

Abstract

Poor financial management leads to inefficiency, fraud, manipulations and misuse of financial resources in educational institutions in many countries around the world. The aim of the study was to investigate the influence of principals Performance Contracting on influence of principals' performance contracting on compliance with procurement procedures in public secondary schools in Kathiani Sub County Machakos County, Kenya. The study was based on Principal Agency Theory by Jerzemowska (2006). Descriptive survey design was used for the study. Target population comprised of principals, bursars and members of the tendering committee in all the 32 public secondary schools in the subcounty. All the 32 schools in the sub-county took part in the study by census. Purposive sampling was used to select principals, bursars and chairpersons of tender committee while simple random sampling was used to select committee members. Questionnaires and document analysis guide were used to collect pertinent quantitative and qualitative data. Pilot study was conducted to validate the instruments. Reliability was assessed using test-retest technique. The scores from both tests were correlated to get the coefficient of reliability using Pearson's product moment formulae. Data was analyzed descriptively with the help of Statistical Package for Social Sciences. Through data analysis, the study established that in some schools, there was no bottom-up approach to procurement as recommended by the public procurement and disposal act for public institutions. Further the study established that, many schools had their financial transactions recorded on weekly or monthly basis which is contravention to accounting regulations and guidelines which stipulates that all financial transactions must be recorded in the cash book on a daily basis or as they happen. From the study findings, the study concluded that performance contracting has had little influence on procurement practices in schools. The study recommended among others that, school principals should be adequately trained on procurement procedures practices through capacity building programs.