

**FUNDS MANAGEMENT AND OPERATIONAL PERFORMANCE
IN UNIVERSAL SECONDARY EDUCATION SCHOOLS
IN MUKONO DISTRICT, UGANDA**

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DECLARATION

I, Robert Gwom, affirm that this dissertation titled “Funds Management and Operational Performance in Universal Secondary Education Schools in Mukono District, Uganda” is my original work and has never been submitted for any award to any other institution.

Signature

Date.....

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APPROVAL

This is to attest that this dissertation titled “Funds Management and Operational Performance in Universal Secondary Education Schools in Mukono District, Uganda” has been written under our guidance and meets the requirements set by Kyambogo University. It is now ready for submission for examination.

Signature.....

Date.....

Dr. Philip Owino

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Date.....

Ms. Mary Nantongo

DEDICATION

I dedicate this work to my beloved wife, companion and friend, Christine Gwom Lok Pe, who was by my side throughout the production and is a great inspiration in my life. I am also indebted to my living parent Imat Juspanti Omara and my children for all the support accorded me during my studies. May the Lord reward you all.

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ABSTRACT

Remarkable operational performance in schools is crucial towards achieving excellent educational outcomes and ensuring overall school functioning. The study aimed to establish the influence of funds management on operational performance in Universal Secondary Education Schools in Mukono District, Uganda. It was guided by three objectives: To establish the relationship between budgeting, internal control systems, book-keeping and operational performance in USE schools. A total of 9 schools were selected and data was collected from them. The study adopted the quantitative approach and the correlational cross-sectional design was employed. Data was collected from Head Teachers, Directors of Studies, Bursars and Teachers comprising 132 participants using self-close-ended questionnaires. Data analysis was done using descriptive statistics, Pearson correlation and linear regression. The key findings indicate that two aspects of funds management namely; Budgeting ($\beta = 0.185$, $p = 0.046 < 0.05$) and book-keeping ($\beta = 252$, $p = 0.000 < 0.04$) had a positive and significant association with operational performance in USE schools. However, internal control systems ($\beta = 0.153$, $p = 0.130 > 0.05$) had a positive but insignificant relationship with operational performance. The research concluded that budgeting was paramount in boosting operational performance, low internal control systems impeded operational performance and book-keeping was important in supporting operational performance in schools. Therefore, the study recommended that Head teachers should adhere to participatory budgeting by involving user departments to improve accountability, conform to funds allocation guidelines issued by the Ministry of Education to improve delivery of priority needs and ensure that proper records of cash flow are maintained to ascertain financial position at every point in time. The Ministry of Education should increase staffing in schools to support delineation of roles to improve check and balances in operations. The Ministry of Education should also deploy Procurement Officers in schools to support realization of value for money in procurement functions.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The operational performance of a school, including the provision of daily instructional materials, good facility maintenance, active co-curricular activities and good sanitation, relies on prudent funds management practices (World Health Organization, 2019). However, schools face the tremendous challenge of poor operational performance due to mismanagement of funds sometimes leading to high dropouts, strikes, poor grades or even closure (Muthama, 2016). In this study, it is conjectured that effective funds management practices in terms of budgeting, internal control systems and bookkeeping might greatly impact operational performance leading to high educational attainment in Universal Secondary Education schools. It contains the study background, statement of the problem, purpose of the study, study objectives, research questions, research hypothesis, study scope, conceptual framework, significance of the study and operational definitions of key terms.

1.1 Background of the Study

In this section, the researcher presents the study background, which is divided into four sections: the historical, theoretical, conceptual, and contextual perspective.

1.1.1 Historical Perspective. The operational performance of educational institutions that use funds from public budgets among competing priorities is an important policy concern for all governments worldwide (OECD, 2017). The report underscores that while increased funding is essential, the effectiveness of resource allocation plays a crucial role in improving operational performance. Before the 18th century, the burden of operating schools was not as critical as today, with increased education demand that has exerted huge pressure on public resources. In the USA for example, O'Donoghue (2018) reported that during the colonial era, public schools were easily run using federal state funds until the 19th century when school operations faced a downturn sparking intense interest in resource management of elementary

education. This concern eventually led to the enactment of the No Child Left Behind Act of 2001 to ensure that resources were utilized to benefit the poor.

In Europe, findings by Burhamuddin et al. (2007) on operational performance in junior high schools revealed that although teachers had favourable attitudes towards finance management responsibilities, lukewarm attitudes of school administrators only allowed teachers moderate participation resulting in limited operational success. The experience in most Asian countries revealed that there was considerable success in operations in schools around the late 19th century but huge challenges of funds management continued to prevail including poor budget compliance during spending that dwindled performance. This experience went on until the early 1980s when greater scrutiny led to marked improvements in educational attainment with positive indicators like drastic decline in dropout and grade repetition rates (Endi et al., 2023).

In Africa, operational performance in secondary education received much attention two decades ago as a response to increased demand necessitated by the success of Universal Primary Education. However, increased demand was not matched by equitable resource allocation causing operational concerns. Samuels (2019) revealed that when Malawi first eliminated school fees in 1994 to meet the needs of the poor, it resulted in a dramatic increase in enrollment and transition rates followed by deterioration in the quality of education services attributed to inadequate funds that didn't cover other operational needs of schools.

During the colonial period in Uganda, operational performance of the education sector was exceptional due to reasonable public spending and effective utilization of minimum resources by the British government and voluntary agencies. However, after independence when Uganda took over management of education, operational performance

faced a downturn due to resource deficits, supervisory inexperience and corruption (Samuels, 2019). In 2007, Uganda became the first country in Sub-Saharan Africa to introduce USE Policy by way of funding with the primary objective to maximize access to quality secondary education for economically vulnerable families and in particular to absorb the increased number of children graduating from primary schools as a result of UPE launched in 1997 (Lisa, 2015). To implement USE, the government remits to schools a yearly capitation grant of UShs 142,000 (\$52) per student towards instructional materials, co-curricular activities, school administration and maintenance. The parents are supposed to provide accommodation, lunch, uniforms and learning materials (MoES, 2015).

Although studies on USE report operational gains through the provision of funds management training to head teachers reports point to critical operational gaps that have negatively impacted education attainment (Glewee & Muralidharan, 2015). Mukono District in particular has reports of poor accountability of funds by some head teachers that has crippled operations in schools (Mukono District Local Government Financial Audit Report, 2021). While some studies above have highlighted respective concerns on USE implementation; there is little we know regarding the influence of funds management on operational achievements in the schools in Mukono. This calls for answers as to whether resources are used efficiently to maximize educational attainment in USE schools. Putting in place effective funds management procedures can help reduce the risk of financial mismanagement and ensure minimum resources are utilized appropriately to improve educational attainment in schools.

1.1.2 Theoretical Perspective. The theoretical underpinning of this study was grounded on the Bucket Theory of financial management. The Bucket Theory of Financial Management was developed by Evensky (1980). It states that money must be well planned, handled and spent in order to achieve financial goals using common sense. The theory assumes five buckets hanging in a stair-step design, each below and a little to the right of the other one above it. As water flows into the top bucket, the bucket begins to fill. When it's full, the water flows over the edge and into the second bucket. This process goes on until all the buckets are filled.

It is supposed that the five buckets represent financial priorities starting from basic needs to an investment of surplus finances of a school. The water that flows from bucket to bucket represents revenue streams available towards operational needs. In the face of limited resources, it is observed that the first priority must be catered for during budgeting before resources are moved to the next one.

Schools can set budgets of available funds moving from short term or basic needs to other needs like investments in entrepreneurship (Vadesto et al., 2015). The basic needs of a school include food, instructional materials, co-curricular activities, and health and sanitation services (Mowday, 1998). Besides that, effective internal control mechanisms like authorization, supervision and audits provide checks and balances that help a school to maintain control over cash flow to achieve cost-effective delivery of services. In the same manner, efficient book-keeping practices such as making accurate journal entries and periodic reconciliations prevent losses or funds spillovers as priority needs are met, just like the controlled water flow from bucket to bucket. This theory reveals that budgeting, internal control systems and book-keeping are tenets of funds management. The theory therefore

provides the basis for relating budgeting, internal controls and book-keeping to operational performance.

1.1.3 Conceptual perspective. Funds management according to Geteri et al. (2017), is the process by which an organization maintains control over cash flow. In practice, funds management involves setting strategies and coordinating efforts through the application of available financial resources to accomplish school objectives (Drajo, 2010). According to Geteri et al. (2017), effective funds management practices greatly impact educational attainment in schools. In this study, funds management entails budgeting, internal control systems and book-keeping. Budgeting involves creating a spending plan by forecasting income, setting priorities and approving disbursements by stakeholders in order to achieve operational goals (Muthama, 2016). According to Mohamed (2016), internal control systems are the processes of checks and balances adopted by institutions in order to run effectively and efficiently. Simiyu (2014) revealed that head teachers, bursars and all user departments carry out various internal controls including authorization, banking, audits and accountability to ensure the successful and cost-effective running of schools. Bookkeeping involves analysis, classification and entry of school financial dealings in the books of accounts (Muthama, 2016). Muthama says when sales, purchases, income and payments are properly recorded by the school bursar; the financial position of a school can be ascertained at any point in time and a myriad of problems can be avoided including unnecessary making of losses. Operational performance, according to Cash (2016), is the alignment of all business units within an organization to achieve core goals. Head teachers, bursars, directors of studies and teachers use available resources to run schools. Operational performance is measured by the way revenue streams are applied to attain educational goals. Accordingly, in this enquiry, operational performance was operationally defined in terms of provision of instructional materials and equipment, good facility maintenance, active co-curricular

activities, adequate health and sanitation services and other subsistence needs met in running USE schools.

1.1.4 Contextual perspective. Mukono District is located in central Uganda with 17 schools under the USE program (Mukono District Education Department, 2021). These schools are located within the different sub-counties of the district. Each of these schools has a clear administrative structure and staff directly charged with managing operations to attain educational goals. Reports had suggested that operational performance in USE schools in Mukono district was dismal, measured by indicators like poor facility maintenance, inadequate learning materials, weak co-curricular programs, inadequate health and sanitary services and poor UCE grades (Mukono District Local Government Financial Audit Report, 2021). Consequently, the attainment of quality education in the district has been compromised. One of the most common criteria for evaluating the effectiveness of school operations is a focus on the extent to which educational goals are achieved (Drajo, 2010). The above contextual evidence showed that operational performance was low. This attracted this study to examine how funds management was related to the operational performance of the schools.

1.2 Statement of the Problem

Remarkable operational performance in schools is crucial towards achieving excellent educational outcomes and ensuring overall school functioning (Abednego et al., 2023). The operational performance of schools is anchored on effective financial management practices such as participatory budgeting, robust internal controls and efficient bookkeeping (De Jaeghere et al., 2017). However, in Mukono district, reports had suggested challenges like misallocation of capitation grants, poor finance planning and lack of accountability that crippled operations in USE schools in terms of inadequate provision of instructional

materials, poor facility maintenance and weak co-curricular programs leading to poor grades, high dropout rates and even strikes (Mukono District Local Government Financial Audit Report, 2021). Government of Uganda instituted finance management policies in schools to maximize operational performance towards quality education attainment for economically vulnerable families (MoES, 2015). This strategic goal can only be realized through efficient application of available funds at school level. In that light, this study investigated the influence of funds management on operational performance in USE schools.

1.3 Purpose of the Study

The purpose of the study was to determine the relationship between funds management and operational performance in USE schools.

1.4 Objectives of the Study

The study was carried out:

- i) To establish the relationship between budgeting and operational performance in USE schools in Mukono District.
- ii) To determine the relationship between internal control systems and operational performance in USE schools in Mukono District.
- iii) To determine the relationship between bookkeeping and operational performance in USE schools in Mukono District.

1.5 Research Hypotheses

H₁: There is a statistically significant relationship between budgeting and operational performance in USE schools.

H₂: There is a statistically significant relationship between internal controls and operational performance in USE schools.

H₃: There is a statistically significant relationship between bookkeeping and operational performance in USE schools.

1.6 Scope of the study

This section includes content, geographical and time scope.

1.6.1 Content scope. This study concentrated on establishing the relationship between funds management practices (being the independent variable) and operational performance in USE schools (as the dependent variable). The content of the study was limited to funds management practices namely budgeting, internal control systems and book-keeping in the targeted USE schools in Mukono district. Operational performance included such indicators as facility maintenance, provision of learning materials, active co-curricular activities, health and sanitation services, provision of subsistence needs and facilitation of day-to-day administration.

1.6.2 Geographical scope. The study was done in USE schools in Mukono district. The district is found in central Uganda, 35 km from Kampala Capital City along Jinja Road. The district has 17 USE schools, 9 of which have been earmarked for the study. Reports suggested that operational performance in USE schools in Mukono district was low, which has affected the attainment of educational goals.

1.6.3 Time scope. This investigation was conducted in September 2021 as a representative period and sample parameter to arrive at a conclusion, because this period adequately covers reports of dismal school operational attainment of USE schools in Mukono district in terms of co-curricular activities, facility maintenance, and educational grades, among others.

1.7 Significance of the Study

The study will provide information to policymakers including legislators, education boards or managers to shape decisions regarding the best funds management practices in USE schools.

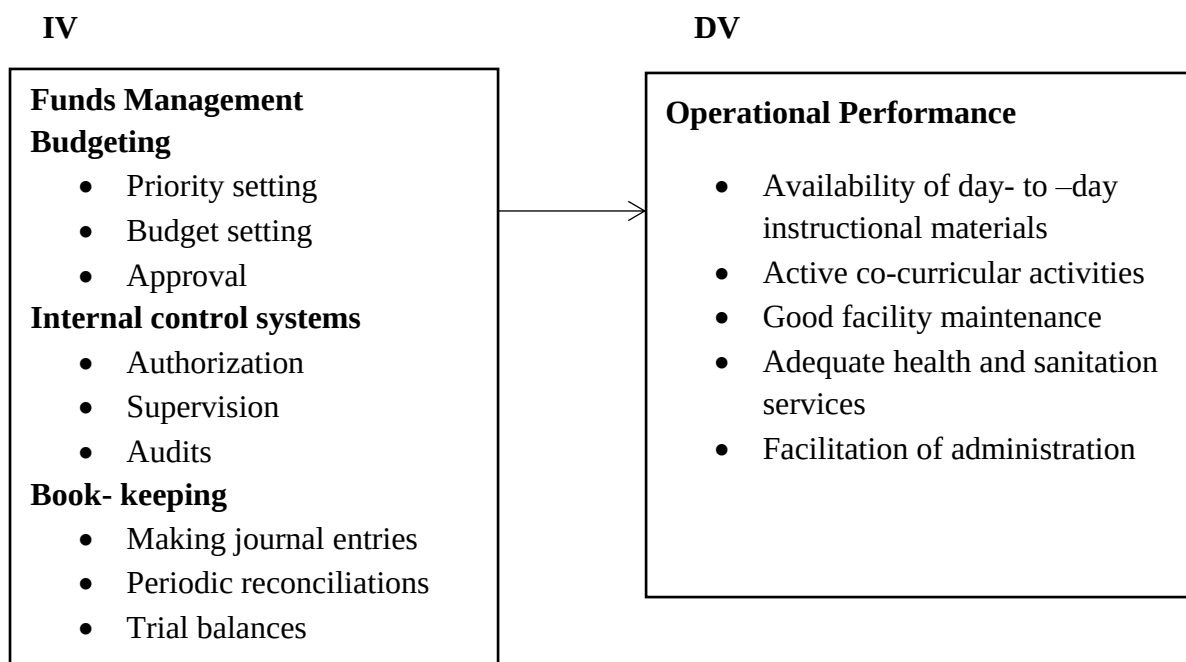
Again, the study will provide school administrators, accountants and teachers with information regarding the best finance management mechanisms that can improve school operational performance. The study will also enable future researchers to obtain information regarding funds management practices in USE schools. This can support them, for instance, to develop practice guidelines, design programs or test new ideas.

1.8 Conceptual Framework

The diagram below shows the linkage among a set of variables believed to be related to funds management and operational performance in USE schools.

Figure 1.1

Conceptual Framework



Source: Adapted from Muthama (2016) and Geteri et al. (2017) and modified by the investigator.

The conceptual framework in Figure 1.9.1 above was based on the assumption that operational performance in USE schools (DV) was influenced by funds management practices (IV) measured in terms of proper budgeting, good internal control systems and prudent book-keeping. Operational performance was analyzed by establishing the level at which instructional materials, facility maintenance, co-curricular activities, health and sanitation services and subsistence needs were catered for using revenue streams.

1.9 Definitions of Key Terms

Universal Secondary Education (USE) is the access to plus provision of compulsory secondary education and instruction to all Ugandan students.

Funds Management: This is the process by which a school maintains control over cash flow. Cash flow is the inflow and outflow of funds.

Operational Performance: This is the alignment of all business units within a school to meet strategic goals including provision of instructional/scholastic materials and equipment, co-curricular activities, maintenance of infrastructure, health and sanitation and meeting administrative expenses.

Budgeting: refers to prioritizing needs, setting up and approval of budgets.

Internal Control Systems: refer to authorization, supervision and audits.

Bookkeeping: refers to making journal entries, periodic reconciliations and trial balances.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the literature pertaining to the study variables is given. The chapter begins with a theoretical review of related literature based on the study objectives.

2.1 Theoretical Review

The theoretical underpinning of this study was grounded on the Bucket Theory of financial management. The Bucket Theory of Financial Management was developed by Evensky (1980). It states that money must be well planned, handled and spent in order to achieve financial goals using common sense. The theory assumes five buckets hanging in a stair-step design, each below and a little to the right of the other one above it. As water flows into the top bucket, the bucket begins to fill. When it's full, the water flows over the edge and into the second bucket. This process goes on until all the buckets are filled.

It is supposed that the five buckets represent financial priorities starting from basic needs to an investment of surplus finances of a school. In other words, schools are faced with short-term, middle-term and long-term priorities. The water that flows from bucket to bucket represents revenue streams available towards operational needs. In the face of limited resources, it is observed that the first priority must be catered for during budgeting before resources are directed to the next need. Schools can budget for available funds moving from basic needs to other needs like investments in entrepreneurship (Vadesto, 2015). Basic needs of a school include food, instructional materials, co-curricular activities, health and sanitation services (Mowday 1998). Besides that, internal control systems provide checks and balances to ensure cost effective delivery of services. Book-keeping practices on the other hand help to keep track of cash flow and thus prevent resource spillovers as priority needs are met, just

like the controlled water flow from bucket to bucket. This theory reveals that budgeting, internal control systems and book-keeping are tenets of funds management. The theory therefore provides the basis for relating budgeting, internal controls and book-keeping to operational performance. Locke (2002) examined that effective funds management positively impacts more than 90% of a school's operations.

2.2 Review of related literature

2.2.1 The Influence of Budgeting on Operational Performance in USE Schools

A study on improving efficiency in school budgeting and spending revealed that strategic budgeting aligns spending with student needs and institutional goals, can optimize resource allocation, enhance educational outcomes and ensure accountability (Cleveland Metropolitan School District Report, 2016). On the other hand, inadequate budgeting models can lead to significant resource gaps, especially in underserved areas (IMF, 2021). The budget provides a school's estimate of income and expenditure for a set period of time (Ababa, 2017). According to Barr and McClellan (2018), the budgeting process involves forecasting, prioritizing, reviewing and approving receipts and disbursements. A study by Abongo (2017) revealed that most schools carry out their cash budgeting on an annual basis as required by policy regulations. He further observed that budgets and procurements generated from user departments resulted in higher chances of attainment of educational goals in a particular period. It is revealed in the investigation that more deliberate budgeting processes promote higher motivation, growth and lead to better operational performance. Ajileye (2011) also did a study to examine the funds management capacity of government secondary school Principals in Ondo State, Nigeria. The study revealed that school administrators can properly use revenue streams from various sources to realize strategic goals; and that most school administrators are worthy in their capacity to prepare and execute school budgets.

This idea is further supported by Rahayu et al. (2015) who revealed in their study on problems of budgeting operational funds in Indonesian schools that there is often the challenge of limited stakeholder participation leading to various implementation challenges. Once the finance budget has been adopted and the appropriate revenue is ascertained, Abioro (2013) advises that the financial manager should ensure that there does not exist a significant deviation between projected expenditure and actual income through proper control mechanisms. In Mukono district, however, there were reports of poor financial management skills by head teachers (Mukono District Local Government Financial Audit Report, 2021). Therefore, there was a need to conduct a study to ascertain the linkage between budgeting and operational attainment in USE schools.

2.2.2 The Influence of Internal Control Systems on Operational Performance of Schools

A research on the effect of the implementation of good school governance on fraud prevention in the management of school operations found that effective internal controls significantly reduce the risk of financial mismanagement, enhancing transparency and operational efficiency in educational institutions (Nadia et al., 2023). Nathan and Sterin, (2021) investigated the impact of internal control deficiencies on operational performance in non-profit organizations and discovered that significant internal control deficiencies are negatively associated with operational deficiency and financial health. According to Simiyu (2014), Internal control systems is a broad system of checks and balances that schools put in place to ensure successful and cost-effective delivery of services. Pas et al. (2015) observed that internal control is a very significant strategy to a school's overall approach to accountability because it supports the framework of processes, procedures and strategies for successful operations. Pas cited authorization, delineation of roles, audits, accountability and separation of powers as elements of effective internal controls. Audit of school accounts, for example, complements the internal control

environment by providing the school with feedback on the operations highlighting areas where adjustments may be needed (Mugenda & Mugenda 2003). Nevertheless, Matagaro (2017) established that small schools often find it difficult to separate roles across more than one person because only a limited number of required staff is available for the accounting and finance roles. Therefore, he revealed that those schools face high risks of cash misappropriation because an individual person processes a complete transaction through recording, ordering, receiving, approving and paying for goods or services.

In survey research on teachers' extent of participation in fiscal management in schools in Philippines, Japhet (2022) revealed that although teachers had very favorable attitudes towards operational finance management responsibilities, the lukewarm attitudes of administrators only allow teachers moderate participation. Again, a study by Nyandoro (2013) that investigated the effectiveness of School Development Committees in funds management in Chimanimani, West Circuit Secondary Schools in Manicaland Province, Zimbabwe revealed that school development committees were not effective in handling funds due to their inadequate skills concerning supervision, preparation and use of budgets, keeping records of school assets and mobilizing revenues. The researcher recommended the provision of a capacity-building program for school development committees, the inclusion of decentralization of education courses in teacher education curriculum and intensive supervision to ensure school funds are well managed. For effective control, Ababa (2017) observed that authorization of expenditure is the exclusive role of the school administration. All transactions should be authorized and cleared by a responsible person who is keen on the program and budget lines and needs. Therefore, there was a need to conduct a study among the USE schools in Mukono District to ascertain the relationship between internal control systems and operational performance.

2.2.3 The Relationship between Bookkeeping and Operational Performance in Schools

According to Nana (2024), effective book-keeping practices enhance resource management, transparency and accountability, all of which are critical for improving operational performance. Nana revealed that in educational institutions, maintaining accurate financial records ensure that resources are allocated properly leading to better operational efficiency and educational outcomes. According to Gaspar et al., (2022), accurate and transparent book-keeping enhances resource allocation, accountability and overall school efficiency. The publication added that proper financial record-keeping ensures that schools optimize their resources, which directly impacts the quality of education and operational success, especially in challenging environments. Book-keeping involves analyzing, classifying and entering business transactions in the books of accounts including sales, purchases, income and payments (Muthama, 2016). In another study, Ademola et al. (2012) said bookkeeping helps to ascertain the financial position of a school at any point in time through systematic records of transactions. A study conducted by Burhamudin et al. (2007) on the linkage between book-keeping and operational achievements in high schools in Britain revealed that bookkeeping provides grounds for comprehensive and accurate income tax computation, future planning and also helps in discussions with partners, potential investors, and lenders. Another study by Endi et al. (2023) on the effect of competence of human resources on the quality of financial reports in Indonesia showed that preparation and submission of school financial reports is always a problem by concerned officers in junior high schools leading to delayed decision making and accountability.

On that note, Ray (2017) warned that a myriad of challenges might accrue from poor bookkeeping. She said banking records may be hard to ascertain if you have poor bookkeeping skills. A school could also incur overdraft fees, late payments and may also risk account closure status if its commercial banking records are not well maintained. Okwena

(2011) added that a school's payroll may be jumbled if the management methods are antiquated. Since book-keeping and accounting are intended to keep track of receipts and disbursements to increase the likelihood of effective running of organizations; and to avoid making losses, there was a need for an investigation to ascertain the linkage between book-keeping and operational achievements in USE schools in Mukono district.

2.3 Literature Summary

Based on the review of related literature above, there is evidence that funds available to schools matter but the way the funds are allocated is very critical in ensuring effective operations. Accordingly, funds management practices (budgeting, internal control systems and book-keeping) are noted to influence operational performance in USE schools. Nevertheless, a literature search revealed few empirical studies. More so, the few studies were done outside Uganda. This called for this empirical study because no study had been carried out in Mukono district to ascertain the correlation between funds management and the dismal operational achievements in schools over the years. To address this contextual gap, the researcher conducted a study to establish the influence of funds management (budgeting, internal control systems and book-keeping) on operational performance in USE schools in Mukono district.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The current chapter shows the strategy that was employed to collect data to deal with the study questions. It highlights the study design, approach, area of study, selection of case study and participants, the tools used to collect data and their quality control measures. Lastly, the procedure used to collect, and analyze data, study limitations and delimitations are highlighted.

3.1 Research Design

This research employed correlational cross-sectional design. Correlational cross-sectional research helped to determine the degree of relationships between variables as findings were also obtained from a given sample of the population at a specific point in time of the investigation (Cherrington, 1973). This allowed analysis of a number of variables at once in order to look at the association between them. Besides, the design is quick, cheap, and easy to carry out based on questionnaires and interview guides. The study employed the quantitative approach. The quantitative method was used because there was testing of hypotheses (Cohen, 2012) and determine the correlation between funds management and operational attainment in USE schools.

3.2 Area of Study

The research was done in USE schools in Mukono District. The study specifically selected a total of 9 out of 17 schools determined using Krejcie & Morgan (1970) table of sample size determination. namely Namataba Secondary School, Kisowera S. S, Nakanyonyi S. S, Seeta College S. S, Kasawo S. S, Tamuda Community S. S, Namakwa S S, Sir Apollo Kagwa S. S and Namasumbi Muslim S. S. These were schools that had experienced challenges in their operations over the years and therefore the researcher intended to investigate the cause. The

District covers an area of 2,986.47sqkms that lie in the central Uganda. It borders Buikwe district in the East, Kayunga district along River Sezibwa towards the North, Luwero towards North West, Kampala and Wakiso to the South West and Lake Victoria in the South with the Islands of Buvuma District. The Headquarters for the district is in Mukono Municipality's Central Division, situated 21Kms East of Kampala City along Jinja Road. Other urban centers include Katosi, Kasawo and Nakifuma Town Boards.

3.3 Study Population

This study used multiple respondents who included Head teachers, Directors of Studies, Bursars and Teachers (Subject Heads). This population was chosen because they are the technical people in matters of quality education and are in charge of school operations. The sample size was 151 (see Table 3.1) drawn from the sampling frame and determined using the Morgan and Krejcie table to ensure that the sample size was representative of the target population. Meyer (2001) says multiple respondents are helpful in checking the validity of the information provided by one informant against that provided by another.

3.4 Sample Size

Since the total population was 255 (see Table 3.1) the researcher chose a sample of 151 respondents using Krejcie and Morgan's (1970) table of sample size determination.

3.5 Sampling Techniques

This study employed both probability and non-probability sampling techniques. Probability sampling techniques included simple and stratified random sampling which was used to select respondents who included Head teachers, Directors of Studies, Bursars and Teachers. This ensured that there was representativeness and it provided an equal chance to all of being selected. Non-probability sampling techniques included purposive; being key informants to ensure people with particular information about the subject under study were selected.

Snowball sampling was used to reach respondents through referrals and enable the researcher to interview respondents who could provide data on the topic under investigation. The researcher employed a purposive sampling technique for choosing school administrators and subject heads. This was because they were few and it was easy to use this technique because the researcher got the people who were needed.

Table 3.1

Composition of Sample Size

Population category	Population Size	Sample size	Sampling technique
Head teachers	17	9	Purposive sampling
Directors of Studies	17	9	Purposive sampling
Bursars	17	9	Purposive sampling
Heads of Departments	204	124	Random sampling
Total Population	255	151	

Source: Mukono District Education Department (2021)

3.6 Data Collection Instrument

A self-administered questionnaire was the instrument employed in the collection of data. This helped to reduce the chances of researcher bias (Amin, 2005). One set of questionnaires was constructed for Head teachers, Bursars, Directors of Studies and Teachers. The questionnaires were employed in this investigation to collect quantitative data by capturing the respondents' perceptions on funds management and operational performance in the sampled USE schools in Mukono district. The questionnaires comprised closed-ended questions formulated by the researcher based on the Rensis Likert scale consisting of five category response continuums of 5-1: strongly agree (5), agree (4), neutral (3) disagree (2) and strongly disagree (1). The use of a questionnaire survey as a data collection tool was

preferred because it is not costly and could be administered quickly among many study participants.

3.7 Procedure for Data Collection

The researcher got a letter of introduction from the Head of Department of Education Planning and Management, Kyambogo University seeking permission to conduct the study in the respective schools. The introductory letter was also used by the researcher to seek for audience to administer questionnaires among the various respondents during the different days of their own scheduled appointments. The researcher personally administered the questionnaires in the selected schools.

3.8 Quality Control of Instruments

The researcher ensured that the validity and reliability coefficients were at least above 0.70 to control the quality of data collected as suggested by (Oso & Onen, 2008). Validity and reliability of the research instruments were determined as follows.

3.8.1 Validity of Data Collection Instruments

The researcher constructed data collection instruments to ensure content validity, with adequate number of items and ensured that each item on the scale had a link with the study objectives. Again, the instruments were given to three lecturers in the Department of Educational Planning & Management at Kyambogo University to evaluate the relevance of each item on the scale: very relevant (4), quite relevant (3), somewhat relevant (2) not relevant (1). Validity was arrived at after calculating the Content Validity Index as obtained using the following formula:

$$CVI = \frac{\text{No. of items judged relevant by all the judges (rated 3 \& 4)}}{\text{Total number of items on the questionnaire}}$$

When overall content validity index of the instrument is 0.7 (which is the acceptable index) or above 0.7, then the instrument is valid (Amin, 2005).

3.8.2 Reliability of Data Collection Instruments

Cronbach's Alpha Coefficient was computed using a statistical package for social scientists (SPSS). Amin (2005), says an alpha value of 0.7 or higher is sufficient to show reliability; the closer the alpha value is to 1, the higher the internal consistency of the instrument of data collection.

3.9. Data Analysis

After the questionnaires were returned, the researcher edited the raw data to ensure completeness and accuracy. Questionnaires were then properly coded prior to their entry into the Statistical Package for Social Sciences (SPSS). SPSS was used to process and analyze data. Descriptive statistics was used to analyze data and tables were used to show the summaries of responses. Pearson Product Correlation Coefficient was used to test the hypotheses. This is because according to Amin (2005), correlation analysis measures the degree and the direction of the relationship between variables. All the hypotheses were tested at 0.05, level of significance.

3.10 Measurement of Variables

The variables were measured on the five Linkert Scale. Each variable was measured at a different level. The Nominal Scale was assigned to different variables to serve as its value so as to create a difference or similarity.

3.11 Ethical Considerations

An introductory letter from Kyambogo University was obtained and shown as proof of the study purpose to the authorities of the sampled institutions. Questionnaires were distributed after getting consent of the respondents. The study's objectives were clearly explained to the

respondents who were also assured of confidentiality. To ensure anonymity and confidentiality, individual participants were asked not to indicate their names on the questionnaires. Study conclusions were based on both primary and secondary data and all information gathered wasn't used to the disadvantage of anybody.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

In this chapter, the study findings are presented by the researcher in form of tables and narratives. The results are analyzed using descriptive statistics and interpreted following the formulated study objectives. This was made possible with help of computer packages MS word and SPSS. The chapter begins with a presentation of the respondents' characteristics.

4.1 Response Rate

A sample of 151 participants was selected using purposive and simple random sampling techniques. The questionnaire return rate was analyzed so as to ascertain whether the findings obtained would be reliable and valid. Out of a total of 151 questionnaires that were administered, 132 (87.4%) questionnaires were fully completed and valid while 19 (12.6%) were either incomplete or wrongly filled (see Table 4.1). The researcher used these results for analysis and reporting because (87%) return rate of the questionnaire is excellent for data analysis.

Table 4.1

Response Rate

Category of respondents	Administered instruments	Returned instruments	Percentage return
Head teachers	9	5	55,6%
Directors of Studies	9	7	77.8%
Bursars	9	6	66.7%
Heads of Departments	124	114	92.9%
Overall	151	132	87.4%

4.2 Background Information of Respondents

This section lays information about the study participants who comprised of Head teachers, Directors of Studies, Bursars and Teachers.

Table 4.2

Background Characteristics of the Respondents

Characteristic	Categories	Frequency	Percentage
Gender	Male	88	66.7
	Female	44	33.3
Duration of Service	Less than 3 years	16	12.1
	3-6years	30	22.7
	7-10 years	52	39.4
	More than 10 years	34	25.8
Education Levels	Diploma	74	56.1
	Degree	48	36.3
	Masters	10	7.6

Findings in Table 4.2 show that male respondents formed a higher percentage of (66.7%) compared to females who were only (33.3%). The percentage gap between male and female respondents implies a significant gender disparity in higher education attainment. Although the views expressed herein are dominated by a single gender, the opinion of each study participant regardless of gender was treated equally in drawing study conclusions and recommendations.

Again, Table 4.2 above reveals that most participants (59.4%) have worked at the institutions between 7-10 years, followed by more than 10 years of service (25.8%). This suggests that most of the employees have experience with school operations and had vital information for the study. On the other hand, findings in Table 4.2 reveal the biggest percentage of respondents (56.1%) had Diplomas, followed by (36.3%) with undergraduate degrees and (7.6%) had postgraduate qualifications. The distribution shows that the respondents were competent to provide vital information on the study.

4.3 Descriptive Statistics

4.3.1 Budgeting in USE Schools in Mukono District

The researcher sought information from respondents regarding the relationship between budgeting and operational performance in USE schools in Mukono District. The responses are shown in Table 4.3 below.

Table 4.3***Descriptive Statistics on Budgeting***

<i>Budgeting</i>	<i>SD</i>	<i>D</i>	<i>NS</i>	<i>A</i>	<i>SA</i>	<i>Mean</i>
Our school prepares budgets annually	56 (42.4%)	29 (22%)	11 (8.3%)	20 (15.2%)	16 (12.1%)	2.25
School budgets are generated from user departments	63 (47.7%)	22 (16.7%)	8 (6.1%)	30 (22.7%)	9 (6.8%)	2.28
Budgeting is based on projected revenue	53 (40.2%)	23 (17.4%)	5 (3.8%)	29 (22.0%)	22 (16.7%)	2.20
USE funds are appropriated following guidelines provided by MoES	31 (23.5%)	31 (23.5%)	18 (13.6%)	18 (13.6%)	34 (25.8%)	2.08
The current year's receipts and disbursements are used to determine next year's budget.	42 (31.8%)	24 (18.2%)	4 (3.0%)	45 (34.1%)	17 (12.9%)	2.54
USE capitation grants are received in time at the beginning of the school term	58 (43.9%)	62 (47.0%)	5 (3.8%)	1 (0.8%)	66 (4.5%)	2.08
Approved departmental budgets are fully funded	45 (34.1%)	33 (25.0%)	8 (6.1%)	23 (17.4%)	23 (17.4%)	2.65
Overall score						2.28

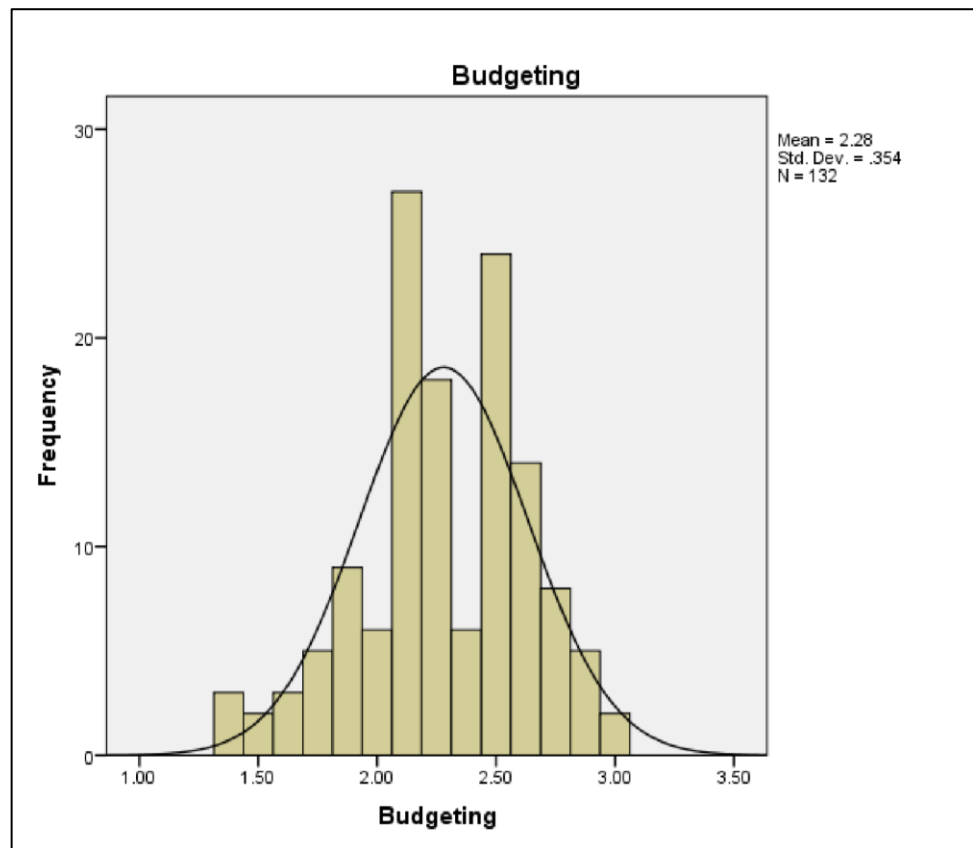
Source: Primary Data (2021)

The results in Table 4.3 show that generally, respondents disagreed (mean = 2.28) that the budgeting done in USE schools can contribute to good operational performance. In connection to whether USE schools prepare budgets annually, the response was a low mean of 2.25. The result therefore suggested that most schools do not prepare budgets annually.

As to whether school budgets are generated from user departments, the mean 2.28 was low. This means that to a limited extent schools generated budgets from user departments. With respect to whether budgeting is based on projected revenue, the result was a low mean of 2.20. This meant that to a limited extent schools premised budgets on revenue projections. As to whether USE funds were appropriated following guidelines provided by Ministry of Education and Sports, the result was a slightly below average with 2.08 mean. This means to a very small extent MoES guidelines were adhered to during allocation and utilization of funds. Concerning whether current year's receipts and disbursements were used to determine next year's budget, the result was a low mean of 2.54. This means generally the subsequent year's budgets in USE schools were not formulated based on base year's income and expenditure. Regarding whether USE capitation grants were received from government in time at the beginning of the school term, the result revealed a low average of 2.08. This reveals a disagreement concerning timely delivery of USE funds at school level each term. Concerning whether approved departmental budgets were fully funded, a below-average mean of 2.65 was registered. This means respondents were not sure whether the funds provided were usually inadequate to meet the operational needs of departments. To establish whether results on budgeting were normally distributed, an average index for the 7 items measuring the construct was calculated and a histogram was drawn as indicated in Figure 4.1.

Figure 4.1

Histogram for Budgeting



The result in Figure 4.1 shows a below average mean = 2.28 which does not agree with the fact that budgeting in schools supports operational performance. The standard deviation = 0.354 was low implying that the results were normally distributed. The below average mean implies poor relationship between budgeting and operational performance while the low standard deviation suggested low dispersion in the responses. Therefore, data on budgeting and operational performance of schools could be subjected to linear correlation and regression to obtain appropriate results.

4.3.2 Internal Control Systems in USE Schools in Mukono District

The researcher sought information from respondents regarding the relationship between internal control systems and operational achievements in USE schools in Mukono District.

The responses are shown in table 4.4 below.

Table 4.4

Descriptive Statistics for Internal Control Systems

Internal Control Systems	SD	D	NS	A	SA	Mean
Duties of responsible officers are properly segregated	43 (32.6%)	40 (30.3%)	6 (4.5%)	19 (14.4%)	24 (18.2%)	1.95
Cash outflows are duly requisitioned and authorized	56 (42.4%)	36 (27.3%)	7 (5.3%)	23 (17.4%)	10 (7.6%)	2.01
School dues are paid in the bank.	51 (38.6%)	46 (34.8%)	8 (6.1%)	20 (15.2%)	7 (5.3%)	1.96
Staff wages and allowances are paid through the bank	52 (39.4%)	33 (25.0%)	10 (7.6%)	23 (17.4%)	14 (10.6%)	1.81
The school has a Procurement Officer and a Contracts Committee	25 (18.9%)	50 (37.9%)	8 (6.1%)	34 (25.8%)	15 (11.4%)	2.25
Our school accounts are audited every year	42 (3.18%)	36 (27.3%)	11 (8.3%)	13 (9.8%)	30 (22.7%)	2.03
Overall						2.00

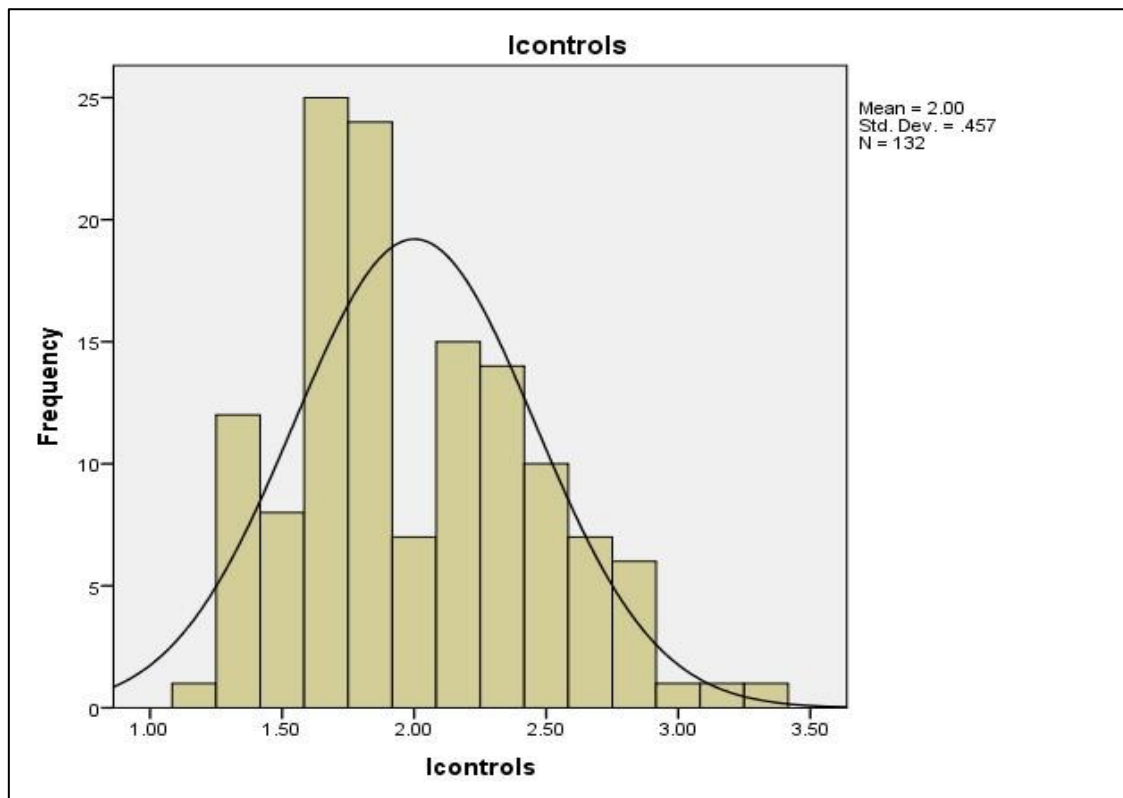
Source: Primary Data (2021)

The results in Table 4.4 reveal that generally respondents disagreed (Mean = 2.00) that internal controls done in USE schools contribute to high operations performance. Regarding whether the duties of responsible officers were properly segregated, the response was a low

mean of 1.95. This result suggests a disagreement with the fact that the duties of responsible officers are segregated. As to whether cash outflows are duly requisitioned and authorized, a low mean of 2.01 was realized. This signifies a disagreement with the fact that cash outflows are duly requisitioned and authorized in USE schools. Whether school dues were paid in the bank, the result was below average = 1.96. This again doesn't agree that school dues are paid in the bank. As to whether staff wages and allowances are paid through the bank, the result was again below average = 1.81. This also disagrees that staff wages and allowances were paid through the bank. Concerning whether schools had procurement officers and contracts committees, the result was a low mean of 2.25. This means schools had no procurement officers and contracts committees. Regarding whether school accounts were audited every year, the result was a below average = 2.03. This suggests a disagreement that school accounts were audited annually. To establish whether results on internal control systems were normally distributed, an average index for the 7 items measuring the construct was calculated and a histogram was drawn as indicated in Figure 4.2.

Figure 4.2

Histogram on Internal Control Systems



The result in Figure 4.2 shows a low mean = 2.00 which means it does not agree with the fact that internal control systems in schools supports operational performance. The standard deviation = 0.457 was low implying that the results were normally distributed. The below average mean implies poor relationship between internal control systems and operational performance while the low standard deviation suggested low dispersion in the responses. Therefore, data on internal controls and operational performance of schools could be subjected to linear correlation and regression to obtain appropriate results.

4.3.3 The Relationship between Bookkeeping and Operational Performance in USE Schools in Mukono District

The researcher sought information from respondents regarding the relationship between bookkeeping and operational performance in USE schools in Mukono District. The responses of the respondents are displayed in Table 4.5 below.

Table 4.5***Descriptive Statistics on Bookkeeping***

Bookkeeping	SD	D	NS	A	SA	Mean
Our school maintains records of financial transactions	49 (37.1%)	42 (31.8%)	6 (4.5%)	21 (15.9%)	14 (10.6%)	1.13
Financial transactions are classified and easy to track	49 (37.1%)	42 (31.8%)	6 (4.5%)	21 (15.9%)	14 (10.6%)	1.81
School records are readily available to concerned stakeholders e.g. financial statements	41 (31.1%)	46 (34.8%)	9 (6.8%)	14 (10.6%)	22 (16.7%)	2.76
Expenditure lines (votes) are clearly managed	35 (26.5%)	40 (30.3%)	5 (3.8%)	39 (29.5%)	13 (9.8%)	1.96
Invoices and receipts are securely filed	54 (40.9%)	42 (31.8%)	4 (3.0%)	13 (9.8%)	19 (14.4%)	2.44
Financial records haven't been misplaced in the past year	39 (29.5%)	50 (42.4%)	7 (5.3%)	10 (7.6%)	20 (15.2%)	2.23
Financial record management is automated (computerized).	48 (36.4%)	42 (31.8%)	6 (4.5%)	12 (9.1%)	24 (18.2%)	1.94
Overall						2.04

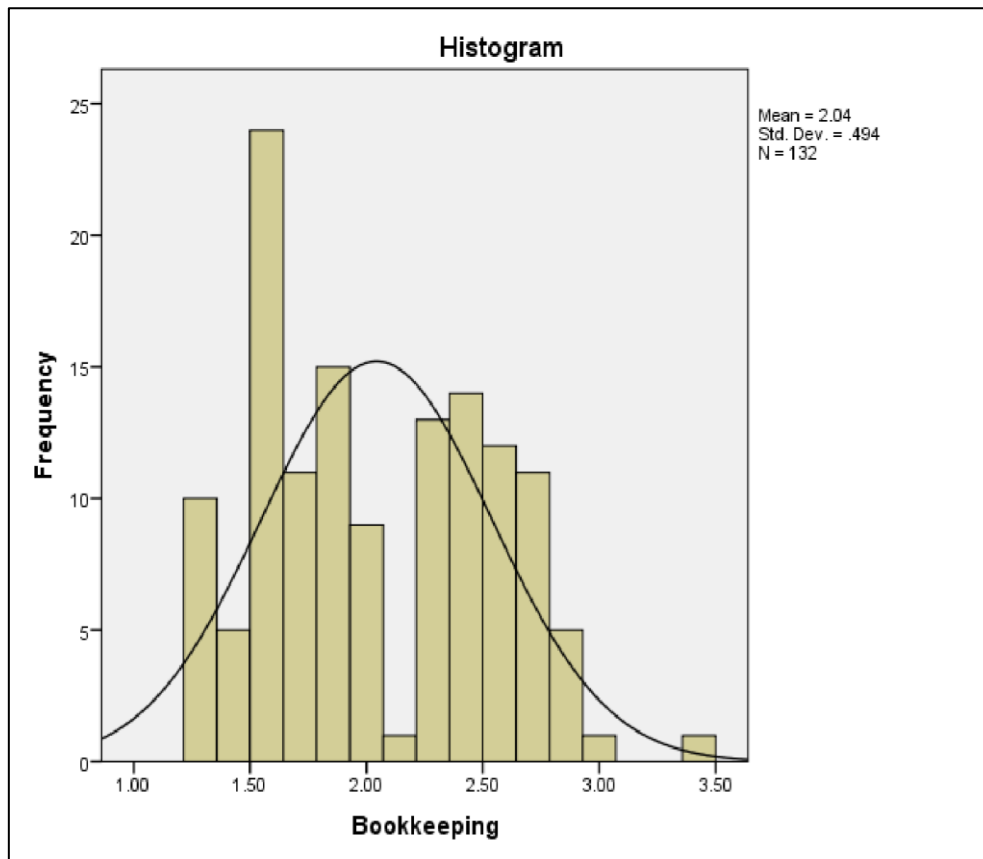
Source: Primary Data (2021)

The results in Table 4.5 generally show that respondents disagreed (mean=2.04) that bookkeeping was done to a level that would enhance operations performance in USE schools. On whether schools maintain records of financial transactions was a very low mean of 1.13 was posted. This result implies a strong disagreement that schools maintain records of financial transactions. With respect to whether financial transactions were classified and

easy to track, the result was a mean = 1.81. This implies respondents disagreed that financial transactions in schools were classified and easy to track. As to whether transaction records of schools were readily available to concerned stakeholders e.g. financial statements, the result was moderate with 2.76. This means to some extent school transaction records were readily available to concerned stakeholders. Concerning whether expenditure lines (votes) were clearly managed, the result was a low mean of 1.96. This means respondents disagreed that expenditure lines were managed as planned. Regarding whether invoices and receipts were securely filed, the result was a below average mean = 2.44. This meant that it is not true that receipts and invoices were securely filed. About whether financial records had not been misplaced in the past year, a low mean of 2.23 was obtained. This suggests a disagreement with the fact that financial records were not misplaced in the past year. With respect to whether records management was automated (computerized), a low mean of 1.94 was obtained. This result suggests it is not agreeable that financial records management was automated. To ascertain whether results on the relationship between bookkeeping and operational performance were normally distributed an average index for the 7 items measuring the construct was calculated.

Figure 4.3

Histogram for Bookkeeping in Schools



The result in Figure 4.3 shows a low mean = 2.04 which signifies a disagreement with the fact that book-keeping practices supported efficient operations in USE schools. The standard deviation = 0.494 is low implying that the results are normally distributed. The below-average mean implies a positive relationship between book-keeping and operational performance while the low standard deviation suggested low dispersion in the responses. Therefore, data on bookkeeping and operational performance of schools could be subjected to linear correlation and regression to obtain appropriate results.

4.3.4 Operational Performance in USE Schools in Mukono District

The researcher sought information from respondents regarding operational performance in USE schools in Mukono District. The responses of the respondents are tabled in 4.6 below.

Table 4.6***Descriptive Statistics on Operational Performance***

Operational Performance	SD	D	NS	A	SA	Mean
Instructional/Scholastic materials are adequate & available for use during lessons.	51(38.6)	37(28.6)	5(3.8)	15(11.4)	24(18.2)	2.46
Various co-curricular activities are active.	43(32.6)	40(30.3)	7(5.3)	23(17.4)	19(14.4)	2.67
The school maintains good health and sanitation services to students	30(25.0)	46(34.8)	6(4.5)	16(12.1)	31(23.5)	2.74
School infrastructure/facilities are well maintained.	39(29.5)	51(38.6)	9(6.8)	15(11.4)	118(13.6)	2.76
School administration is adequately facilitated financially.	49(37.1)	32(24.2)	5(3.8)	17(12.9)	29(22.0)	2.89
Allowances to staff are paid in time.	58(43.9)	36(27.3)	6(4.5)	19(14.4)	13(9.8)	2.81
Students' academic grades are generally excellent.	51(38.6)	37(28.6)	5(3.8)	15(11.4)	24(18.2)	2.97
Overall score						2.76

Source: Primary Data (2021)

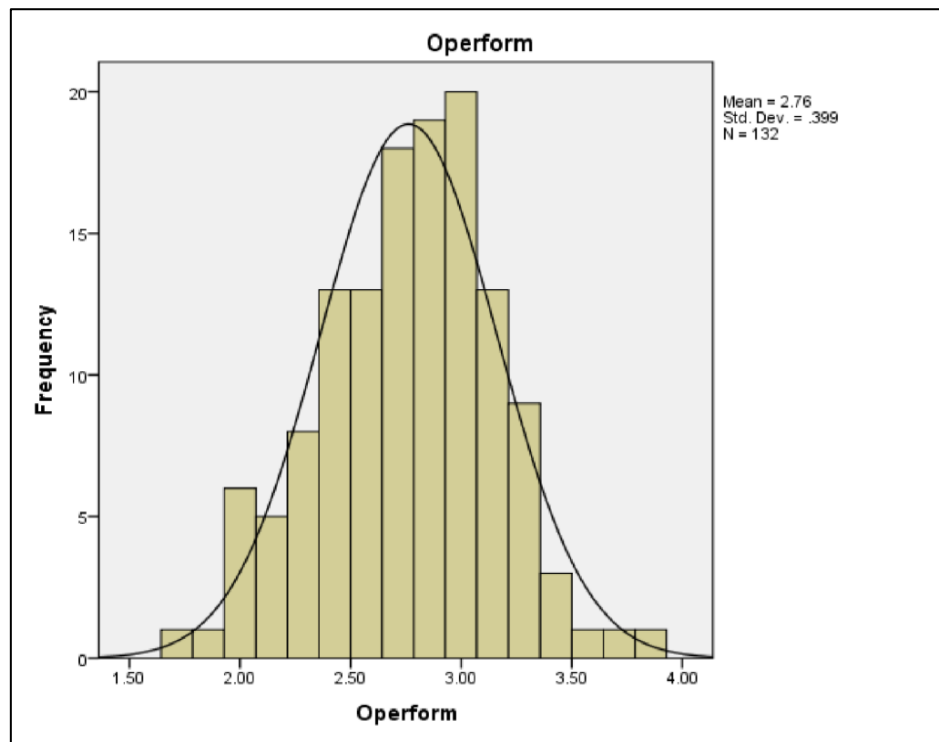
Overall, the results in Table 4.6 was moderate (2.76) suggesting that respondents were not sure if operational performance met desired expectations in USE schools. As to whether instructional/scholastic materials were adequate & available for use during lessons, a low mean = 2.46 was obtained. This result implies a disagreement that instructional materials were adequate in schools. With respect to whether various co-curricular activities are active

in schools, the result was a moderate mean = 2.67. This implies respondents were not sure if co-curricular activities were active in schools. As to whether schools maintained good health and sanitation services for students, the result was a moderate mean of 2.74. This also implies respondents were not sure if schools maintained good health and sanitation services. Concerning whether infrastructure/facilities were well maintained in schools, the result was a moderate mean of 2.76. This signifies respondents were not sure if the facilities were well maintained.

Regarding whether the administration of schools was adequately facilitated, the result was moderate with 2.89. This shows respondents were not sure if the administration of schools was adequately facilitated financially. About whether wages and allowances to staff were paid on time, a moderate mean = 2.81 was obtained. Respondents were not sure if wages and allowances were paid on time. With respect to whether students' academic grades were generally excellent, a moderate mean = 2.97 was obtained. This result suggests respondents were not sure if students' grades were excellent. To ascertain whether the results of operational performance were normally distributed an average index for the 7 items measuring the construct was calculated and a histogram drawn as shown in Figure 4.4.

Figure 4.4

Histogram on Operational Performance



The result in Figure 4.4 shows a below-average mean = 2.76 which signifies that respondents were not sure whether operational performance met desired expectations. The standard deviation = 0.399 is low implying that the results were normally distributed. The below-average mean implies that operational performance was dismal, while the low standard deviation suggested low dispersion in the responses. Therefore, data on the operational performance of schools could be subjected to linear correlation and regression.

4.4 Inferential Analyses

To establish whether there was a relationship between teacher's budgeting, internal control systems, bookkeeping and operational performance; inferential analyses namely: Pearson correlation and regression were carried out. The results are presented below.

4.4.1 The Relationship between Budgeting, Internal Control Systems, Bookkeeping and Operational Performance

Pearson correlation was used to ascertain whether budgeting, internal control systems, bookkeeping were related to operational performance. The findings are presented in Table 4.7.

Table 4.7
Correlation Matrix for Budgeting, Internal Control Systems, Bookkeeping and Operational Performance

Variables		Statistics	Operational	Budgeting	Internal
		Bookkeeping Performance-Controls			
Operational Performance	Correlation	1			
	P-value				
Budgeting	Correlation	0.298**	1		
	P-value	0.001			
Internal Controls	Correlation	0.353**	0.500**	1	
	P-value	0.000	0.000		
Bookkeeping	Correlation	0.343**	0.144	0.425**	1
	P-value	0.000	0.100	0.000	

The results in Table 4.7 suggest that all the funds management constructs namely; Budgeting ($r = 0.2981$, $p = 0.001 < 0.05$) internal control systems ($r = .353$, $p = 0.000 < 0.05$) and

bookkeeping ($r = .343$ $p = 0.000 < 0.05$) had a positive and significant relationship on operational performance. This means that the hypotheses ($H_1 - H_3$) were accepted.

4.4.2 Multiple Regression Model for Budgeting, Internal Control Systems, Bookkeeping and Operational Performance

To establish whether there was a relationship between budgeting, internal control systems, bookkeeping and operational performance; inferential analyses namely: correlation and regression were carried out. Inferential analyses follow hereunder.

Table 4.8

Multiple Regression for Budgeting, Internal Control Systems, Bookkeeping and Operational Performance

Funds Management	Standardized Significance	
	Coefficients	
	Beta (β)	(p)
Budgeting	0.185	0.046
Internal Control Systems	0.153	0.130
Bookkeeping	0.252	0.004
$R^2 = 0.196$		
Adjusted $R^2 = 0.177$		
$F = 10.377, p = 0.000$		

a. Dependent Variable: Operational Performance

b. Predictors: Budgeting, Internal Control Systems, Bookkeeping

The results in Table 4.8 show that funds management constructs namely; Budgeting, internal control systems and bookkeeping explained 19.6% of the variation in operational

performance in USE schools ($R^2 = 0.196$). This means that 80.4% of the variation was accounted for by other factors not considered under this model. Two funds management constructs namely Budgeting ($\beta = 0.185$, $p = 0.046 < 0.05$) and bookkeeping ($\beta = 0.252$, $p = 0.000 < 0.04$) had a positive and significant association with operational performance in USE schools. However, internal control systems ($\beta = 0.153$, $p = 0.130 > 0.05$) had a positive but insignificant relationship with operational performance. This means that hypotheses (H1 and H3) were accepted, but (H2) was rejected. The magnitudes of the respective betas suggested that book-keeping had the most significant influence on operational performance in USE schools, followed by budgeting and internal controls respectively.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This study aimed to determine the relationship between funds management and operational performance in USE schools in Mukono District, Uganda. The findings obtained to meet this purpose were presented in the previous chapter. This chapter discusses these findings as well as presents the conclusions and recommendations that were derived from them. The chapter is organized according to the study objectives.

5.1 Discussion of the Findings

In this section, the researcher discussed the findings of the investigations. In so doing, an attempt was made to cross-reference the findings with existing literature.

5.1.1 Hypothesis One (H1): There is a relationship between budgeting and operational performance in USE schools in Mukono District

The first hypothesis of the study stated that there is a relationship between budgeting and operational performance of USE schools in Mukono district. Hypothesis test results indicated that there was a positive significant relationship between budgeting and operational performance in USE schools. This discovery was consistent with the findings of previous scholars. For example, Abongo (2017) established that most schools carry out their cash budgeting annually as required by policy regulations and this helps in forecasting, prioritizing, reviewing and approving receipts and disbursements to achieve operational goals. He further established that budgets and procurements generated from user departments led to higher motivation and realization of educational goals.

In another study, Abioro (2013) affirmed in his study finding that whoever manages funds should make sure there is no serious disparity between projected income and expenditure

through proper control mechanisms. This helps to realize set goals. Relatedly, Barr and McCellan (2018) established that sound budgeting processes use the current situation to forecast, prioritize, review and plan the future. Schools keep financial records to aid future reference and evaluation.

However, the researcher established that whereas most schools carry out their budgeting on an annual basis as required by policy regulations, many schools varied their operational budgets from Ministry of Education and Sports guidelines. This affected educational goals in some schools and contradicts what Abioro (2013) found out. Abioro (2013) established that budgets and procurements aligned with core educational goals generated from user departments led to higher motivation and operational success. All in all, findings from head teachers, bursars, directors of studies and teachers concurred with the findings of previous scholars. All discoveries implied that in setting the budgets, schools should involve user departments and adhere to allocation guidelines of the Ministry of Education and Sports. Therefore, there is a positive and significant relationship between budgeting and operational performance of USE schools.

5.1.2 Hypothesis Two (H2): There is a relationship between internal control systems and operational performance in USE schools in Mukono District.

The second hypothesis of the study stated that there is a relationship between internal control systems and operational performance in USE schools. However, hypothesis test results indicated that there was a positive but insignificant relationship between internal control systems and operational performance in USE schools. This result agrees with the findings of other scholars, for instance, Amin and Harris (2017) investigated the impact of internal control deficiencies on operational performance in non-profit organizations and discovered that significant internal control deficiencies are negatively associated with operational

deficiency and financial health. On the other hand, Simiyu (2014) revealed that low internal control mechanisms compromises checks and balances intended to ensure cost-effective delivery of services in schools. Relatedly, Pas et al. (2015) added that internal controls is a significant role of a school's overall approach to accountability because it supports the framework of operations. They cited authorization, delineation of roles, audits, accountability and separation of powers as key elements of effective internal controls.

Concerning the above finding, the researcher established that there is limited staffing that frustrates delineation of roles leading to weak internal controls in schools. No wonder, Matagaro (2017) established in his study finding that small schools often face challenges in separating roles across more than one individual because only a limited number of administrative staff is available for the finance and accounting functions. Therefore, he pointed out those schools face high risks of cash misappropriation because a single person processes a complete transaction, such as recording, ordering, receiving, approving and paying for services and goods. Again, most USE schools lack Procurement Officers. This is a major challenge that hampers the realization of value for money in procurement functions (MoES, 2015). All in all, findings from head teachers, bursars, directors of studies and teachers generally concur with study findings of many researchers that there is a positive relationship between internal control systems and operational performance.

5.1.3 Hypothesis Three (H3): There is a relationship between bookkeeping and operational performance in USE schools in Mukono District

The third hypothesis of the study stated that there is a relationship between bookkeeping and operational performance in USE schools in Mukono district. Hypothesis test results indicated that there was a positive significant relationship between bookkeeping and operational

performance in schools. This finding agrees with the findings of previous scholars. For example Nana (2024) revealed that effective book-keeping practices enhance resource management, transparency and accountability, all of which are critical for improving operational performance. He added that in educational institutions, maintaining accurate financial records ensure that resources are allocated properly leading to better operational efficiency and educational outcomes. Again, Gaspar et al. (2022) established that accurate and transparent book-keeping enhances resource allocation, accountability and overall school efficiency. The publication added that proper financial record-keeping ensures that schools optimize their resources, which directly impacts the quality of education and operational success, especially in challenging environments. Ranjit (2008) revealed in the study of the relationship between book-keeping and operational attainment in high schools in Britain that bookkeeping provides a basis for complete and accurate income tax computation, and sound planning for the future and also helps in discussions with partners, potential investors and lenders.

Bookkeeping and accounting are intended to keep track of cash flows to improve the chances of effective running of organizations; and to avoid making losses. All in all, findings from head teachers, bursars, directors of studies and teachers generally concur with study findings of many researchers that there is a positive relationship between book-keeping and operational performance.

5.2. Conclusion

This study examined the relationship between funding and operational performance in USE schools in Mukono district. From the discussion of the findings on the same, it is hereby concluded that;

1. Budgeting is paramount in operational performance in USE schools. If heads of schools practiced participatory budgeting involving user departments, there would be enhanced

performance motivation and accountability. In addition, in the wake of limited resources, if school heads adhere to funds appropriation guidelines issued by the Ministry of Education and Sports, prioritization of basic operational needs such as instructional materials and equipment, co-curricular activities, facility maintenance, provision of health, and sanitation services are made possible.

2. Low internal control mechanisms impeded operational performance in USE schools. Therefore, if schools maximized the delineation of roles across departments, financial management risks would be reduced. The government should also increase staffing in USE schools to help efforts to segregate duties, which in turn amplifies checks and balances in operations. Besides, if the government deployed Procurement Officers in schools, value for money would be realized.
3. Bookkeeping is important towards operational performance in schools. If financial records of transactions are well maintained and expenditure lines (votes) are clearly managed by bursars, accounting records are easy to track and losses are minimized resulting in greater operational success in schools.

5.3. Recommendations

This study examined the relationship between funding and operational performance in USE schools in Mukono district. From the conclusions above, the following recommendations were made:

1. Head teachers should support effective budgeting in schools to increase operational success. Therefore, head teachers should carry out participatory budgeting involving staff of various user departments as well as align budget priorities to funds allocation guidelines issued by the Ministry of Education for efficient operations.

2. Schools should improve internal control mechanisms to enhance operational success through the delineation of roles across departments to minimize risks of financial mismanagement. The Ministry of Education should increase staffing in USE schools to support separation of duties to provide for checks and balances, and deploy Procurement Officers to support PPDA functions for realization of value for money.
3. Schools should promote efficient bookkeeping practices to boost operational performance. Therefore, Bursars should ensure that expenditure lines (votes) are clearly managed and transaction records are properly filed so that accounting records are easy to track and losses are minimized.

5.4 Limitations and Suggestions for Further Research

The study has revealed that all aspects of funds management namely; budgeting, internal controls and book-keeping explained only (19.6%) of the variations in operational performance. This suggests that (80.4%) of the variations were accounted for by other factors not considered under this Model. Further research is recommended into such factors. For instance, the study was conducted only in government schools; and despite having relied on a statistically representative sample, it covered a limited scope which may not be practically generalized to cover private, schools as far as the established nature of the variables and their relationships are concerned. Therefore, a replica of the study based on private schools is recommended to establish a broader picture of these variables. Again, the study was quantitative which limited in-depth analysis. Therefore, future scholars could adopt the qualitative approach for higher in-depth analysis.

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APPENDICES

APPENDIX A: Self-Administered Questionnaire

Dear Respondent,

I am a student at Kyambogo University, undertaking a master's degree in Education Policy, Planning, and Management. I am currently doing research on “*Funds Management and Operational Performance in USE Schools in Mukono District*”, I kindly request you to participate in the study by filling in this questionnaire to the best of your knowledge. Be assured of confidentiality.

Thanks in advance.

.....

Robert Gwom.

PART 1: Demographic information (Please tick as appropriate)

a. **Gender:** Male ☐ Female ☐

b. **Age:** 20-29 years ☐ 30-39 years ☐ 40-49 years ☐ 50 years and above ☐

c. **Number of teaching/service years**

Less than 3 years ☐ 3-6years ☐ 7-10 years ☐ More than 10 years ☐

d. **Highest education attained**

Diploma ☐ Degree ☐ Masters ☐

PART 2: Funds Management and Operational Performance of USE Schools

INSTRUCTIONS: Please rank the following on a scale ranging from strongly agree to strongly disagree (Please tick the appropriate option).

Strongly Agree (SA)	Agree(A)	Neutral (N)	Disagree(D)	Strongly Agree (SD)
5	4	3	2	1

Part 2(a): Budgeting

No	Statement	SA	A	N	D	SD
		5	4	3	2	1
B1.	Our school prepares budgets annually					
B2	School budgets are generated from user departments					
B3.	Budget is based on projected revenue					

B4.	USE funds are appropriated and utilized following guidelines provided by Ministry of Education and Sports					
B5.	The school has a substantive Bursar/Accountant					
B6.	Current year's receipts and disbursements are used to determine next year's budget.					
B7.	USE funds are received from government in time at school (at the beginning of the term)					
B8.	Approved departmental budgets are fully funded					

Part 2(b): Internal Control Systems

No	Statement	SA	A	N	D	SD
		5	4	3	2	1
ICS1.	Duties of responsible officers are properly segregated					
ICS2.	Cash outflows of our school are duly requisitioned and authorized					
ICS3.	All school dues are paid in the bank.					
ICS4.	Staff wages and allowances are paid through the bank					
ICS5.	The school has a Procurement Officer					
ICS6.	Our school accounts are audited every year					

Part 2(c): Book-Keeping

No	Statement	SA	A	N	D	SD
		5	4	3	2	1
BK1.	Our school maintains all records of financial transactions					
BK2.	Financial transactions are classified and easy to track					
BK3.	School records are readily available to concerned stakeholders e.g. financial statements					
BK4.	Expenditure lines (votes) are clearly managed					
BK5.	Invoices and receipts are securely filed					
BK6.	Financial records haven't been misplaced in the past year					
BK7.	School records are automated (computerized).					

Part 2(d): Operational Performance

No	Statement	SA	A	N	D	SD
		5	4	3	2	1
OP1.	Instructional/scholastic materials and equipment are adequate/available for use during lessons.					
OP2.	Various co-curricular activities are active.					
OP3.	The school maintains good health and sanitation services to students					
OP4.	School infrastructure/facilities are well maintained.					
OP5.	School administration is adequately facilitated					

	financially.					
OP6.	Allowances to staff are paid in time.					
OP7.	Students' academic grades are generally excellent.					

Thank you very much for your time and responses

APPENDIX B: Introductory Letter

APPENDIX C: Table for Sample Size Determination

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970