mobegi (2015), concludes that financial mismanagement in public schools affects the quality of education negatively. Also, the study has revealed that schools buy on credit from suppliers resulting in the creation of payables on their statement of financial positions. The schools' resource development is being retard. Asamoah (2016), agrees with this as he posits that proper usage of resources especially fund has an impact on the success of an educational institution.

The final objective of the study is to identify financial management practices to improve the efficient use of school resources. According to Yao, Yusheng and Bah (2017), there are series of measures needed to be made to seal the leakages in public coffers, promote

a sound financial management practices free from irregularities, bringing inactiveness and inefficiency in most sectors to a halt. It is revealed in the study that strict compliance with the regulatory and legal frameworks of school resources (i.e Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, Financial and Accounting Instructions for Schools and Offices issued by the Ghana Education Service) will extremely be important for efficient financial management practices of the schools. This is in tandem with the argument of Acheampong (2016) that, strict compliance requirements as enshrines in the enactments are for the purposes of safe guarding public assets and performance according to policies and ethical values. Motsamai, Jacobs and Wet (2011), also add that the quality of education is dependent on efficient management of school finances through compliance with regulations. This should marry with the institution of adequate internal control practices in the schools. Gitman and Zutter (2012) is in support of this that, for a significant success in attainment of operational objectives in an organisation, it is required to put up financial management systems that will promote good governance and control of risks. Alam, Said and Aziz (2019), further add that an effective internal control system is very important as it facilitates the enhancement of confidence among the stakeholders of education. A sound system of financial control contributes to safeguarding the stakeholders' investment and the institutions assets against theft, waste, unaccountable appropriations (Yao, Yusheng and Bah,2017). Again, the study reveals that school management especially the headmasters and the accountants should be given adequate in-service training to

improve their financial management skills in discharging their stewardship and accountability functions effectively. This is in line with Mobegi (2015), findings that there is a need for financial training for all stakeholders involved in the financial management of educational resources. Berg and Karlsen (2012) support that training programs will develop resources managers toolbox and change their behaviour to improve the use of resource.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The content of this section includes a summary of findings, the conclusion reached and recommendations for future research.

5.1 Summary of Findings

The general objective of the study as catalogued in chapter one is to analyse the impact of financial irregularities on educational resources of Secondary Schools in Kwahu Zone, Eastern Region of Ghana. The findings of the study are discussed in relation to the specific objectives.

5.1.1 Factors Contributing to Non-Compliance of Financial Laws and Regulations in the Use of School Resources

The study reveals that non-compliance with financial laws and regulations is caused by weak internal; control systems the schools operate. The issues of failure to deal with registered tax persons, failure of management to report issues of uncredited cheques to the school bankers, validation of formal staff who are on transfer and posting, emergency buying of store items, absent of tender committees in the schools, failure to log in fuel bought into the vehicle log books, difficulty in getting three price quotations all attest to defunct control practices. Again, lack of capacity building programmes for school management to sharpen their expertise on financial management and understanding of the regulatory frameworks of school resources contribute to financial irregularities in the schools This knowledge gap makes it difficulty for school management to interpret and understand all the relevant contents of Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, etc. have contributed to non-compliance of financial laws and regulations in the use of school resources. Lack of effective disciplinary measures for school management who abuse the regulatory framework also contribute to the non-compliance. All the regulatory frameworks including the public financial management act and the procurement act make provisions to punish public officers who transact public businesses contrary to law. But it seems these provisions have not been activated well and strictly on recalcitrant to serve as a deterrent to others.

5.1.2. The Extent to which Non-Compliance of Financial Laws and Regulations

Affect School Resources

The study reveals that non-compliance of financial laws and regulations to a large extent has negatively impacted school resources. It has breed waste, misuse and shortage of store items due to unapproved stores. Financial irregularities have largely contributed to the degree of credit buying by the schools, problems of broken down and abandoned vehicles, machines and equipment, abandoned school projects, poor sanitation systems, inadequate: textbooks, tables and chairs, ICT equipment, classrooms, dormitories, staff bungalows, teaching and non-teaching staff, due to shortage of fund. The amount of monies which have gone down the drain due to gross disregards for laws and regulations to a larger extent have negatively affected the adequacy of the resources required by the schools for effective teaching and learning. These are equally good enough to resolve the inadequacy of educational resources facing the senior high schools in the zone.

5.1.3. Financial Management Practices to Improve Efficient Use of School Resources

The study reveals that strict compliance with the regulatory and legal framework will be extremely important for efficient financial management practices of the schools. Again, it is revealed that school management especially the headmasters and the accountants should be given adequate in-service training to improve their financial management skills in discharging their stewardship and accountability functions effectively. And wrong doers of financial irregularities should be punish to serve as a

deterrent to others.

5.2 Conclusion

The conclusion drawn from objective one is that there is a weak internal control system in the second cycle schools fuelling the non-compliance with financial laws and regulations in the use of school resources. Also, the content of the regulatory frameworks of school resources is too technical and making it difficult for school managers with their level of education; to fully understand it well and comply.

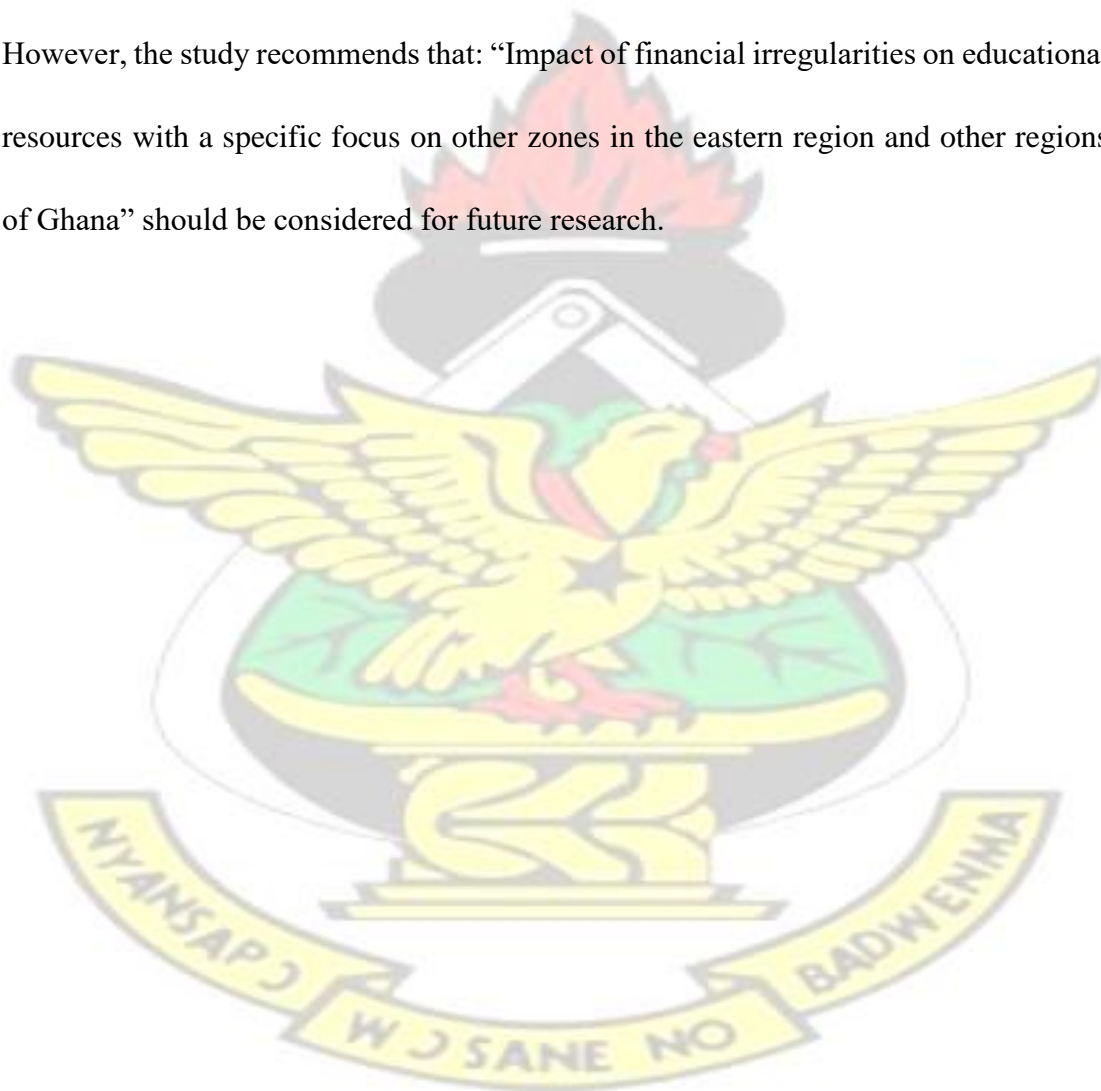
With objective two, the conclusion reached is that non-compliance of financial laws and regulations in the use of school resources has played a major role in the challenges and inadequacy of school resources. It has negatively affected the schools and has contributed to shortage of fund, staff, store items, infrastructure, teaching and learning materials and other resources needed by the schools for smooth operations.

Finally, with objective three, the conclusion drawn is that on pre and post appointment of school management members especially the headmaster and accountant, there should be continuous education and training by Ghana Education Service on the content of the regulatory frameworks for them. This will enable school managers to be abreast with the requirements of Public Finance Management Act 2016 (Act 921), Public Procurement Act 2003 (Act 663) as amended with Act 914, Public Financial Management Regulations, etc. Again, strict compliance with the regulatory frameworks

should be done in conjunction with the institution of adequate internal control practices in the schools to facilitate due processes in transacting businesses on behalf of the school.

5.3 Recommendation for Future Research

There are a lot of research prospects to discover in the future base on this study. However, the study recommends that: “Impact of financial irregularities on educational resources with a specific focus on other zones in the eastern region and other regions of Ghana” should be considered for future research.



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APPENDIX A

REQUEST FOR SURVEY PARTICIPATION

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI
INSTITUTE OF DISTANCE LEARNING**

Date:

Dear Survey Participant,

**FINANCIAL IRREGULARITIES AND INADEQUATE EDUCATIONAL
RESOURCES IN GHANA: A CASE OF SECOND CYCLE SCHOOLS IN KWAHU**

Thank you for considering participating in this study which seeks to analyse the the impact of financial irregularities on educational resources of second cycle schools in Ghana. Your active participation would be very much appreciated.

The study is undertaken by Daniel Duah, from the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology (KNUST). I can assure you that your responses will be treated in the strictest confidence, with the results collected being anonymised and **used for academic purpose only**.

The questionnaire has specific instructions to follow and scales to use to indicate your responses. And where you are to write your own responses, please do so. Responses provided should be based on your personal experiences and knowledge of your work, representing the reality concerning the issues being studied in this research. Although some statements appear quite similar, they are also unique in many ways, **so kindly do well to respond to each statement**.

Please indicate how things really are rather than how you wish they were. Completing this questionnaire will take about 10 to 15 minutes. When complete, please kindly return this

questionnaire to the undersigned. All questions and concerns about the survey can be directed to **Daniel Duah (0242502441); duahdaniel5@gmail.com**, the researcher.

Once again, I am most grateful that you have decided to take the time to participate in this survey.

Thank you.

Yours sincerely,

.....

Daniel Duah

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APPENDIX B

QUESTIONNAIRE FOR HEADS, ACCOUNTANTS AND OTHER MANAGEMENT MEMBER OF SECOND CYCLE SCHOOLS

QUESTIONNAIRE FOR HEADS, ACCOUNTANTS AND OTHER MANAGEMENT MEMBER OF SECOND CYCLE SCHOOLS				
<i>SCALE: 1= “strongly agree”, 2= “agree”, 3= “disagree”, 4= “strongly disagree”</i>				
To what extent do you agree that the following items include areas of spending of schools monies?				
Printed materials and stationary	1	2	3	4
Repairs	1	2	3	4
School projects and other fixed assets	1	2	3	4
Feeding	1	2	3	4
Fuel and Lubricants	1	2	3	4
Donation and other expenses	1	2	3	4
Compensation of staff	1	2	3	4
Sports and culture	1	2	3	4
Before FREE SHS expenditure of your school were funded through:				
Parents				

Government support				
School's own initiatives				
Donor support				
<i>SCALE: 1= available and adequate” 2= “available but inadequate” 3= “available but not function” 4=“not available”</i>				
Identify the availability or non-availability of the following resources in the school				
Classroom and its accessories	1	2	3	4
Dormitory and its accessories	1	2	3	4
Science laboratory and its accessories	1	2	3	4
ICT laboratory and its accessories	1	2	3	4
Library and its accessories	1	2	3	4
Dinning hall and its accessories	1	2	3	4
Kitchen and its accessories	1	2	3	4
Teachers	1	2	3	4
Tables and chairs	1	2	3	4
Non-teaching staff	1	2	3	4
Text books	1	2	3	4
Vehicles	1	2	3	4
School Fenced	1	2	3	4
Infirmary	1	2	3	4
<i>1= “strongly agree”, 2= “agree”, 3= “disagree”, 4= “strongly disagree”</i>				
The following challenges exist in the school				
Broken down school vehicles	1	2	3	4
Broken down machines and equipment	1	2	3	4

Under resourced school administration	1	2	3	4
Abandoned school projects	1	2	3	4
Lack of maintenance of school buildings	1	2	3	4
Shortage of water supply	1	2	3	4
Over reliance of Ghana Water for water supply	1	2	3	4
Students meal not satisfactory	1	2	3	4
Lack of maintenance of school compound	1	2	3	4
Improper sanitation system	1	2	3	4
Shortage of food items	1	2	3	4
Inadequate staff bungalow	1	2	3	4
These contribute to the inadequacy and resource challenge in the school				
Non-compliance with provisions in Procurement Act	1	2	3	4
Non-compliance with provisions in Public Financial Management Act	1	2	3	4
Non-compliance with provisions in Financial Administration Regulation	1	2	3	4
Non-compliance with provisions in the Stores Regulation	1	2	3	4
Non-compliance with provisions in Departmental Accounting Instruction from GES	1	2	3	4
Misappropriation of school funds	1	2	3	4
Misapplication of fund	1	2	3	4
Wastages	1	2	3	4
<p>-School's expenditure are supervised by: Accountant () Headmaster () Internal auditor ()</p> <p>- Does the school have an active Board of Directors/Governors? Yes () No ()</p> <p>- Does every payment supported by the original voucher which contains full</p>				

particulars of the service for which payment is being made? Yes () No ()

- Receipt books are checked on a. daily () b. weekly () c. Monthly ()

-Which of these regulatory documents are used the by the school?

a. The Public Procurement Act, 2003 []

b. The Financial and Accounting Instructions for Senior High Schools []

c. The Stores regulations, 1984 []

d. The Financial Administration Act, 2016 []

e. The Financial Administration Regulation, 2019 []

f. Others [], please specify.....

Fees are collected using

i. Cash []

ii. Payment order []

Bank reconciliation statement are prepared in every

i. Month [] ii. Two months [] iii every quarter [] iv. Half year []

Who prepares job order

Headmaster []

Accountant []

The contractor []

When is job order prepare

a. Before work commences []

b. After work is completed []

Who issues work order certificate

- a. Headmaster []
- b. Accountant []
- c. The contractor []

When is work order certificate issue

- a. Before work commences []
- b. After work is completed []

Who is responsible for the preparation of the budget?

- a. Accountant / Bursar []
- b. Headmaster []
- c. Non of the above [] Please specify

Where are the vehicle log books kept

- (a) Headmasters office []
- (b) Accountant office []
- (c) School vehicles []
- (d) General office []

When is fuel bought logged in the log book

- (a) Immediately after purchases []
- (b) Any time after purchase []

Who approves issue of stores

- (a) Headmaster []
- (b) Accountant []
- (c) Store keeper []
- (d) Department heads []

Staff occupying school bungalow pay rent on.....basis

i. Monthly[] ii. Quarterly[] iii. Half yearly [] iv. Yearly []

Does your school's expenditure exceed income? a. Yes [] b. No []

Is there any Audit Report Implementation committee of the Board for findings of the

Auditor General and Public Accounts Committee of Parliament a. Yes [] b. No []

Scale: 1= "strongly agree", 2= "agree", 3= "disagree", 4= "strongly disagree"

To what extent do you agree or disagree with the following statements:

The school is unable to implement last audit recommendations before new audit	1	2	3	4
The content of accounting policy design and instructions by the Controller and Accountant General, GES are difficult to understand	1	2	3	4
The content of the regulatory framework on school resources is too technical for comprehension.	1	2	3	4
Errors in suppliers' invoices are immediately reported	1	2	3	4
The school only deals with VAT registered persons	1	2	3	4
All withholding taxes deducted are paid on due dates	1	2	3	4
The school sometimes pay penalty on withholding taxes	1	2	3	4
Headmaster can procure above threshold	1	2	3	4
The school does emergency buying	1	2	3	4
There is no signed contract with suppliers	1	2	3	4
Eligible staff are only validated for payment of compensation	1	2	3	4
Works and stores are inspected before progress payment	1	2	3	4
All the school drivers are literate	1	2	3	4

All vehicles in the school has log book	1	2	3	4
Before Free SHS, all fees collected are banked	1	2	3	4
Suppliers can sometimes be paid in excess of amount owe to them	1	2	3	4
Suppliers are reluctant to produce VAT invoices or receipt to support VAT paid to them because:				
The supplier is not a VAT registered person	1	2	3	4
VAT registered person but VAT invoice is finished	1	2	3	4
The school did not ask for it	1	2	3	4
The school owns the supplier	1	2	3	4
There is delay in payment of withholding taxes because:				
The school is not financially sound to pay	1	2	3	4
There is money but for other pressing needs of the school	1	2	3	4
The school did not withhold any tax	1	2	3	4
To what extent do you agree or disagree that tax irregularities deny government the needed revenue to provide the resources lacking in the school for effective teaching and learning	1	2	3	4
The school do not use competitive tendering due to:				
Emergency buying	1	2	3	4
Difficult to obtain three price quotations	1	2	3	4
Regular suppliers	1	2	3	4
No tender committee	1	2	3	4
The choice of a board member, head, or director of GES	1	2	3	4
I am sole responsible for procurement	1	2	3	4
My school is not entitle to comply with Procurement Act	1	2	3	4
Staff received unearned salaries because:				
I sometimes validate formal staff on transfer and posting out of my unit.	1	2	3	4

I sometimes validate deceased staff	1	2	3	4
I sometimes validated staff on leave without pay	1	2	3	4
I sometimes validate staff who absent or vacate post without notice	1	2	3	4
I sometimes validate staff who are on resignation and retirement	1	2	3	4
Difficult to detect staff who receive overpayment of salaries	1	2	3	4
The challenges of recovering overpayment of salaries on behalf of government can be attributable to:				
Staff with overpayment issues are no more in the service	1	2	3	4
Staff with overpayment issues are no more in my unit	1	2	3	4
Staff with overpayment issues are no more validated for salary but in the service	1	2	3	4
To what extent do you agree or disagree that overpayment and unearned salaries deny government the needed revenue to recruit staff to fill the vacancies in your school				
Payment for work done can sometimes be made where				
The size, quality and performance of the physical output is inconsistent with the designed and specification	1	2	3	4
The work done is not in compliance with contract specification	1	2	3	4
What do you do where repairs and maintenance has no job order and work certificates?				
I continue with payment always				
I pay on circumstances	1	2	3	4
I do not pay always	1	2	3	4
I do not pay sometimes	1	2	3	4
Repairs and maintenance without work order certificates				
Affect the quality of work done	1	2	3	4
Do not promote value for money	1	2	3	4
Drain school finances	1	2	3	4

Vehicle log book is attended to:				
When there is movement of vehicle	1	2	3	4
When fuel is purchase	1	2	3	4
School is unable to account for all fuel bought due to:				
Failure to log in fuel bought	1	2	3	4
Fuel receipt cannot be found	1	2	3	4
Not all fuel bought are for school cars	1	2	3	4
Not all vehicles have log book	1	2	3	4
To what extent do you agree or disagree that unaccounted fuel negatively affect the school's fund	1	2	3	4
Stores need no approval before issuing				
As it is an emergency need of that items	1	2	3	4
Approval is not needed for all store items before issue	1	2	3	4
We know ourselves in the school, hence approval is not necessary	1	2	3	4
Unapproved stores				
Creates opportunity for wastage/misuse of store items	1	2	3	4
Promotes shortage of store items in the store	1	2	3	4
Enables diversion of stores items	1	2	3	4
Expenditure incurred cannot be authenticated because:				
Payee has no receipt and invoice	1	2	3	4
Payee is illiterate and cannot issue acknowledgement of receipt	1	2	3	4
Receipt/invoice is obtained but missing	1	2	3	4
Before Free SHS, the school collected fees using:				
Cash	1	2	3	4
Payment order	1	2	3	4
Fees collected are not sent to bank as a result of				

Emergency need of cash	1	2	3	4
Monies collected are properly secured in a cash safe	1	2	3	4
Bank is far from the school	1	2	3	4
Accounts staff are trustworthy	1	2	3	4
School is unable to let uncredited cheques to be credited due to:				
Failure to prepare reconciliation statement	1	2	3	4
Issues of uncredited cheques are not reported to the bank	1	2	3	4
The payment orders/cheques cannot be authenticated by the bank	1	2	3	4
To what extent do you agree or disagree that Uncredited cheques do not enable the school to received adequate monies to fund school activities	1	2	3	4
Over payment to suppliers can be due to:				
Payment are made in bit by bit which becomes difficult to know the total amount already paid to suppliers	1	2	3	4
Suppliers charge penalty for delaying payment, hence excess payment	1	2	3	4
The over payment occurs erroneously	1	2	3	4
How do suppliers' overpayment affect the use of school funds				
It brings shortage of fund	1	2	3	4
It leads to credit buying resulting in creation of payables	1	2	3	4
It denies the school the needed money to finance other pressing needs	1	2	3	4
What makes staff default payment of rent				
Rent charge is too high for staff to bear	1	2	3	4
Bungalows are dilapidated	1	2	3	4
Staff claim payment is impossible as they are members of the school	1	2	3	4
Accountant does not ask for rent	1	2	3	4

Outstanding rent affects the school in these ways				
Lack of maintenance of staff bungalow	1	2	3	4
Lack of renovation of staff bungalow	1	2	3	4
Lack of funds to Build new bungalows	1	2	3	4
Physical cash are paid to suppliers and service providers because:				
Suppliers and service providers prefer same	1	2	3	4
The petty items cannot be bought with cheque	1	2	3	4
The school has more cash in hand to pay	1	2	3	4
Cash payment is not contrary to any regulation	1	2	3	4
School can spend directly from school fees due to:				
Emergency buying	1	2	3	4
A lot of cash has been collected from students	1	2	3	4
My school appeared in the Auditor General Reports in the last five year	1	2	3	4
The issues in the reports were				
Cash management irregularities	1	2	3	4
Procurement/store irregularities	1	2	3	4
Payroll irregularities	1	2	3	4
VAT irregularities	1	2	3	4
Other irregularities	1	2	3	4
To what extent do you agree or disagree that financial irregularities have negative impact on the usage, availability and adequacy of school resources	1	2	3	4
Financial management practices in the school can be improved through:				
Strict compliance with the provisions in the legal and regulatory framework of school resources	1	2	3	4

Strengthening internal controls on school resources	1	2	3	4
Institution of budget implementation committee	1	2	3	4
Preparation of financial statement	1	2	3	4
Monthly Preparation of bank reconciliation statement	1	2	3	4
Authorization of transactions	1	2	3	4
Spending within budget	1	2	3	4
Preparation and enforcement of procurement plan	1	2	3	4
Regular training of school management and accounts staff on current trends in financial management practices	1	2	3	4
Payment should only be routed through bank	1	2	3	4
Daily bank deposit of cash revenue receive	1	2	3	4



>>Please indicate the position/post you are presently holding in the school

Headmaster/Headmistress Accountant/Bursar Other management member

>>Please, what is your highest education qualification? SHS/ A 'level/ O' level

Diploma/HND

undergraduate PGD Masters Degree PhD

>> Please, what Professional Body (bodies) do you belong? (tick as many as applicable)

ICA (Ghana) ACCA ICA (E & W) CPA

Other Professional Bodies (kindly indicate _____)

>> How long have you worked in this school? About

_____ years _____ months

>> How long have you worked in total with GES? About

_____ years _____ months

>> What is your gender? Male Female

>> What is your age group? 20 to 29 30 to 39 40 to 49 50 or more

>> How long have you held this current position? About

_____ years _____ months

To what extent do you agree or disagree with the following statements?

The questionnaire deals with issues I am very knowledgeable about	1	2	3
I am completely confident about my answers to the questions	1	2	3
I am confident that my answers reflect my school's situation	1	2	3

END OF THE SURVEY, THANK YOU ONCE AGAIN FOR YOUR PARTICIPATION IN THIS SURVEY

APPENDIX C

QUESTIONNAIRE FOR AUDITORS OF SECOND CYCLE SCHOOLS OF GHANA

>>Please indicate the position/post you are presently holding in the school

External Auditor Internal Auditor

>>Please, what is your highest academic qualification?

SHS/ A 'level/ O' level Diploma/HND Undergraduate PGD
Master Degree PhD

>> Please, what Professional Body (bodies) do you belong? (tick as many as applicable)

ICA (Ghana) ACCA ICA (E & W) CPA

Other Professional Bodies (kindly indicate _____)

>> How long have you audited second cycle schools? About _____ years _____ months

>> How long have you worked in total with GES/Audit Service? About _____ years _____ months

>> What is your gender? Male Female

>> What is your age group? 20 to 29 30 to 39 40 to 49 50 or more

>> How long have you held this current position? About _____ years _____ months

Please, kindly provide responses for the following questions:

Indicate the factors contributing to non-compliance of financial laws and regulations in the use of school resources by managers of resources of second cycle schools in Ghana

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To what extent is non-compliance of financial laws and regulations affect school resources?

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.....

What are the financial management practices to improve the efficient use of school resources?

.....

.....

.....

END OF THE SURVEY, THANK YOU ONCE AGAIN FOR YOUR PARTICIPATION IN THIS SURVEY

