Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary South East Education Division

By

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DECLARATION

I hereby declare that Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in South East Education Division, is entirely my original work with no content authored or published by others other than when appropriate citation is given. It is being submitted in partial fulfilment of requirements for the award of the degree of Master of Education in Leadership and Management at Mzuzu University. It has never been submitted to this institution or any other institution for the award of any academic degree.

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DEDICATION

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Abstract

Financial mismanagement in public boarding secondary schools threatens their ability to operate effectively and provide essential services. This study explores the key factors contributing to financial mismanagement in selected public boarding secondary schools within the South East Education Division. The research aimed to identify common financial challenges, assess the effectiveness of current financial management practices, and propose solutions to improve accountability and sustainability.

The study was conducted in 12 public boarding secondary schools, focusing on school administrators, finance officers, student representatives, and division officials responsible for financial oversight. A mixed-methods approach was used, combining surveys and interviews to gather insights. Structured questionnaires were distributed to school staff, while in-depth interviews were conducted with school heads, governance body chairpersons, and division finance officers.

The findings indicate that financial mismanagement in these schools is largely driven by delayed fee payments, irregular bursary disbursements, and insufficient government funding. Weak financial oversight has also contributed to schools accumulating debt, often due to reliance on credit purchases and ineffective budgeting. Schools that fail to enforce financial discipline struggle with operational challenges, while those that adopt strict financial measures tend to remain stable.

Some schools have successfully avoided debt by implementing a cash-purchase system, pre-purchasing food supplies, and reducing reliance on middlemen. The active involvement of student councils in monitoring resource usage, energy conservation measures, and the use of borehole water have also proven to be effective cost-saving strategies. Additionally, internal auditors and division-level accounts personnel play a vital role in ensuring financial compliance and preventing mismanagement.

To improve financial stability, the study recommends strengthening internal controls, enforcing timely bursary disbursements, and training school administrators in financial management. By adopting these strategies, public boarding schools in the South East Education Division can enhance transparency and maintain sustainable financial operations.

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

- BoG: Board of Governors
- DHT: Deputy Head teacher
- DPSM: Department of Public Service Management
- GoM: Government of Malawi
- GCRF: Guidelines for the Collection and Retention of Funds
- HT: Head teacher
- IPDC: Internal Procurement and Disposal of assets Committee
- MoE: Ministry of Education
- MoEST: Ministry of Education Science and Technology (Defunct)
- MT: Management Team
- NAO: National Audit Office
- SEED: South East Education Division
- PAA: Public Audit Act
- PAC: Public Accounts Committee
- PFMA: Public Finance Management Act
- PPDA: Public Procurement and Disposal of Assets
- PTA: Parent Teacher Association
- UNESCO: United Nations Educational, Scientific and Cultural Organization
- SC: Student Council
- SMC: School Management Committee
- WB: World Bank

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CHAPTER ONE: INTRODUCTION

1.1 Overview

This chapter introduces the study by outlining its background, problem statement, purpose, objectives, significance, and theoretical framework.

The study investigated financial mismanagement challenges in public boarding secondary schools within Malawi's South East Education Division. It aligns with broader educational goals outlined in Malawi's Vision 2063 and relevant national policies aimed at enhancing accountability and efficiency in education financing (NPC, 2020). Education is a fundamental human right, recognized globally in the Universal Declaration of Human Rights (1948) and essential for socio-economic development (UNESCO, 2020). Within Malawi's Vision 2063, particularly Enabler 5, "Human Capital Development," education is prioritized as a catalyst for national growth. The National Education Sector Investment Plan (NESIP) 2020-2030 underscores the role of education in fostering economic growth and improving social outcomes. However, challenges such as financial mismanagement, inadequate funding, and inflated service fees continue to hinder progress, particularly in public boarding secondary schools (MoEST, 2020).

1.2 Background

Financial mismanagement in education is a global concern. Studies indicate that approximately 41% of the global population perceives the education sector as corrupt or highly corrupt (Inaki Albisu Ardigó & Marie Chêne, 2017). In Sub-Saharan Africa, 60% of youth aged 15-17 are excluded from school due to financial constraints (World Bank, 2018). In Malawi, audit reports from 2006 to 2020 have repeatedly highlighted issues such as resource misallocation, fund misappropriation, and poor financial oversight in public schools (GoM, 2020). Addressing these concerns is crucial for ensuring financial sustainability and equitable access to quality education.

1.3 Statement of the Problem

Despite efforts to decentralize financial management, Malawi's public boarding secondary schools continue to experience financial mismanagement. Audit reports reveal persistent issues such as misallocation of resources, fund misappropriation, and inadequate financial controls in 41 public schools, 25 of which are boarding institutions (MoE, 2022b, 2022a; MoEST, 2016). These issues increase school fees, reduce educational resources, and undermine national educational goals. This study seeks to explore the underlying factors contributing to financial mismanagement and propose sustainable solutions.

1.4 Purpose of the Study

The study aimed at examining factors contributing to financial mismanagement in public boarding secondary schools in Malawi's South East Education Division. It investigated the root causes, evaluated existing support systems, and recommended interventions to reduce financial inefficiencies and enhance transparency in school management.

1.5 Objectives

The study was guided by the following objectives:

1. To identify factors contributing to financial mismanagement in public boarding secondary schools in the South East Education Division.
2. To assess the support systems available for financial management in these schools.
3. To examine measures and interventions aimed at reducing the debt burden in public boarding secondary schools.

1.6 Significance of the Study

This study is significant for policymakers, school managers, and Ministry of Education officials, as it provides insights into financial mismanagement and suggests strategies for effective financial governance. By addressing mismanagement, the study aims to improve resource allocation, reduce unnecessary expenditures, and enhance access to quality education. Additionally, the findings contribute to policy development and serve as a reference for future research on financial management in education.

1.7 Theoretical Framework

This study is grounded in the Theory of Accountability (Carrington et al., 2008) and the Process Improvement Model (Deming, 1986; Petersen, 1999). The Theory of Accountability emphasizes compliance with financial policies and ethical practices, while Deming's Plan-Do-Check-Act (PDCA) model advocates continuous improvement in financial management. Together, these frameworks provide a structured approach to analyzing financial mismanagement and proposing effective solutions.

1.8 Limitations of the Study

As limitations are inevitable in all research, this study too had its own limitations. First, reliance on self-reported data from school administrators and finance staff may lead to underreporting of financial irregularities due to social desirability bias. Additionally, transportation challenges hinder access to some key respondents, limiting data collection. Lastly, some participants were hesitant to disclose financial details, impacting the comprehensiveness of the study. In spite of these limitations, the study has successfully addressed objectives it aimed at.

CHAPTER TWO: LITERATURE REVIEW

2.1 Chapter Overview

This chapter presented a comprehensive review of existing literature relevant to the study, structured to align with its research objectives. It began by discussing the theoretical frameworks and key concepts that underpinned the study, followed by an in-depth empirical review of financial management challenges in educational institutions at global, regional, and local levels. The chapter concluded by identifying research gaps that this study aimed to address.

2.2 Review of Theory and Concepts

This study was anchored in the Accountability Theory (Carrington et al., 2008) and the Process Improvement Model (Deming et al., 2006). These theoretical frameworks provided insight into financial mismanagement in public boarding schools within Malawi's South East Education Division.

Accountability Theory highlighted the importance of adherence to governance structures in ensuring financial integrity (Rangongo et al., 2016). It emphasized the role of institutional frameworks in fostering transparency and efficiency. Deming's Plan-Do-Check-Act (PDCA) model complemented this by advocating continuous monitoring and adjustment to improve financial management (Deming, 1986).

Additional perspectives included Sam Silverstein, (2021), who underscored leadership's role in promoting accountability, and Ndhlovu et al., (2020), who stressed the necessity of transparency for financial responsibility in schools. Antoninis & UNESCO, (2017) further argued that accountability mechanisms were essential in ensuring financial efficiency and resource allocation in education.

Sani & Alani, (2018) suggested that accountability enhanced organizational performance by improving financial oversight, while Mutiullah & Adekunle, (2017) warned that lack of accountability led to inflated service costs. Based on these perspectives, this study applied the Accountability Theory and the PDCA model to examine financial governance in Malawi's public boarding schools.

2.3 Empirical Review

This section examined financial mismanagement in educational institutions from global, regional, and local perspectives, offering insights into common challenges and best practices.

2.3.1 Global Perspective on Financial Mismanagement

Financial mismanagement involved improper handling, misuse, or inefficiency in financial administration, leading to financial losses and service delivery failures (Ngosa & Mwanza, 2021). The Transparency

International, (2013) report indicated that 41% of respondents perceived their countries' education sectors as corrupt.

The World Bank, GEM & UNESCO, 2021 and 2023, Education Finance Watch (EFW) 2021 reports highlighted the impact of the COVID-19 pandemic, noting that two-thirds of low-income countries reduced education spending, exacerbating financial inefficiencies (World Bank, GEM & UNESCO, 2021, 2021, 2023). Additionally, Bodson, (2021) identified financial management as a major stressor for Canadian school principals.

2.3.2 Regional Perspective on Financial Mismanagement

Financial mismanagement was a pressing issue in Sub-Saharan Africa, where educational exclusion rates were high due to financial constraints (World Bank, 2018). Demirgüç-Kunt et al., (2022) found that 54% of adults in the region struggled with school fees.

Rangongo et al., (2016) identified a lack of financial expertise among school administrators in South Africa as a major factor in financial mismanagement. Similarly, Mobegi et al., (2012) found that weak internal controls and inadequate training contributed to financial mismanagement in Kenya’s secondary schools.

2.3.3 Local Perspective on Financial Management

2.3.3.1 Challenges in Financial Management

In Malawi, public secondary schools reported financial issues despite established governance structures (MoEST, 2019). Musaiwa, (2020) highlighted training deficiencies and transparency concerns among headteachers in Mulanje District, while Wamba, (2015) found similar gaps in Mzuzu. Stima (2020) added that the absence of induction programs limited financial leadership effectiveness.

2.3.3.2 Audit Issues (2006-2020)

Audit reports from the Auditor General from 2006 to 2020) indicated persistent financial mismanagement in Malawi’s schools, including unaccounted funds, unauthorized payments, and weak financial controls (GoM, 2020).

2.4 School Governance and Financial Management

2.4.1 Parent-Teacher Associations

Parent-Teacher Associations (PTAs) were key governance structures that oversaw school operations and finances. However, they often lacked the necessary capacity and authority to enforce financial accountability effectively (MoE, 2022a).

2.4.2 Board of Governors

The Board of Governors (BoG) played a critical role in ensuring transparency in school financial management by approving budgets, supervising school plans, and overseeing bursary allocations (MoE, 2022b).

2.5 Financial Oversight in Public Schools

2.5.1 Revenue Collection and Spending Authority

The Ministry of Education authorized schools to collect and retain fees under the Public Finance Management Act (MoE, 2023; MoEST, 2014, 2016). However, revenue collection and expenditure had to comply with established guidelines to prevent mismanagement.

2.5.2 Procurement Authority

The Public Procurement Act, 2003 mandated that schools establish Internal Procurement Committees (IPCs) to oversee procurement processes, ensuring compliance with financial regulations (GoM, 2003; MoE, 2022b, 2023).

2.6 Institutional Committees for Financial Management

2.6.1 Management Team, Internal Procurement Committee, and Boarding Committee

According to the guideline for the collection and retention of fees in public secondary schools and teacher training colleges, the Management Team (MT) oversaw financial planning, fee collection, and expenditure management, ensuring accountability in school financial operations. The IPC, led by the Head Teacher, ensured procurement processes adhered to legal requirements and financial regulations, preventing misallocation of funds. The Boarding Committee was responsible for managing boarding facilities and oversaw boarding fees, food procurement, and student welfare to ensure effective financial management (MoEST, 2016).

2.7 Research Gaps

Despite extensive research on financial management in education, there was limited focus on the unique challenges faced by public boarding schools in Malawi's South East Education Division region. This study aimed to fill this gap by examining financial mismanagement factors and evaluating the effectiveness of accountability structures in these institutions.

2.8 Chapter Summary

This chapter reviewed theoretical and empirical literature on financial management challenges in public schools, particularly in Malawi. It highlighted governance structures such as PTAs, Boards of Governors, and financial management committees, identifying gaps in their effectiveness. The chapter underscored the need for enhanced accountability and oversight mechanisms to improve financial management in South East Education Division boarding schools, providing a foundation for the subsequent analysis in this study.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Chapter Overview

This chapter outlined the research design and methodology that was employed in the study. It covered the research paradigm and approach, research design, study site and participants, data collection methods, validation of data collection instruments, trustworthiness, ethical considerations, and data analysis techniques.

3.2 Research Paradigm and Approach

A research paradigm is a set of beliefs about reality and knowledge that guided the research process (Nieuwenhuis, J., 2016). Guba, E. G., & Lincoln, Y. S., (1994) defined a paradigm as a "basic belief system or worldview that guides the investigator." Researchers adopt a paradigm that reflect their philosophical stance on truth and reality in relation to the research problem (Saraswati Dawadi, 2020).

This study was based on a pragmatic research paradigm, emphasizing the practical understanding of real-world issues. Pragmatism allowed flexibility in selecting the most appropriate research methods to address research questions effectively. The study employed a mixed-methods approach, integrating both quantitative and qualitative data collection and analysis that provided a comprehensive understanding of financial management in public boarding secondary schools. The mixed-methods approach assumed that combining both methods offered a more complete understanding than using a single method (Maarouf, 2019).

3.3 Research Design

A Sequential Explanatory Design was adopted for this study, combining quantitative and qualitative methods in a structured manner (D Subedi, 2016). This design was chosen because it allowed for numerical data collection first, followed by qualitative insights to further interpret and validate the findings (Dawadi et al., 2021).

As described by Creswell, (2009), the Sequential Explanatory strategy involved two phases: an initial quantitative data collection and analysis phase, followed by a qualitative data collection and analysis phase that built on the initial findings. This approach was selected to gain a holistic understanding of financial mismanagement factors in public boarding secondary schools.

3.4 Study Site and Participants

The study was conducted in the South East Education Division (SEED) of Malawi, covering all districts where audit issues in public boarding secondary schools were reported between 2006 and 2020. The study involved two phases of participant selection.

In the quantitative phase, the study targeted all public boarding secondary schools within South East Education Division. A total of 108 participants were purposively selected, including representatives from key school governance bodies, such as the Management Team (MT), Internal Procurement and Disposal Committee (IPDC), Boarding Committee (BC), School Council (SC), Board of Governors/Parents and Teachers Association (BoG/PTA), and two teachers per school.

For the qualitative phase, in-depth interviews were conducted with head teachers, boarding chairpersons, BoG/PTA chairpersons, and officers from the audit and accounts sections at the division office. These participants provided comprehensive insights into financial management practices within the schools.

3.5 Data Collection Methods

A mixed-methods approach was used to collect data, incorporating structured questionnaires for quantitative data and semi-structured interviews, observations, and document analysis for qualitative data.

3.5.1 Quantitative Data Collection: Questionnaire

A questionnaire was used as the primary instrument for collecting quantitative data. It was distributed across 12 public boarding secondary schools in South East Education Division, targeting 108 participants. This tool facilitated the collection of standardized data on financial management practices and perceptions.

3.5.2 Qualitative Data Collection

3.5.2.1 Semi-Structured Interviews

Semi-structured interviews were conducted with key informants, including the head teachers, BoG/PTA chairpersons, Boarding Committee Chairpersons, and finance officials from the division office. This approach allowed for an in-depth exploration of financial management issues and challenges (Cohen et al., 2018).

3.5.2.2 Observation

Observations were conducted to document natural settings, behaviors, and interactions in the schools without interference (George, 2022). An observation guide was used to systematically record data.

3.5.2.3 Document Analysis

School financial documents such as ration ledgers, budgets, and audit reports were analyzed to validate findings and provide historical insights into financial management practices. This method ensured data triangulation (Cohen et al., 2018).

3.6 Validation of Data Collection Instruments

Instrument validity refer to how accurately a tool measures what it was intended to measure, while reliability ensure consistency over time (Tavakol & Dennick, 2011). The study enhanced validity by obtaining feedback from experts and conducting a pilot test at a public boarding school.

3.7 Trustworthiness

To ensure the trustworthiness of qualitative findings, the study applied four key criteria: credibility, transferability, dependability, and Confirmability (Lincoln, YS & Guba, EG, 1985). Data triangulation, member-checking, and an audit trail were used to enhance the credibility and reliability of findings.

3.8 Ethical Considerations

Ethical approval was obtained from the Mzuzu University Research Ethics Committee (MZUNIREC). An introductory letter from Mzuzu University's Faculty of Education and an authorization letter from South East Education Division were secured. Participants provided informed consent, and confidentiality and anonymity were upheld.

3.9 Data Analysis

Quantitative data was analyzed using SPSS-20, employing descriptive statistics such as frequencies and percentages. Qualitative data from interviews and observations was transcribed, coded, and analyzed thematically to identify patterns and themes in financial management practices.

Chapter 4: Presentation of Findings, Data Analysis, and Discussion

4.0 Chapter Overview

This chapter presents and discusses the findings of the study, which aimed at examining the factors associated with financial mismanagement in selected public boarding secondary schools within the South East Education Division.

Data collection involved multiple methods, including surveys, face-to-face interviews, document analysis, and observations. The analysis followed grounded theory principles, ensuring that the findings were grounded in the data itself, free from preconceived theoretical assumptions.

To guide the data analysis, the study adopted the six-stage thematic analysis framework developed by Clarke & Braun, (2013).

The analysis began with familiarization with the data, which involved thoroughly reviewing the collected transcripts, documents, and observations. Following this, initial codes were created to capture key patterns and concepts from the raw data. These codes were then grouped into broader themes, reflecting recurring patterns of financial mismanagement. The themes were reviewed, refined, and reorganized as the analysis continued, ensuring their relevance and coherence.

Finally, the themes were evaluated for their importance in relation to the study's objectives.

Throughout this process, the coding was inductive, that is to say themes and categories were not predefined but emerged progressively as the analysis unfolded. The analysis followed the stages of open coding, and selective coding, ensuring that all meaningful patterns were identified and refined.

This repetitive process continued until theoretical saturation was reached.

The findings presented in this chapter are a result of this inductive approach, with the themes and categories reflecting the data as opposed to being imposed from outside.

A summary of the key emergent themes is provided in table 4.9, offer deeper insights into the factors contributing to financial mismanagement in the public boarding secondary schools of South East Education Division. These findings provide a comprehensive, data-driven understanding of the issue, with the themes emerging directly from the experiences and perspectives of the participants.

4.1 Factors Contributing to Financial Mismanagement in Public Boarding Secondary Schools in South East Education Division

4.1.1 Managers' Experience

Experience, as defined by Paulsen (2020), encompasses personal encounters, observations, or practical interactions that shape knowledge, skills, and perspectives. This study focused on practical experience which entails direct participation in activities or events that enhance proficiency and understanding.

Table 4.1: Distribution of Managers Based on Their Years of Experience in Managerial Positions

Number of Years at Managerial Position	Number of Managers	Proportion (95% CI)
Less than 5 years	4	33.3% (CI: 12.5%-54.1%)
5–10 years	5	41.6% (CI: 20.0%-63.2%)
More than 10 years	3	25% (CI: 6.7% - 43.3%)

Table 4.1 presents the distribution of managerial experience among school financial managers. The data indicates that 33.3% of the managers had less than five years of experience, making them the least experienced group. The majority, 41.6%, had between five and ten years of experience, while 25% had over ten years of experience. Overall, 66.6% (8 out of 12) of the managers had at least five years of experience, suggesting a workforce with considerable managerial expertise.

Research highlights the critical role of managerial experience in effective financial management. According to Behn et al., (2001), experienced managers develop a deeper understanding of resource allocation, allowing them to optimize financial performance and enhance accountability. Greater experience is often linked to a stronger grasp of statutory financial management tools and stricter adherence to established regulations.

However, despite the majority of managers having at least five years of experience, practical observations suggest otherwise. One would expect these managers to be well-versed in financial governance frameworks and regulatory requirements. Yet, as discussed in Section 4.2.1, notable gaps remain in their familiarity with statutory financial management tools and compliance with financial regulations. This raises concerns about whether experience alone is sufficient to ensure sound financial management or if other factors, such as ongoing professional development, institutional support, and ethical considerations, play a more crucial role. Section 4.1.2 further explores these challenges, shedding light on the factors that may undermine financial accountability despite the presence of experienced managers

4.1.2 Managers' Exposure to Statutory and Management Tools

The study evaluated managers' familiarity with three statutory tools and two management tools. Statutory tools are legally mandated instruments, regulations, or requirements designed to ensure compliance with laws, safety protocols, and regulatory standards (Merriam-Webster, n.d.). In this study, the statutory tools examined included the Public Finance Management Act (PFMA), the Public Procurement and Disposal of Assets Act (PPDA), and the Public Audit Act (PAA). Management tools, on the other hand, refer to methods and techniques organizations use to plan, organize, and control their operations (Komar, 2021). The study focused on two key management tools: the Guidelines for the Collection and Retention of Finances in Public Secondary Schools and Teachers' Training Colleges (GCRFPSSTTC) and the Secondary School Management Handbook (SSMHB).

Table 4.2: Managers' Familiarity with Statutory and Management Tools

Tool	Fully Read (95% CI)	Partially Read (95% CI)	Never Read (95% CI)	Never Seen (95% CI)	Total
PFMA	25% (CI: 6.7% - 43.3%)	41.6% (CI: 20.0 - 63.2%)	25% (CI: 6.7% - 43.3%)	8.3% (CI: 0% - 23.6%)	12
PPDA	25% (CI: 6.7% - 43.3%)	41.6% (CI: 20.0 - 63.2%)	25% (CI: 6.7% - 43.3%)	8.3% (CI: 0% - 23.6%)	12
PAA	8.3% (CI: 0% - 23.6%)	41.6% (CI: 20.0 - 63.2%)	8.3% (CI: 0% - 23.6%)	41.6% (CI: 20.0 - 63.2%)	12
GCRFPSSTTC	33.3% (CI: 12.5 – 54.1%)	58.3% (CI: 36.6% - 80.0%)	0% (CI: 0% - 0%)	8.3% (CI: 0% - 23.6%)	12
SSMHB	66.6 (CI: 44.4% - 88.8%)	33.3% (CI: 12.5 – 54.1%)	0% (CI: 0% - 0%)	0% (CI: 0% - 0%)	12

Based on table 4.2 which shows the extent to which managers are familiar with statutory and management tool, data shows variable exposure. On statutory tools the table shows that 33% of managers are not familiar with PFMA and PPDA because they have either never read or seen the documents. The Public Audit Act (PAA) had the lowest level of familiarity, as only one manager had fully read it, while 50% of the managers were entirely unaware of it.

In contrast, management tools were more widely known. The Guidelines for the Collection and Retention of Finances in Public Secondary Schools and Teachers' Training Colleges (GCRFPSSTTC) had a high level of familiarity, with 92% of the managers having read it partially or in full and only 8% of the manager unaware of it. The Secondary School Management Handbook (SSMHB) was the well-understood tool, having been fully read by 67% of the managers, while the remaining 33% had at least partially engaged with its content.

Despite substantial managerial experience, the lack of familiarity with critical statutory tools such as the Public Finance Management Act (PFMA) and the Public Audit Act (PAA) may lead to unintended non-compliance. Research highlights that inadequate knowledge of statutory and governance tools can result in financial mismanagement, inefficiencies, and legal repercussions (Hood & Dixon, 2015). According to Bovens et al., (2008), compliance gaps often lead to accountability failures, increased risk of corruption, and weakened institutional governance. Furthermore, organizations that lack familiarity with regulatory frameworks may struggle with effective resource allocation, ultimately impacting service delivery and stakeholder trust (OECD, 2019). Thus, ensuring that managers are well-versed in statutory and governance tools is crucial for maintaining financial integrity, operational efficiency, and regulatory adherence

4.1.3 Financial Management Challenges and Resource Constraints

4.1.3.1 Financial Challenges

Data shows that budget constraints hinder effective resource management in schools. Many institutions face financial crises, as highlighted by Participant A1, who stated, *"Electricity and water are very expensive; water alone costs K1 million per week, and our budget ceiling is K67 million."* Similar challenges were reported in nine out of the twelve schools studied, where managers expressed concerns over limited funding.

Data also reveals that debt accumulation is a major financial burden for schools. Delayed fee payments, late bursary disbursements, and credit purchases contribute to mounting debts. Participant A1 reflected on the challenge of inherited financial obligations, stating, *"My predecessor inherited a huge bill, but he vowed to square it, and now I operate on a cash basis."*

Furthermore, data highlights how cultural practices reinforce unsustainable financial habits. Participant A1 pointed out the normalization of credit purchases, stating, *"When you become a head teacher, find a stationery shop to buy from on credit for survival."* This reflects systemic pressures that perpetuate financial instability and reinforce the misconception that government entities cannot operate without debt.

4.1.3.2 Revenue Management Practices

Interview with participants revealed that poor revenue management practices contribute to the mismanagement of funds in public secondary schools in South East Education Division. One major issue identified was the tendency to use funds without adhering to standard financial procedures, particularly the practice of spending at the source. Many participants shared similar observations, misuse of funds immediately after revenue collection. Participant DV1 elaborated, stating, *"The challenge is that schools use money at the source after collecting revenue. They know the rules but sometimes act deliberately."* This practice not only violates financial regulations but also weakens accountability and transparency, making expenditure tracking and auditing more difficult. Government of Malawi Treasury Instructions of 2004, section 5.7.2 (e) states that sound revenue management includes collecting and banking fund before use(GoM, 2004).

Non-compliance with Financial Guidelines further exacerbates inefficiencies, particularly regarding procurement protocols. Limited oversight by governing bodies compounds these challenges due to limited number of inspection visits as noted by Participant DV2, an internal auditor based at the division office, who highlighted the constraints of a small budget: *"Our budget is very small, around MK6–7 million, and we have over a hundred schools, many in remote areas."* Due to this budget limitation, many schools, especially those in remote locations, lack the necessary support for proper audits and financial guidance. Additionally, DV2 pointed out that inadequate staffing hinders effective oversight, stating, *"We are supposed to be four, but now we are only two,"* making it impossible for the audit team to reach all the schools in need of their assistance.

4.1.3.3 Governance Structures

Governance structures define roles and relationships within organizations (Baker, 2008). These governance bodies are put in place as a mechanism to ensure accountability and transparency in management of school resources including finances. The study assessed the presence and functionality of six governance bodies in schools.

Table 4.3: Governance Bodies across Schools

Governance Structure	Number of Schools with Availability	Proportion (95% CI)	Aware of ToR	Functional	Number that should have been available
Board of Governors (BoG)	3	25% (CI: 6.7 – 43.3%)	3	3	12
Parent-Teacher Association (PTA)	12	100% (CI: 100% - 100%)	12	12	12
Management Committee	11	91.6% (CI: 80.0% - 100%)	11	11	12
IPDC	12	100% (CI: 100% - 100%)	12	12	12
Boarding Committee	8	66.6% (CI: 44.4% - 88.8%)	8	8	12
Student Council	12	100% (CI: 100% - 100%)	12	12	12

The Board of Governors (BoG) serves as the most superior advisory entity in a school, providing oversight for all school activities. Its role is essential in ensuring accountability, strategic decision-making, and effective governance. However, as indicated in Table 4.3, gaps exist in the establishment of BoG committees, with only 3 out of 12 schools having functional committees. This lack of compliance undermines the effectiveness of school oversight and management.

Similarly, boarding expenses constitute a substantial portion of a school's expenditure, making the presence of a Boarding Committee crucial for financial oversight, resource allocation, and the welfare of students. Despite this, boarding committees were absent in 4 out of 12 schools, highlighting a critical gap in operational efficiency. The absence of these structures contradicts the requirements set forth in the Government of Malawi Education Act and the Guidelines for the Collection and Retention of Finances in Public Secondary Schools and Teachers' Training Colleges. Strengthening compliance with these governance structures is essential for enhancing accountability, financial transparency, and overall school management effectiveness (GoM, 2012; MoEST, 2016).

4.1.3.4 Financial Planning Challenges

The absence of automated financial systems hampers financial tracking and reporting efficiency. Most schools rely on manual revenue tracking and exhibit low compliance with financial rules.

Table 4.4: Financial Management Practices

Category	Subcategory	Number of Schools	Proportion (95% CI)
Revenue Collection Tracking	Manual	5	41.6% (CI: 20.0% - 63.2%)
	Spreadsheet	7	58.3% (CI: 36.6% - 80.0%)
Bank Reconciliation	Monthly	4	33.3% (CI: 12.5% - 54.1%)
	Termly	5	41.6% (CI: 20.0% - 63.2%)
	Non	3	25% (CI: 6.7% - 43.3%)
Financial Reporting	Monthly	2	16.6% (CI: 0% - 36.6%)
	Termly	6	50% (CI: 28.3% - 71.7%)
	Annually	0	0% (CI: 0% - 0%)
	Non	4	33.3% (CI: 12.5% - 54.1%)
Debt Management	Debt-Free	6	50% (CI: 28.3% - 71.7%)

	MK 10–25 Million	6	50% (CI: 28.3% - 71.7%)

The findings reveal noteworthy gaps in revenue tracking, debt management, bank reconciliation, and financial reporting practices across schools, highlighting inefficiencies and potential risks to financial stability.

Table 4.4 shows that schools rely on two primary methods for tracking revenue collection: manual tracking and spreadsheet tracking. Five (41.6%) schools use manual tracking, a labor-intensive and error-prone method that makes it difficult to maintain accurate and timely financial records. In contrast, seven (58.3%) schools use spreadsheet tracking, which provides more structure and accuracy. However, while spreadsheets improve efficiency compared to manual methods, they still require effort and lack the scalability and real-time capabilities of automated financial systems.

The consequences of these revenue tracking practices vary. Manual tracking often results in increased errors due to human oversight, delays in financial reporting, and challenges in identifying and rectifying discrepancies. On the other hand, spreadsheet tracking, while more reliable, still has limitations in efficiency and scalability, preventing real-time financial updates (Pallavi et.al, 2023).

Debt management also varies among schools. While six (50%) schools remain debt-free, demonstrating strong financial management and effective revenue collection, another six (50%) schools operate under debt, with liabilities ranging from MK 10–25 million. These financial burdens often stem from inefficiencies in revenue management, poor expense control, or insufficient funding. Debt-free schools benefit from financial stability, allowing them to fund operational and developmental needs while maintaining credibility for securing partnerships or additional funding. Conversely, schools with outstanding debts experience financial strain, limiting their ability to allocate resources effectively and increasing the risk of insolvency. Additionally, the presence of debt reduces their chances of attracting further investments due to existing liabilities.

Bank reconciliation plays a crucial role in ensuring financial accuracy, yet schools exhibit inconsistencies in this practice. While four (33.3%) schools conduct monthly reconciliation, aligning with best practices by enabling timely error detection and fraud prevention, five (41.6%) schools perform termly reconciliation, which delays financial oversight and increases risks. Alarmingly, three (25%) schools do not conduct reconciliation at all, leaving them highly vulnerable to financial mismanagement and fraud due to a lack of verification mechanisms.

Irregular reconciliation practices have been widely recognized in financial literature as a major contributor to errors, fraud, and poor financial oversight. Studies indicate that failure to conduct timely and systematic reconciliations often results in discrepancies such as missed payments and unrecorded fees. Dutta & Lawson, (2018) highlights that delayed or inconsistent reconciliation can lead to financial losses, as transactions may go untracked or mismatches may occur between recorded and actual payments.

In addition to increasing errors and fraud risks, irregular reconciliation compromises financial oversight and accountability. This is particularly concerning in public institutions where transparency and accountability are critical to maintaining stakeholder trust. The International Federation of Accountants (IFAC, 2017) also underscores that routine financial reconciliation is essential for ensuring compliance, financial integrity, and responsible resource management.

Similarly, financial reporting plays a pivotal role in promoting transparency and enabling informed decision-making within educational institutions. According to Hong, (2023), consistent financial reporting facilitates timely oversight, improves resource allocation, and reduces the risk of mismanagement. However, current practices among schools reveal considerable inconsistencies that undermine these principles.

Only two schools (16.6%) adhere to best practices by submitting monthly financial reports, ensuring regular oversight and swift decision-making. This aligns with the recommendations of the International Public Sector Accounting Standards Board (IPSASB, 2019), which emphasizes monthly reporting as essential for maintaining financial integrity. In contrast, six schools (50%) submit reports on a termly basis, reducing the frequency of oversight and delaying access to critical financial data.

Even more concerning, four schools (33.3%) fail to submit financial reports altogether, resulting in a complete breakdown of transparency and accountability. As highlighted by Oliver, (2024), the absence of financial reporting creates numerous challenges, including limited visibility into an institution's financial health, delayed decision-making due to inadequate data, and an increased risk of mismanagement. Without proper reporting structures, inefficiencies and potential misconduct can go undetected, ultimately leading to resource wastage and corruption.

The data exposes clear weaknesses in financial management across schools, particularly in revenue tracking, bank reconciliation, financial reporting, and debt management. These shortcomings compromise accountability, expose schools to financial risks, and hinder effective decision-making. Addressing these challenges requires a multi-faceted approach, including the adoption of automated financial systems, the implementation of standardized procedures, and targeted capacity-building initiatives. Such measures will not only enhance financial stability but also improve operational efficiency in public boarding secondary schools, aligning with global best practices (World Bank, 2020).

4.1.3.5 Managers' Competence

Competence refers to the combination of skills, knowledge, and attitudes that enable effective task performance (Echtelt, 2024). The study examined functional competence in budgeting, bookkeeping, accounts books and record-keeping.

Table 4.5: Competence Levels Across Financial Management Areas

Area of Competence	Very low (95% CI)	Low (95% CI)	Fairly high (95% CI)	High (95% CI)	Very high (95% CI)	Total
Budget preparation	0% (CI: 0% - 0%)	0% (CI: 0% - 0%)	33.3% (CI: 12.5% - 54.1%)	58.3% (CI: 36.6% - 80.0%)	8.3% (CI: 0% - 23.6%)	12
Budget presentation	0% (CI: 0% - 0%)	0% (CI: 0% - 0%)	41.6% (CI: 20.0% - 63.2%)	58.3% (CI: 36.6% - 80.0%)	0% (CI: 0% - 0%)	12
Book keeping	33.3% (CI: 12.5% - 54.1%)	33.3% (CI: 12.5% - 54.1%)	33.3% (CI: 12.5% - 54.1%)	0% (CI: 0% - 0%)	0% (CI: 0% - 0%)	12

Trial balance	25% (CI: 6.7% - 43.3%)	41.6% (CI: 20.0% - 63.2%)	8.3% (CI: 0% - 23.6%)	25% (CI: 6.7% - 43.3%)	0% (CI: 0% - 0%)	12
Balance sheet preparation	41.6% (CI: 20.0% - 63.2%)	25% (CI: 6.7% - 43.3%)	8.3% (CI: 0% - 23.6%)	25% (CI: 6.7% - 43.3%)	0% (CI: 0% - 0%)	12
Record keeping	0% (CI: 0% - 0%)	25% (CI: 6.7% - 43.3%)	25% (CI: 6.7% - 43.3%)	50% (CI: 28.3% - 71.7%)	0% (CI: 0% - 0%)	12

Table 4.5 provides an analysis of competence levels across various financial management areas within the school, revealing both strengths and weaknesses among school managers. The data indicates that budgeting (67%) and record-keeping (50%) are areas of strong proficiency, reflecting managers' ability to plan finances effectively and maintain accurate records. However, noteworthy gaps emerge in trial balance and balance sheet preparation, where only 33% of managers reported competence. These deficiencies pose serious risks, including financial mismanagement, inefficiencies, and a lack of transparency in financial reporting, making it essential to strengthen these skills to safeguard the school's financial health.

A trial balance serves as a comprehensive list of all general ledger accounts within a boarding school, displaying their respective balances at a specific time. Its primary function is to verify that total debits equal total credits, ensuring the accuracy of financial records.

Similarly, a balance sheet provides a snapshot of the school's financial position, categorizing assets as what the school owns and liabilities and equity as what the school owes and the stakeholders' interests (Nwannebuike, 2017).

The ability to prepare these financial statements accurately is crucial for maintaining accountability, supporting informed decision-making, and ensuring the long-term financial stability of the institution. Without these competencies, the risk of financial mismanagement increases, potentially impacting the quality of education and overall school operations.

The analysis further reveals that eight out of twelve managers (66.6%) exhibit low or very low competence in trial balance preparation, highlighting the challenge of maintaining accurate records. This increases the likelihood of undetected errors, such as incorrect entries or missed transactions, which can lead to inaccurate financial reports, delays in account finalization, and complications in preparing future financial statements. Similarly, eight out of twelve managers (66.6%) demonstrate low or very low competence in balance sheet preparation, increasing the risk of misstatements in critical areas such as assets, liabilities, or equity. These inaccuracies could mislead stakeholders, damage the school's credibility, and hinder sound financial decision-making.

Additionally, weaknesses in balance sheet preparation may create obstacles when seeking investments or undergoing audits, further emphasizing the need for improved financial management skills.

While budgeting and record-keeping remain relatively strong, the lack of competence in trial balance and balance sheet preparation presents a significant challenge to the school's financial management. To enhance financial reporting accuracy, strengthen institutional credibility, and support effective decision-making, it is essential to address these weaknesses.

Improving these critical skills will enable better financial oversight, minimize the risk of errors, and foster a more transparent and efficient financial system.

4.2 Support Systems for Financial Management in Public Boarding Secondary Schools in South East Education Division

This section explored the various support systems available to school managers in managing financial matters. These systems included training programs, support visits on revenue, audit-related and compliance issues, oversight from division offices and the role of governance bodies. Each of these support mechanisms plays a crucial role in enhancing school managers' ability to effectively manage finances, ensure compliance, and maintain transparency in financial practices.

The following section dug deeper into the specific forms of support and their impact on school financial management.

4.2.1 Support Systems for School Managers on Financial Matters.

4.2.1.1 Trainings

The data gathered from 12 public boarding secondary schools offers valuable insights into the participation of school managers in professional development, particularly training programs related to financial management. The findings indicated limited engagement in structured training, which is a critical issue for improving financial management capacity.

Table 4.6 presents the distribution of managers based on the number of training sessions attended:

Number of Trainings Attended since appointed on headship position	Number of Attendees	Proportion (95% CI)
None	1	8.3% (CI: 0% - 23.6%)
One	6	50% (CI: 28.3% - 71.7%)
Two	3	25% (CI: 6.7% - 43.3%)

Three	0	0% (CI: 0% - 0%)
Other (Briefings)	2	16.6% (CI: 0% - 36.6%)

Table 4.6 revealed that a majority of school managers, six out of twelve (50%), have attended only one formal training session. A quarter (25%) have participated in two sessions, and no manager has attended more than two.

Additionally, one manager (8%) reported attending no formal training at all. This limited participation in formal, multi-session training programs highlighted a noteworthy gap in continuous professional development. The reliance on briefings, attended by only two (16%) managers, suggests that many school managers depended on ad-hoc, less structured informational sessions rather than engaging in more comprehensive, long-term training.

This lack of sustained engagement in capacity-building initiatives revealed three key challenges that hinder the professional development of school managers. First, there was low participation in structured training opportunities, which indicates that school managers are not consistently engaged in the kind of in-depth, multi-session training needed to build and reinforce their competencies. Second, there was a lack of continuity in training programs, as no managers have attended more than two sessions, which limits opportunities for ongoing learning and skill reinforcement. Third, there was the substitution of briefings for more in-depth training, where briefings, while valuable for providing updates, cannot match the depth of learning and skill development that structured training can offer.

To address these challenges, institutions ought to prioritize making structured training programs more accessible and frequent, specifically tailored to the needs of school managers. Overcoming barriers such as financial constraints, scheduling conflicts, and the limited availability of such programs was essential to ensure all school managers had access to continuous professional development. While briefings can be useful for immediate updates, they should be seen as complementary to, rather than a substitute for, more formal, multi-session training programs. By offering ongoing, progressive training, schools could foster a culture of continuous learning, enhance the competencies of school managers, and improve overall financial management and operational efficiency (GoM, 2018).

4.2.1.2 Support Visits on Revenue-Related Issues

Support visits from authorities on revenue-related issues was infrequent and inconsistent. The government of Malawi Public Finance Management Act of 2003 outlines the responsibilities of the Accountant General in supporting government agencies on accounting issues. According to Section 6(1) (d) of the Act:

"The Accountant General shall... provide accounting services to the Government and advice on accounting matters to Ministries and Departments." (GoM, 2022)

This provision mandates the Accountant General to offer accounting services and guidance to various government ministries and departments, ensuring effective financial management across government entities. Pie Chart 1, illustrates how South East Education Division accounts section has been providing assistance to the schools.

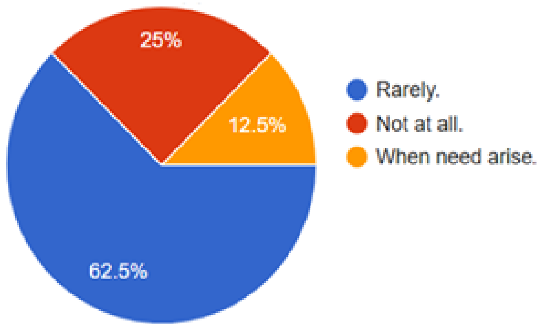

Figure 4.1 Pie chart: Support Visits on Revenue Issues

Figure 4.1 presented the distribution of responses regarding the frequency of support visits on revenue issues. Eight managers (62.5%) reported that support visits occur rarely, highlighting the infrequent engagement of relevant authorities. Three managers (25%) stated that they never receive such support visits, and one manager (12.5%) indicated that visits occurred only upon request.

This lack of proactive support from authorities was a key contributor to financial mismanagement in schools. Participant DV2 from the finance department attributed the inconsistency in support visits to a financial crisis within the department and stated, *"We are failing to operate due to the financial crisis we are facing."* This indicated that financial constraints were a major barrier to providing consistent and regular support to school managers, leaving them without the necessary guidance to ensure effective revenue management.

4.2.1.3 Support Visits on Audit Issues

The frequency of support from audit authorities is similarly limited. According to Section 15(1) of the Public Audit Act of 2003, the Auditor General is required to submit an annual report by December 31st each year, detailing audits and reviews across various ministries, agencies, statutory bodies, and organizations (GoM, 2003a).

However, despite this legal obligation, internal auditors remain ill-equipped to fully execute their mandate.

Table 4.7: Frequency of Support Visits Received from Audit Authorities

Frequency of Support	Number of Managers	Proportion (95% CI)
No support	7	58.3% (CI: 36.6% - 80.0%)
Rarely	3	25% (CI: 6.7% - 43.3%)
Only when the need arises	2	16.6% (CI: 0% - 36.6%)

Table 4.7 illustrated the distribution of responses regarding support from audit authorities, revealing that seven managers (58%) reported receiving no support, while three (25%) stated that support was rarely provided. Additionally, two managers (12.5%) indicated that support was only given reactively, when an issue arose. This reactive approach hampered early intervention and proactive financial management, allowing issues to escalate before they could be addressed.

The audit section of the division office played a crucial role in supporting financial management and overseeing financial practices in schools. Officers in the audit department were responsible for guiding schools on audit-related matters. However, logistical and financial constraints limited the frequency of school visits. In many cases, schools had to cover travel and logistical costs themselves when requesting support, further complicating the delivery of effective oversight. This financial burden undermined the division office's ability to ensure sound financial management in schools, as the saying goes, *"You don't bite the finger that feeds you."*

Auditors played a key role in identifying financial irregularities, advising schools, and recommending corrective measures. However, audit processes were often hindered by insufficient funding and limited human resources. Participant (DV1) noted, *"The challenge we have in schools for finance management is that they use money at the source after collecting revenue. They just get the money and use it before they bank."* This practice violated the Treasury Instructions of 2004, which clearly stated that revenue had to be banked before use.

In addition to identifying financial mismanagement, auditors assisted schools in addressing negative audit reports that required managers to appear before the Public Accounts Committee (PAC) of Parliament. As explained by participant (DV2), *"Once we do our audit, we highlight issues that need to be corrected by schools (managers). Failure to correct those issues, they go directly to PAC where the controlling officer or heads must answer."*

Despite their critical role, audit processes remained constrained by budgetary limitations and a lack of resources. DV2 added, *"We are limited to auditing only a few schools because of budget constraints and human resource. We are only two in our section instead of four"*

Overall, the limited support from division office authorities, posed noteworthy challenges to effective financial management in schools. The infrequent and reactive nature of support visits resulted in inadequate oversight, leaving school managers without the necessary guidance to ensure compliance and accountability.

4.2.3 Role of Governance Bodies

Governance bodies, such as the Parent-Teacher Association (PTA) and the Board of Governors (BoG), are supposed to play an important role in overseeing school operations.

However, neither body was deeply involved in the day-to-day financial operations of the school, which created gaps in financial oversight. This limited involvement stemmed from a lack of familiarity with statutory and management tools on finance.

According to Section 25(2) of the government of Malawi Education Act of 2013, BoG, is a legally mandated governance structure, required in all schools in Malawi. Despite this requirement, many BoG members, particularly the chairpersons, have limited exposure to essential statutory and management tools, which undermines their ability to ensure effective financial oversight(GoM, 2012).

Table 4.8 outlines the exposure of BoG/PTA chairpersons to key statutory and management tools and their years of experience:

Table: 4.8: Boarding chairpersons'- Exposure to statutory, management tools, Experience.

Tool	Partially Read	Fully Read	Never Read	Never Seen	BoG/PTA Chair Experience (Years)
Guidelines for the Collection and Retention of Finances	8.3% (CI: 0% - 23.6%)	0% (CI: 0% - 0%)	41.6% (CI: 20.0% - 63.2%)	50% (CI: 28.3% - 71.7%)	Less than 5: 12
Secondary School Management Handbook	16.6% (CI: 0% - 36.6%)	8.3% (CI: 0% - 23.6%)	41.6% (CI: 20.0% - 63.2%)	33.3% (CI: 12.5% - 54.1%)	
Public Finance Management Act	16.6% (CI: 0% - 36.6%)	0% (CI: 0% - 0%)	41.6% (CI: 20.0% - 63.2%)	41.6% (CI: 20.0% - 63.2%)	

Public Procurement and Disposal of Assets Act	33.3% (CI: 12.5% - 54.1%)	0% (CI: 0% - 0%)	25% (CI: 6.7% - 43.3%)	41.6% (CI: 20.0% - 63.2%)	
Public Audit Act	16.6% (CI: 0% - 36.6%)	0% (CI: 0% - 0%)	33.3% (CI: 12.5% - 54.1%)	50% (CI: 28.3% - 71.7%)	

Table 4.8 illustrates that many BoG/PTA chairpersons are either unfamiliar with or have only partial exposure to key governance tools. For example, the majority (91.7%) of chairpersons had never read or saw the Guidelines for the Collection and Retention of Finances, Public Finance Management Act, or the Public Audit Act. This lack of awareness was concerning, as these tools are critical for ensuring compliance with financial regulations and promoting transparency in school operations.

Moreover, all BoG/PTA chairpersons have less than five years of experience, which further complicated their ability to apply statutory and management tools effectively. According to the BoG training manual, members serve a three-year term with a two-term limit, which contributes to high turnover and limited experience among chairpersons (MoE, 2022b).

A 2016, UK aid report-*legislative oversight in public financial management rapid evidence assessment*, reported that Social audit processes had suffered from a lack of capacity, limited institutional sustainability compared with more official structures, and limited ability to deter corruption because of an inability to apply formal sanctions (Mills, L & de Lay s, 2016). This suggests the need for targeted capacity-building initiatives to enhance governance and financial oversight in schools.

The findings highlighted major gaps in the support systems available for financial management in public boarding secondary schools in South East Education Division. Key challenges included limited participation in training, infrequent support visits, and weaknesses in governance and oversight bodies.

To improve financial management practices, it is essential to enhance training opportunities, provide more consistent and proactive support from authorities, and strengthen governance structures. By addressing these gaps, schools could improve their financial management capacity, ultimately contributing to better institutional performance and outcomes.

4.3 Measures and Interventions for Reducing Debt Burden in Public Boarding Secondary Schools in the South East Education Division

Public boarding secondary schools in the South East Education Division were implementing various strategies to address financial challenges and reduce debt accumulation. Key interventions included promoting debt-free operations, strengthening financial discipline, improving fee collection, lobbying timely bursary disbursement, and increased government support.

4.3.1 Effective Strategies in Managing School Finances

This section highlights key financial management strategies, including the cash-purchase system, financial discipline, timely fee collection, and effective budgeting and the importance of government support and funding in reducing financial strain and ensuring long-term sustainability in schools.

4.3.1.1 Cash-Purchase System

Participant responses to the interview had shown that in managing school finances, one of the most effective strategies is adopting a cash-purchase system, which eliminates the reliance on credit. Schools that adopt a cash-based procurement system effectively reduce the risk of accumulating unpaid debts.

This approach aligns with the financial management principles highlighted by Brigham & Ehrhardt, (2020), who emphasized that organizations operating on a cash basis maintain greater financial stability by avoiding liquidity constraints and minimized debt obligations.

Participant A1 illustrated the benefits of this practice, stating, "*When I joined the school, there was no bill, no debt. My predecessor did a good job by clearing all debts and adopting a cash-purchase system. I continued with this practice, and now we purchase everything on a cash basis."*

This sentiment was echoed by Participant A2, who explained, *"When a school decides to purchase commodities on credit, the debt accumulates. But in our case, we decided not to purchase commodities on credit. We should be purchasing on cash. So as for now, we don't have credits because we are purchasing on cash."*

These findings suggested that implementing a cash-purchase system enhances financial sustainability in schools. By ensuring that expenditures remain within available financial resources, schools could prevent long-term debt accumulation, promote efficient resource management, and foster greater financial accountability and stability.

By ensuring that suppliers were paid promptly, schools built trust and avoided financial strain.

4.3.1.2 Financial Discipline

Maintaining financial discipline was crucial for ensuring debt-free operations in schools. By implementing strict budgetary controls and making cost-effective decisions, schools could effectively manage their expenses and sustain financial stability. Participant A1 illustrated this approach and stated, *"I use a cash budget for the day-to-day running of the school. We ensure that the menu for learners is simple yet balanced, similar to what they have at home."* To further reduce costs, A1 added, *"We buy maize directly from the market to cut costs, avoiding middlemen."*

Similarly, Participant J1 highlighted the importance of cost-cutting measures and explained, *"We keep our debts low by providing just sufficient for the learners. For instance, instead of having meat, which may be expensive, we substitute it with soya pieces."*

Beyond food management, J1 also discussed efforts to reduce utility expenses and stated, *"We use firewood for cooking as it is cheaper, and we conserve water and electricity by switching off lights during the day and ensuring that water taps are closed when not in use. For washing clothes, students are encouraged to use water from boreholes."*

To further control expenditures, schools adjust food provisions based on student attendance. J1 elaborated, *"We divide the quantities accordingly. For example, we use 120 kg of flour for 400 students, so if only half of them have reported, we provide half the quantity. The same applies to other provisions like beans, cooking oil, or sugar."*

Financial discipline was also reinforced through a structured decision-making process. Participant A2 explained, *"The boarding committee, chaired by myself, usually meets to determine the provisions and proportions. After the determination by the committee, we send the recommendation to the stores personnel."*

This systematic approach ensured that expenditures remain within budgetary limits, preventing unnecessary overspending and promoting responsible resource management.

These findings align with the views of Brigham & Ehrhardt, (2020), who emphasized that financial discipline was key to maintaining long-term financial stability.

By adopting strategic cost-saving measures and structured decision-making, schools could operate efficiently while minimizing financial risks.

4.3.3 Fee Collection and Bursary Disbursement

Timely fee collection was essential for maintaining financial stability. Schools enforced strict rules to ensure students meet their payment obligations.

Participant H2 emphasized this practice and said, *"One of the rules we honor is that students must pay half of the fees before entering the hostels, and the remaining balance is cleared by the end of the same month."*

This approach minimized outstanding fee arrears and ensured a steady flow of funds for school operations.

Similarly, the timely disbursement of bursaries played a critical role in financial stability. When bursary funds are delayed, schools struggle to meet financial obligations and increased the risk of debt accumulation. Participant A1 highlighted this issue and noted, *"Delays in bursary disbursements make it difficult to meet financial obligations on time."*

Participant B1 echoed the same concern and stated, *"We have over 200 bursary beneficiaries. We are relieved when payment is made early, as we are able to purchase boarding supplies in bulk."*

When funds were available in advance, schools could make cost-effective decisions, such as bulk purchasing, which helped reduce overall costs.

4.3.4 Government Support and Funding

A key strategy for reducing financial burdens on schools was securing increased government funding. Adequate public funding for education lowers student fees, enhances accessibility, and alleviates financial strain, allowing schools to operate more effectively without resource limitations.

According to UNESCO, (2021) sustainable government investment in education led to improved infrastructure, better learning conditions, and reduced financial pressure on both schools and families. Similarly, (Psacharopoulos & Patrinos, 2018) argued that increased public expenditure on education contributed to equitable access and long-term economic benefits.

The financial strain schools experience was evident in the statement by Participant A1: *"Electricity and water are very expensive; water alone costs K1 million per week, and our budget ceiling is K67 million per annum."*

This highlighted the need for increased government funding to cover essential operational costs, aligning with (E. Hanushek & L. woessmann, 2020), who emphasized that underfunding in education systems led to inefficiencies and compromises the quality of service delivery.

To supplement government support, schools were also implementing sustainable financial practices to cut costs. One such strategy was engaging students in utility management. Participant A1 shared an example of this initiative and stated, *"We involve the student council, such as the Water and Electricity Prefect, to help ration utilities like water and electricity. This not only reduces costs but also helps students understand the value of these resources."* This approach aligns with research by (Ambasz et al., 2018), which highlighted the effectiveness of student involvement in school governance and resource management. By fostering a culture of financial responsibility, schools could optimize resource use while promoting environmental awareness and fiscal sustainability.

4.3.5 Financial Planning and Budgeting Improvements

Financial planning and budgeting improvements contributed significantly to financial sustainability. Schools were encouraged to align financial planning with the actual number of students and available resources. Participant H2 highlighted the importance of this approach: *"We ensure financial planning is aligned with the current number of students and available resources. For instance, we calculate food supplies based on historical trends and the current student population."* This method ensured accurate budgeting and prevented overspending.

Additionally, strengthening financial oversight through trained accounts staff and auditors enhanced transparency and accountability. As Participant D1 noted, *"We involve auditors for compliance and advice to ensure financial discipline."* Regular audits helped schools maintain compliance with financial regulations and received professional guidance on best financial management practices.

This approach aligns with MIP 1's third game-changer intervention for mindset transformation, which emphasized inclusion and the promotion of values that foster inclusive wealth creation and self-reliance within the national curriculum and systems. This intervention was further reflected in Focus Areas 5 and 6: Hard Work and Self-Reliance, which discouraged non-productive and unsustainable subsidies and handouts at individual, community, and national levels; and Building Positivity, which seeks to instill a "ndizotheka" (it's possible) mindset (NPC, 2020).

4.4 Discussion of the Findings

This section presents a detailed discussion of the study's findings on financial mismanagement in public boarding secondary schools within Malawi's South East Education Division. The analysis explored key themes that emerged from the data, offering insights into the critical challenges and opportunities for enhancing financial governance in the education sector. Table 4.9, Framework of Emergent Themes and Categories, provided a structured overview of these themes, linking the findings to established theories and prior research.

Table 4.9: Framework of Emergent Themes and Categories

Theme	Categories / Sub-Themes	Description
Institutional Deficiencies	- Poor accountability -Lack of transparency - Weak oversight	This theme highlighted systemic organizational issues that had contributed to financial mismanagement, including a lack of oversight mechanisms, transparency, and clear accountability.
Human Resource Capacity	- Insufficient training - Limited financial literacy - Corruption	This theme emphasized the importance of staff competencies and ethical practices. Insufficient training, limited financial literacy among employees, and incidences of corruption were identified as key factors.

Theme	Categories / Sub-Themes	Description
Regulatory Weaknesses	- Inconsistent enforcement	This theme outlined the impact of inconsistent regulatory enforcement, which had undermined proper financial management.
Resource Allocation Challenges	- Budget planning issues - Inadequate expenditure monitoring	This theme focused on the operational side of financial management, highlighting issues in planning, allocation, and monitoring of funds, which had directly resulted in inefficient use of resources.

4.4.1 Institutional Deficiencies

The study revealed major gaps in financial oversight within South East Education Division's public boarding schools, primarily due to inconsistent auditing processes and infrequent support visits. These findings aligned with Accountability Theory (Wesley Carrington et al., 2008), which underscored the necessity of strong governance structures for ensuring financial integrity.

Similarly, (Rangongo et al., 2016) argued that weak institutional frameworks fostered financial mismanagement in educational institutions, a conclusion supported by the present study.

Furthermore, (Ndhlovu et al., 2020) emphasized that financial transparency was essential for accountability, reinforcing the need for improved financial reporting mechanisms to strengthen oversight and operational efficiency. The findings also revealed that school governance bodies, such as Parent-Teacher Associations (PTAs) and Boards of Governors (BoGs), lacked the capacity to enforce financial accountability effectively. This supported (MoE, 2022b, 2022a) finding that PTAs often operated without the authority or expertise required for sound financial governance ((MoE, 2022b, 2022a).

4.4.2 Human Resource Capacity

The study further highlighted that inadequate training among school managers had hindered effective financial management. This finding corroborated the work of (Musaiwa, 2020) and (Wamba, 2015), who identified training deficiencies as a critical factor in financial mismanagement within educational institutions.

Moreover, (Ndhlovu et al., 2020) emphasized that financial literacy was fundamental to accountability, further reinforcing the need for capacity-building initiatives.

Additionally, while (Sani, J. & Alani, G. O., 2018) argued that accountability structures enhanced financial oversight and organizational performance, the study found that many school managers and governance leaders had lacked familiarity with statutory frameworks and management tools. This gap in expertise and initiative had contributed to noncompliance and ineffective decision-making, aligning with (Mutiullah & Adekunle, 2017) caution that weak accountability structures promoted financial inefficiencies. Thus, the challenge extended beyond the existence of frameworks to the stakeholders' inability to engage with them effectively, leading to continued financial mismanagement.

4.4.3 Regulatory Weaknesses

The study’s findings also revealed noteworthy regulatory weaknesses, aligning with the Process Improvement Model (Deming, 1986), specifically the Plan-Do-Check-Act (PDCA) cycle. The lack of sustained training for school managers had reflected failures in the "Check" and "Act" stages of the PDCA cycle, undermining systematic financial improvements.

Moreover, revenue collection had emerged as a persistent challenge, with several schools struggling to collect fees on time, thereby jeopardizing financial stability. This finding supported (Demirgüç-Kunt et al., 2022) who identified fee collection difficulties as a major challenge for African schools.

The study further found that irregular audits was responsible for the persistent financial mismanagement in schools as reported in Malawi’s Auditor General reports (2006–2020), which documented unaccounted funds, unauthorized payments, and weak financial controls in public schools (GoM, 2020). Although Internal Procurement Committees (IPCs) had existed within schools, there were no record to ascertain there functionality (GoM, 2003b).

4.4.4 Resource Allocation Challenges

The study suggested that increased government funding could have alleviated financial strain on schools, enabling them to lower student fees and improve service delivery. This finding aligned with Antoninis (2017) who stressed that government accountability mechanisms were essential for ensuring financial efficiency in education.

However, the study also found that while government policies, such as the Public Procurement Act (2003) and the Public Finance Management Act (MoE, 2023a), had provided a regulatory framework, enforcement remained inconsistent. This observation was supported Stima (2020), who reported that the absence of financial leadership training hindered effective policy implementation in Malawi’s schools.

4.4.5 Addressing Research Gaps

This study contributed to existing literature by addressing the research gap identified in Section 2.7, which had highlighted the limited exploration of financial management challenges in South East Education

Division's public boarding schools. By examining the effectiveness of accountability structures and financial governance mechanisms, the study provided insights that aligned with global, regional, and local perspectives on financial mismanagement (MoEST, 2019; Ngosa & Mwanza, 2021; World Bank, 2022).

The findings confirmed that financial mismanagement in public boarding schools had stemmed from weak accountability structures, insufficient training, and inconsistent enforcement of financial policies. These results aligned with Accountability Theory and the PDCA Model, emphasizing the need for improved oversight, capacity-building programs, and policy interventions to enhance financial governance in Malawi's education sector.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.0 Overview

This chapter presents a summary of the study, including its key findings, conclusions, and recommendations. It also outlines the study's contributions to knowledge, explores its educational implications, and identifies potential areas for further research.

5.1 Summary of Findings

5.1.1 Factors Contributing to Financial Mismanagement

The study revealed that financial mismanagement in public boarding secondary schools was largely driven by poor financial discipline and weak budget control systems. Schools often struggled to adhere to their financial plans, with expenditures frequently exceeding available resources. This challenge was more pronounced in schools that operated on a credit-based system, where goods and services were acquired on credit, with the expectation that payments would be settled once funds became available. Unfortunately, the reality for many schools was that these debts continued to pile up, creating an overwhelming burden that strained their financial standing.

As debts accumulated, schools found it increasingly difficult to maintain smooth operations. Suppliers, often frustrated by delayed payments, would either suspend deliveries or demand upfront payments, further complicating the situation. This not only affected the availability of essential resources such as food, teaching materials, and maintenance supplies but also put pressure on school administrators to find alternative ways of keeping the schools running. In some cases, school management resorted to reallocating funds meant for other purposes, thereby creating gaps in other critical areas of operation.

Another major challenge identified in the study was the delayed bursary disbursements. Many students in public boarding schools relyed on bursaries to cover boarding fees, and other educational expenses. Schools, in turn, depend on these funds to sustain their operations. When bursary disbursements were delayed, schools faced cash flow problems, making it difficult to meet their financial obligations. This lack of timely funding meant that schools struggled to pay suppliers, staff salaries, and utility bills, further complicating their financial situation.

The disruption caused by delayed bursary disbursements had ripple effects across the school system. For example, schools often had to make tough decisions, such as reducing the quality of meals provided to students or postponing essential repairs and maintenance. These cost-cutting measures affected the overall learning environment and, in some cases, led to dissatisfaction among both students and staff.

Moreover, the uncertainty surrounding bursary payments made it difficult for school administrators to plan effectively, as they could not predict when the funds would arrive or how much would be disbursed.

The study also found that a lack of trained financial personnel played a crucial role in the mismanagement of funds. In many schools, financial management responsibilities were assigned to individuals who lacked formal training in accounting or budgeting. As a result, errors in financial reporting, poor record-keeping, and misallocation of resources were common occurrences. Without the necessary skills to manage school finances effectively, administrators struggled to maintain control over budgets and expenditures.

The absence of qualified financial staff meant that schools were often unable to identify financial problems early enough to take corrective action. Budget overruns, unauthorized spending, and unaccounted expenditures went unnoticed until they became too large to ignore. In some instances, school administrators were forced to rely on external auditors to uncover financial discrepancies, but by the time these audits were conducted, the damage had already been done.

Weak oversight mechanisms further compounded the problem. Many schools lacked effective internal controls to monitor financial transactions and ensure accountability. School boards and other oversight bodies often had limited capacity to conduct regular audits or scrutinize financial reports. This lack of oversight created opportunities for financial mismanagement to persist without detection. In some cases, funds were diverted from their intended purposes, while in others, expenditures were not properly documented, making it difficult to track how resources were being utilized.

The study also highlighted the role of inadequate financial procedures in promoting mismanagement. Many schools operated without clear guidelines on revenue and expenditure tracking. This lack of standardized practices made it easier for financial mismanagement to thrive, as school administrators had discretion over how funds were allocated and spent. Without well-defined procedures, it was difficult to enforce accountability or identify irregularities in financial transactions. Moreover, the absence of proper documentation and reporting frameworks made it challenging for oversight bodies to detect and address issues promptly. In some cases, school administrators operated under outdated financial management systems, further complicating efforts to maintain transparency and control. These systems often relied on manual record-keeping, which increased the likelihood of errors, omissions, and even fraud. The lack of modern accounting software and automated tracking tools meant that financial reports were not only prone to inaccuracies but also delayed, making it difficult for school boards and other stakeholders to make informed decisions.

5.1.2 Support Systems for Financial Management

Various support systems were identified to assist schools in managing their finances effectively. One of the most impactful mechanisms was the enforcement of structured fee collection policies. Schools that established clear guidelines for fee payments were better equipped to maintain a consistent cash flow throughout the academic year. By setting firm deadlines and offering flexible payment plans when needed, these schools minimized the accumulation of unpaid fees. This approach enabled school administrators to plan budgets more accurately, allocate resources efficiently, and meet operational expenses without facing ongoing financial pressure.

In some schools, the fee collection process was further enhanced through the adoption of digital platforms, which simplified transactions for parents and guardians. These platforms provided real-time updates on payment statuses, reduced errors associated with manual record-keeping, and promoted transparency. Schools that embraced technology for financial management found it easier to track income, identify outstanding balances, and issue timely reminders to families who had yet to fulfill their obligations.

Government funding also played an essential role in alleviating financial burdens, though it often fell short or arrived late. This support typically came through grants, subsidies, and bursary programs aimed at assisting students from low-income households. While such funding provided relief for schools, it rarely covered all operational costs, leaving administrators to find alternative solutions to bridge the gap.

To further promote financial sustainability, some schools adopted efficient practices, such as involving students in utility management and implementing strategic financial planning. These approaches not only reduced operational expenses but also fostered a sense of responsibility among students.

Moreover, regular audits and the presence of trained financial personnel strengthened accountability and ensured compliance with financial regulations. Schools that prioritized these practices were better positioned to manage resources effectively, reduce inefficiencies, and maintain long-term financial stability.

5.1.3 Measures and Interventions to Reduce Debt Burden

To address the challenge of debt accumulation, schools implemented various strategies aimed at promoting financial stability and ensuring the efficient use of resources. One of the most effective approaches involved adopting a cash-purchase system. By strictly adhering to cash transactions, schools avoided the risk of accumulating unpaid bills, which often led to financial strain. This system ensured that goods and services were only acquired when funds were available, allowing schools to maintain control over their budgets and avoid falling into debt.

The cash-purchase system also improved relationships between schools and suppliers. Vendors were more willing to continue working with schools that paid promptly, which often led to better service delivery and, in some cases, discounts for timely payments. This approach eliminated the uncertainty associated with credit-based transactions, giving school administrators peace of mind and more confidence in their financial planning.

In addition to cash purchases, schools implemented a range of cost-cutting measures to reduce operational expenses without compromising the quality of education. One of the most common strategies involved simplifying meal plans. While ensuring that students received nutritious meals, schools opted for affordable, locally sourced ingredients that were easy to prepare and store. Bulk purchasing further enhanced cost efficiency, as schools were able to negotiate lower prices by buying food and supplies in large quantities.

Resource conservation also played a crucial role in reducing costs. Schools encouraged students and staff to use water and electricity responsibly. Awareness campaigns within the school community emphasized the importance of conserving resources, fostering a culture of responsibility among students and staff alike.

Adaptive financial planning emerged as another essential strategy for managing budget constraints. Schools developed flexible financial plans that allowed them to respond effectively to changes in funding and unexpected expenses. This approach involved regular budget reviews, ensuring that expenditures aligned with available resources and that adjustments could be made when necessary. By prioritizing essential expenses and postponing non-critical projects, schools were able to navigate financial challenges without compromising their core educational mission.

Increased government funding was identified as a crucial intervention that could further ease financial pressure on schools. While many schools already received some form of government support, the study found that this funding was often insufficient to cover all operational costs. Additional funding would not only reduce the financial burden on schools but also lower student fees, making education more accessible to families from low-income backgrounds.

To complement government funding, schools enforced structured fee collection policies to ensure consistent revenue throughout the academic year. These policies involved setting clear deadlines for fee payments, offering flexible payment plans where necessary, and providing regular reminders to parents and guardians. Schools that implemented these policies reported fewer instances of unpaid fees and a more stable cash flow, enabling them to plan their budgets with greater accuracy.

Financial oversight mechanisms further strengthened schools' ability to manage resources responsibly. Regular audits allowed school administrators to identify discrepancies, address inefficiencies, and implement corrective measures. These audits were conducted both internally and externally, ensuring an objective assessment of financial practices and promoting transparency.

The presence of trained financial personnel also played a key role in maintaining financial discipline. Schools that had bursars, accountants, or finance officers with formal training in financial management were better equipped to handle budgeting, expenditure tracking, and reporting. These professionals ensured that financial records were accurate, expenditures were properly documented, and budgets were adhered to throughout the academic year.

To further enhance financial management, some schools established finance committees composed of school administrators, teachers, parents, and community representatives. These committees were responsible for overseeing budgeting, monitoring expenditures, and providing recommendations for improving financial practices. By involving multiple stakeholders in the decision-making process, schools promoted transparency and ensured that financial decisions aligned with the institution's educational goals. Schools also engaged in capacity-building initiatives to strengthen their financial management systems. Workshops and training sessions were organized for school administrators and financial staff, equipping them with the skills needed to manage resources effectively. These initiatives emphasized best practices in budgeting, procurement, and expenditure tracking, ensuring that schools could operate efficiently even under tight budget constraints.

In some cases, schools explored income-generating activities to supplement their budgets. These initiatives included agricultural projects, school-run tuckshops, and rental of school facilities for community events. The proceeds from these activities were used to cover operational expenses, support student programs, and invest in school infrastructure.

5.2 Contribution Made by the Study

This study has contributed to educational finance management by providing empirical evidence on effective debt-reduction strategies in public boarding secondary schools. It highlights best practices that can be replicated in other schools facing similar financial challenges. Additionally, the study informs policymakers on areas requiring intervention, such as timely bursary disbursement and increased government funding.

5.3 Conclusion

The findings indicate that financial mismanagement in public boarding secondary schools can be mitigated through disciplined financial practices, structured fee collection mechanisms, and sustainable operational strategies. While some schools have successfully adopted these measures, challenges remain, particularly regarding bursary delays and inadequate government support. Addressing these issues is crucial for improving the financial stability of schools and ensuring quality education for students.

5.4 Educational Implications

The study underscores the importance of financial literacy among school administrators to ensure sound financial decision-making. It also highlights the need for policy reforms to enhance financial transparency and accountability in public schools. Furthermore, the study suggests integrating financial management training into teacher education programs to equip future school leaders with the necessary skills.

5.5 Recommendations

a. To South East Education Division

Promote the adoption of a cash-purchase system in all schools to prevent debt accumulation.

- Establish a financial oversight committee to monitor schools' financial practices and ensure compliance with best practices.
- Strengthen financial literacy training for head teachers and bursars to enhance budget management and expenditure tracking.

b. To the Ministry of Education

- Ensure timely disbursement of bursary funds to prevent financial strain on schools.
- Increase government funding for public boarding schools to reduce dependency on student fees.
- Implement policies that mandate regular financial audits in all schools to enhance accountability.

c. To Teacher Training Institutions

- Integrate financial management courses into teacher education programs to equip future school administrators with financial planning and budget management skills.
- Provide workshops and in-service training on school financial management for current teachers and school administrators.

d. To Head Teachers

- Adopt strict financial discipline measures, including budgeting, cost-cutting strategies, and expenditure monitoring.
- Strengthen fee collection policies and enforce timely payments to ensure financial stability.
- Engage in sustainable financial practices, such as student-led resource conservation initiatives.

5.6 Areas for Further Study

The following are suggested areas for further studies:

- The impact of government funding on the financial sustainability of public secondary schools.
- The effectiveness of financial literacy programs in improving school financial management.
- A comparative study on financial management practices between public and private boarding secondary schools.
- The role of digital financial management systems in enhancing transparency and accountability in school finances.

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APPENDICES

Appendix A:

Appendix B: Consent form for Participants

Mzuzu University Research Ethics Committee (MZUNIREC)

Informed Consent Form for Research in

Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in South East Education Division.

Introduction

I am Lawrence Lenard Kenneth Mbalati from Mzuzu University. We are doing research on Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in Northern Education Division.

This consent form may contain words that you do not understand. Please ask me to stop as we go through the information and I will take time to explain. If you have questions later, you can ask them of me or of another researcher.

Purpose of the research

This research aims to thoroughly examine the factors leading to financial mismanagement in public boarding secondary schools in the Northern Education Division of Malawi. It seeks to identify root causes, evaluate existing support systems, and propose measures to alleviate debt burdens. The ultimate goal is to inform the development of policies and strategies that enhance financial management practices, reducing costs and improving the quality of education. Additionally, the study aims to create a model for process improvement in financial management within these schools.

Type of Research Intervention

This research will involve your participation in a group discussion and/or individual interview.

Participant Selection

You are being invited to take part in this research because you are at a public boarding school and a member of a committee instituted and constituted by ministry of education guidelines.

Voluntary Participation

Your participation in this research is entirely voluntary. It is your choice whether to participate or not. If you choose not to participate nothing will change. You may skip any question and move on to the next question.

Duration

The research takes place for a period of six months.

Risks

You do not have to answer any question or take part in the discussion/interview/survey if you feel the question(s) are too personal or if talking about them makes you uncomfortable.

Reimbursements

You will not be provided any incentive to take part in the research.

Sharing the Results

The knowledge that we get from this research will be shared with you and your community before it is made widely available to the public. Following, we will publish the results so other interested people may learn from the research.

Who to Contact

If you have any questions, you can ask them now or later. If you wish to ask questions later, you may contact: Dr. Marsen Mwale, Mzuzu University, P/Bag 201, Luwinga, Mzuzu 2, Phone: 0888735160 /0999245017.

This proposal has been reviewed and approved by Mzuzu University Research Ethics Committee (MZUNIREC) which is a committee whose task it is to make sure that research participants are protected from harm. If you wish to find about more about the Committee, contact Mr. Gift Mbwele, Mzuzu University Research Ethics Committee (MZUNIREC) Administrator, Mzuzu University, P/Bag 201, Luwinga, Mzuzu 2, Phone: 0999404008/0888641486

Do you have any questions?

Part II: Certificate of Consent

I have been invited to participate in research about Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in Northern Education Division.

I have read the foregoing information, or it has been read to me. I have had the opportunity to ask questions about it and any questions I have been asked have been answered to my satisfaction. I consent voluntarily to be a participant in this study

Print Name of Participant___________________
Signature of Participant ___________________
Date ____________________________
Day/month/year

If illiterate [1]

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had the opportunity to ask questions. I confirm that the individual has given consent freely.

Print name of witness_____________ Thumb print of participant
Signature of witness ______________
Date _________________________
Day/month/year

Statement by the researcher/person taking consent

I have accurately read out the information sheet to the potential participant, and to the best of my ability made

[1] A literate witness must sign (if possible, this person should be selected by the participant and should have no connection to the research team). Participants who are illiterate should include their thumb print as well.

sure that the participant understands the research project. I confirm the participant was given an opportunity to ask questions about the study, and all the questions asked by the participant have been answered correctly and to the best of my ability. I confirm that the individual has not been coerced into giving consent, and the consent has been given freely and voluntarily.

Signature of Researcher /person taking the consent___________________________

Date ____________________________

Day/month/year

Appendix C: Questionnaire for Management Team Chairperson

RESEARCH PROPOSAL:
Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in South East Education Division.

I am Lawrence Lennard Kenneth Mbalati, a postgraduate student at Mzuzu University, currently enrolled in the Master of Education in Leadership and Management Course. My research focuses on investigating factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi. The outcomes of this study aim to contribute to the valuable insights to enhance financial management in the education sector in our country. I appreciate your time in responding to the following questions, and please rest assured that the information provided will be handled with the utmost confidentiality.

Section one: Management Issues

1. How long have you been at the position of head teacher?
   a) Less than 5yrs
   b) Between 5 and 10yrs
   c) Over 10yrs
2. How many boarding schools have you managed within time span in 1 above?
   a) 1
   b) 2
   c) More than 2
3. What is the total enrolment of your school?
   a) Below 200
   b) 201-400
   c) 401-600
   d) Over 600
4. What is the official enrolment capacity for your school?
   a) 200
   b) 400
   c) 600
   d) 800

5. Indicate your level of competence in the following areas of financial management.(Tick√)

Topic	Very High	High	Fairly High	Low	Very Low

Budget preparation					
Budget presentation					
Book keeping					
Preparing of Trial balances					
Preparing of Balance sheets					
Record keeping					

6. Which of the following management tools have you read? (Tick√)

	Never seen it	Never read it	Partially read it	Fully read it
Guidelines for the Collection and Retention of Finances in Public Secondary Schools and Teachers' Training Colleges.				
Secondary school management hand book.				
Public Finance Management Act.				
Public Procurement and Disposal of Assets Act.				
Public Audit Act				

7. To what external do you agree with the following statements? Rate by ticking (√) one item on a five point scale: 1=Strongly Disagree; 2=Disagree; 3=Undecided; 4 = Agree; 5 = strongly Agree.

	1= Strongly Disagree	2= Disagree	3= Undecided;	4 = Agree	5 = strongly Agree
I am supposed to make school financial plan,					
I am charged with the responsibility of making financial management decisions and communicate, co- ordinate and control,					
I am needed to possess sound management of funds which involves budgeting,					

I am supposed to make school financial plan,					

8. To what extent do the head teachers require the following financial management skills and knowledge?(Tick√)

	Very High	High	Fairly High	Low	Very Low
Budget preparation					
Budget tracking					
Revenue collection tracking					
Expenditure tracking					
Cash & Bank reconciliation					
Record keeping					

9. Which governance body is available and functional at the school? (tick√)

	BOG		PTA	
	Yes	No	Yes	No
A. Were they oriented on their roles and responsibilities?				
B. Do they know and have their terms of reference (ToRs)				

10. Which committees are available and functional at the school?(Tick√)

	Available		Functional	
	Yes	No	Yes	No
Management committee.				
Internal Procurement Committee.				
Boarding Committee.				
Student council				

11. To what extent are the following financial mismanagement cases occurring in South East Education Division?(Tick√)

Financial Mismanagement case	Very High	Fairly High	High	Low	Very Low
Outstanding Debt (Creditors)					
Payments Without Supporting Documents					
Failure To Record Food Stuff In The Stores Ledgers					
Under-collection of fees					
Stores not Recorded in the Stores Ledger					
Failure to deduct withholding Tax					
Awarding of a contract to a member of staff					

12. Apart from the cases listed above, what other financial mismanagement cases have occurred in South East Education Division?

i) ____

ii) ____

iii) ____

13. To what extent are the following challenges affecting the schools financial management?(Tick√)

	1. No extent	2. Little extent	3. Moderate extent	4. Great extent	5. Very great extent
Budgeting					
Book keeping					
Budgetary process					
Cash and bank reconciliation					
Implementation					
Auditing					
Procurement					
Lack of Audit staff					
Irregular auditing					

Section two: Support System

14. How many financial management training courses have you attended in the last two years?
    a) None
    b) One
    c) Two
    d) Three
    e) More than three
    f) Others: Specify…………………………………………..
15. To what extent were the following aspects of financial management covered during the training? Use a scale of 1 to 5 where 1= no extent 2= little extent 3=moderate extent 4=great extent and 5= very great extent (Tick√)

Topics	1. No extent	2. Little extent	3. Moderate Extent	4. Great extent	5. Very great extent
Procurement					
Books of account					
Trial balance					
Balance sheet					
Record keeping					

16.
17. How often is the schools visited for support on local revenue-related issues?
    a) Rarely.
    b) When need arise. Specify the need________________________
    c) Not at all.
18. Doe the schools seek support on handling of finance issues?
    a) Rarely.
    b) When need arise. From where? __
    c) Not at all.
19. How often is the schools visited for support on audit-related issues?
    a) Rarely.
    b) When need arise. Specify the need________________________
    c) Not at all.
20. Doe the schools seek support on handling of audit issues?
    a) Rarely.
    b) When need arise. From where? __
    c) Not at all

Section three: Debt Accumulation

21. How does the school track revenue (fees) collection?
    a) Manually.
    b) Using a spreadsheet on a computer.
22. Who determines the quantity of rations for the kitchen?
    a) Boarding master.
    b) Head teacher.
    c) Other.
    Specify___________________________
23. How is quantity of rations for the kitchen determined?
    a) Manually.
    b) Using a spreadsheet on a computer.
24. How are the food items procured?
    a) Through suppliers on credit basis.
    b) Through supplier on C.o.D basis.
    c) Bought direct from the market.
25. Who does the revenue collection tracking?
    a) Bursar/Revenue collector
    b) Head teacher
    c) Deputy head teacher
    d) An officer outside management team
26. How does the school monitor expenditure vs revenue collected vs bank balance?
    a) Manually
    b) Spreadsheet on a computer
27. How often is bank reconciliation done?
    a) Yearly
    b) Termly
    c) Monthly
    d) Never
28. How often is the governance body given financial reports?
    a) Yearly
    b) Termly
    c) Monthly
    d) Never
29. How were the members of the IPC appointed?
    a) Formally (i.e. Given appointment letters and accepted in writing)
    b) Informally (Verbally)
30. Who collects revenue?
    a) Bursar under Common Service
    b) Teacher-Bursar
    c) PTA/BoG employee
31. If revenue collector is not under Common service how was s/he appointed?
    a) Formally (i.e. Given appointment letters and accepted in writing)
    b) Informally (Verbally)
32. How much was the school owing its creditors at the end of first term 2023?
    a) zero
    b) less than 5million
    c) between 5 and 10million
    d) between 10 and 15million
    e) between 15 and 20million
    f) between 20 and 25million
    g) over 25million

End of Questions

Thank you

Appendix D: Interview Guide for Management Committee Chairperson

Interview Guide:

DATE:

TIME:

POSITION OF PARTICIPANT:

LOCATION:

STUDY TITTLE: Examining factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi.

Management Committee Chairperson Questions:

1. To begin our discussion, please tell me about yourself.
2. How is revenue collection tracked?
4. How is expenditure tracked?
5. What management support systems on financial issues are accessed by the school?
6. How is the student council involved in boarding issues?
7. Which guidelines are followed on day to day school operations?
8. Which statutory instrument are referred to in case of financial disagreements?
9. What causes debt accumulation for the school?

Appendix E: Interview Guide for BoG/PTA Committee Chairperson

DATE:

TIME:

POSITION OF PARTICIPANT:

LOCATION:

STUDY TITTLE: Examining factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi.

BoG/PTA Committee Chairperson Questions:

1. To begin our discussion, please tell me about yourself.
2. What are the roles of BoG/PTA?
3. How much are you involved in the school's financial matters?
4. What is your involvement in the boarding section?
5. What do you think causes debt accumulation for the school?

Appendix F: Interview Guide for Boarding Committee Chairperson

DATE:

TIME:

POSITION OF PARTICIPANT:

LOCATION:

STUDY TITTLE: Examining factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi.

Boarding Committee Chairperson Questions:

1. To begin our discussion, please tell me about yourself.
2. How and who determines daily provisions for the kitchen?
3. How are boarding maintenance issues handled?
4. What role is played by school governance structures in the boarding section?
5. What do you think causes debt accumulation for the school?

Appendix G: Interview Guide for Division Officials (SEED)-Finance and Audit

DATE:

TIME:

POSITION OF PARTICIPANT:

LOCATION:

STUDY TITTLE: Examining factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi.

Division Officials Questions:

a. Finance:

1. To begin our discussion, please tell me about yourself.

2: How often do you visit schools for support on local revenue-related issues?

3. Do schools ask for support on finance issues?
4. What are the bottlenecks for the finance section?

b. Audit:

1. How often do you visit schools for support on audit-related issues?
2. Do schools ask for support on audit issues?
3. How do you assist schools on the green sheet-list?
4. What are the bottlenecks for the audit section?

Appendix J: Observation guide

DATE:

TIME:

LOCATION:

STUDY TITTLE: Examining factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi.

1. How utilities (water/power) are handled
   a) Taps left running when none is using the water? Yes or No
   b) Lights on during day time? Yes or No

2. How student take their meals
   a) Per class? Yes or No
   b) Boarding Master/Mistress available during meal dishing? Yes or NO
   c) Using meal cards Yes or No
   d) Recording who has used their meal card? Yes or No

3. Kitchen document
   a) Provisions ledger available? Yes or No
   b) Provisions ledger updated on daily basis? Yes or No
   c) Menu available? Yes or No
   d) Menu being strictly followed? Yes or No

4. Maintenance
   a) Kitchen well maintained? Yes or No
   b) Kitchen well cleaned? Yes or No
   c) Hostels well maintained? Yes or No
   d) Hostels well cleaned? Yes or No

Appendix K: Introductory Letter from Mzuzu University

MZUZU UNIVERSITY

Department of Teaching, Learning and Curriculum Studies

Mzuzu University
Private Bag 201
Luwinga
Mzuzu 2
MALAWI

Tel: (265) 01 320 575/722
Fax: (265) 01 320 568
mdolo.mm@mzuni.ac.mw

14th May 2024

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

LETTER OF INTRODUCTION: MR LAURENCE MBALATI

Mr Mbalati is a registered Master of Education (Leadership and Management) Program student at Mzuzu University. He has been cleared by the Mzuzu University Research Ethics Committee (MZUNIREC) to collect data for the research study he is conducting as a requirement for the program.

Kindly assist him accordingly.

Yours faithfully,

Dr Margaret M. Mdolo
Program Coordinator

Appendix L: Permission Letter from the Education Division Manager-SEED

NO...............

The Manager, South East Education Division

Cellophone: (265) 888326395

In reply, please quote

SOUTH EAST EDUCATION DIVISION

PRIVATE BAG 48

ZOMBA

15th May, 2024

Ref. No. SEED/ADMIN/08/Vol.II/24

TO: HEAD TEACHERS IN PUBLIC (PARTIAL AND FULL BOARDING) SCHOOLS IN SOUTH EAST EDUCATION DIVISION

Dear Sir/Madam

RE- PERMISSION TO COLLECT DATA FOR A RESEARCH STUDY

This is to inform you that permission has been granted to Mr. Lawrence Mbalati, a Master of Education (Leadership and Management) program student at Mzuzu University to collect data for a research study titled "Examining factors associated with financial mismanagement in selected public boarding secondary schools in South East Education Division".

Kindly permit him to carry out the afore-stated exercise with utmost support.

Edna Msungu-Manyungwa

ACTING EDUCATION DIVISION MANAGER

Management Team Chairperson Questionnaire.

RESEARCH PROPOSAL:
Examining Factors Associated with Financial Mismanagement in Selected Public Boarding Secondary Schools in South East Education Division.

I am Lawrence Lennard Kenneth Mbalati, a postgraduate student at Mzuzu University, currently enrolled in the Master of Education in Leadership and Management Course. My research focuses on investigating factors related to financial mismanagement in public boarding secondary schools within the South East Education Division of Malawi. The outcomes of this study aim to contribute to the valuable insights to enhance financial management in the education sector in our country. I appreciate your time in responding to the following questions, and please rest assured that the information provided will be handled with the utmost confidentiality.

Section one: Management Issues

1. How long have you been at the position of head teacher?
   a) Less than 5yrs
   b) Between 5 and 10yrs
   c) Over 10yrs
2. How many boarding schools have you managed within time span in 1 above?
   a) 1
   b) 2
   c) More than 2
3. What is the total enrolment of your school?
   a) Below 200
   b) 201-400
   c) 401-600
   d) Over 600
4. What is the official enrolment capacity for your school?
   a) 200
   b) 400
   c) 600
   d) 800

5. Indicate your level of competence in the following areas of financial management.(Tick√)

Topic	Very High	High	Fairly High	Low	Very Low
Budget preparation			√		
Budget presentation			√		
Book keeping			√		
Preparing of Trial balances				√	
Preparing of Balance sheets				√	
Record keeping		√			

6. Which of the following management tools have you read? (Tick√)

	Never seen it	Never read it	Partially read it	Fully read it
Guidelines for the Collection and Retention of Finances in Public Secondary Schools and Teachers' Training Colleges.			✓	
Secondary school management hand book.				✓
Public Finance Management Act.		✓		
Public Procurement and Disposal of Assets Act.			✓	
Public Audit Act			✓	

7. To what external do you agree with the following statements? Rate by ticking (√) one item on a five point scale: 1=Strongly Disagree; 2=Disagree; 3=Undecided; 4 = Agree; 5 = strongly Agree.

	1= Strongly Disagree	2= Disagree	3= Undecided;	4 = Agree	5 = strongly Agree
I am supposed to make school financial plan,				✓	
I am charged with the responsibility of making financial management decisions and communicate, co- ordinate and control,				✓	
I am needed to possess sound management of funds which involves budgeting,				✓	
I am supposed to make school financial plan,				✓	

8. To what extent do the head teachers require the following financial management skills and knowledge?(Tick√)

	Very High	High	Fairly High	Low	Very Low
Budget preparation		✓			
Budget tracking		✓			
Revenue collection tracking		✓			
Expenditure tracking		✓			
Cash & Bank reconciliation		✓			
Record keeping		✓			

9. Which governance body is available and functional at the school? (tick√)

	BOG		PTA	
	Yes ✓	No	Yes ✓	No
A. Were they oriented on their roles and responsibilities?			✓	
B. Do they know and have their terms of reference (ToRs)			✓	

10. Which committees are available and functional at the school?(Tick√)

	Available		Functional	
	Yes	No	Yes	No
Management committee.	✓		✓	
Internal Procurement Committee.	✓		✓	
Boarding Committee.	✓		✓	
Student council	✓		✓	

11. To what extent are the following financial mismanagement cases occurring in South East Education Division?(Tick√)

Financial Mismanagement case	Very High	Fairly High	High	Low	Very Low
Outstanding Debt (Creditors)				✓	
Payments Without Supporting Documents					✓
Failure To Record Food Stuff In The Stores Ledgers					✓
Under-collection of fees				✓	
Stores not Recorded in the Stores Ledger					✓
Failure to deduct withholding Tax					✓
Awarding of a contract to a member of staff					✓

12. Apart from the cases listed above, what other financial mismanagement cases have occurred in South East Education Division?

i) ______________________________

ii) ______________________________

iii) ______________________________

13. To what extent are the following challenges affecting the schools financial management?(Tick√)

	1. No extent	2. Little extent	3. Moderate extent	4. Great extent	5. Very great extent
Budgeting	✓				
Book keeping	✓				
Budgetary process	✓				
Cash and bank reconciliation	✓				
Implementation	✓				
Auditing	✓				
Procurement	✓				
Lack of Audit staff	✓				
Irregular auditing	✓				

Section two: Support System

14. How many financial management training courses have you attended in the last two years?
    a) None
    b) One
    c) Two
    d) Three
    e) More than three
    f) Others: Specify………………………………………………

15. To what extent were the following aspects of financial management covered during the training? Use a scale of 1 to 5 where 1= no extent 2= little extent 3=moderate extent 4=great extent and 5= very great extent (Tick√)

Topics	1. No extent	2. Little extent	3. Moderate Extent	4. Great extent	5. Very great extent
Procurement			✓		
Books of account			✓		
Trial balance	✓				
Balance sheet	✓				
Record keeping			✓		

16.

17. How often is the schools visited for support on local revenue-related issues?
    a) Rarely.
    b) When need arise. Specify the need______________
    c) Not at all.

18. Doe the schools seek support on handling of finance issues?
    a) Rarely.
    b) When need arise. From where? __
    c) Not at all.

19. How often is the schools visited for support on audit-related issues?
    a) Rarely.
    b) When need arise. Specify the need___ several times in a year.
    c) Not at all.

20. Doe the schools seek support on handling of audit issues? Internal Auditor
    a) Rarely.
    b) When need arise. From where? External auditors
    c) Not at all

Section three: Debt Accumulation

21. How does the school track revenue (fees) collection?
    a) Manually.
    b) Using a spreadsheet on a computer.

22. Who determines the quantity of rations for the kitchen?
    a) Boarding master.
    b) Head teacher.
    c) Other.
    Specify___ IPDC ___

23. How is quantity of rations for the kitchen determined?
    a) Manually.
    Using a scale
    b) Using a spreadsheet on a computer.

24. How are the food items procured?
    a) Through suppliers on credit basis.
    b) Through supplier on C.o.D basis.,
    c) Bought direct from the market.

25. Who does the revenue collection tracking?
    a) Bursar/Revenue collector
    b) Head teacher
    c) Deputy head teacher
    d) An officer outside management team
    Team Work

26. How does the school monitor expenditure vs revenue collected vs bank balance?
    a) Manually
    b) Spreadsheet on a computer
    Both
27. How often is bank reconciliation done?
    a) Yearly
    b) Termly
    c) Monthly
    d) Never
28. How often is the governance body given financial reports?
    a) Yearly
    b) Termly
    c) Monthly
    d) Never

29. How were the members of the IPC appointed?
    a) Formally (i.e. Given appointment letters and accepted in writing)
    b) Informally (Verbally)
30. Who collects revenue?
    a) Bursar under Common Service
    b) Teacher-Bursar
    c) PTA/BoG employee
31. If revenue collector is not under Common service how was s/he appointed?
    a) Formally (i.e. Given appointment letters and accepted in writing)
    b) Informally (Verbally)
32. How much was the school owing its creditors at the end of first term 2023?
    a) zero
    b) less than 5million
    c) between 5 and 10million
    d) between 10 and 15million
    e) between 15 and 20million
    f) between 20 and 25million
    g) over 25million

End of Questions
Thank you