

Technical Skills & Financial Control Practices Of Maasai Mara Community Support Fund, Kenya

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Abstract: Studies conducted in Kenya reveal that weaknesses in financial control practices in community support funds have led to poor management of funds by officials, due to this, organizations risk losing funding from donors. Therefore, the overall objective of this study was to determine technical skills effect on financial control practices of the Maasai Mara community support fund. The specific objectives of the study were: to determine the level of financial skills among community support fund officials; to determine the level of accounting skills among community support fund officials to establish the effect of financial management training on effectiveness of community support fund officials. The study adopted a census survey design to target the entire 136 members. Data was collected using questionnaires. The data was analyzed using descriptive statistics for frequency and percentages, Pearson correlation analysis and simple linear regression analysis. The study established that technical skills of community support fund officials was an important factor in enhancing financial control in the community support fund ($r = 0.219$, p -value = 0.009). The findings of the study will assist in formulation of appropriate policies on financial control for not only community support funds but to all organizations seeking effective financial control. This study is expected to provide information on the factors affecting financial control practices of the Maasai Mara community support fund.

Keywords: Technical Skills, Financial Control Practices, Community Support Funds

I. BACKGROUND OF THE STUDY

All activities, be it production, marketing, human resources development, purchases and even research and development, depend on the adequate and timely availability of finance both for commencement and their smooth continuation to completion. Finance is regarded as the life-blood of every form of community fund initiative. The efficient management of a community fund, project or business is closely linked with the efficient management of its finances. The need of finance starts with the setting up of fund. Raising of money, alone, is not enough. Terms and conditions while raising money are more important. Cost of funds is an important element. Its utilization is rather more important. If funds are utilized properly, tangible results would be possible and easily seen (Cliff & Ann, 2011).

Community funds are both cash and in kind contributions made by organizations and institutions to community organizations and programs and normally they help immediate

community. Funds come in many types and forms around the world for example Scholarship funds, Donor advised funds and Field of interest funds. They serve different objectives and goals. These funds benefit from millions collected by the government and the business sector. Their purpose is to provide a wide variety of financial support to the communities involved in order to ease confrontational sentiments and reduce the hatred and emotions towards the other players within the community (Karen & Patricia, 2006).

Financial control is an integral part of financial management which is concerned with the acquisition, financing, and management of assets with some overall goal in mind. The decision function of financial management can be broken down into three major areas: the investment, financing, and asset management decisions. It is also concerned with the financial decisions that must be made in order to maximize shareholders' wealth or donors'/contributors' stipulations. According to (Pandey, 2004) financial management is that managerial activity that deals with the planning and

controlling of the firm's financial resources. Though it was a branch of Economics till 1890, as a separate activity or discipline it is of recent origin. Still it has no unique body of knowledge of its own, and draws heavily on Economics for its theoretical concepts even today.

Financial control is the phase in which financial plans are implemented; control deals with the feedback and adjustment process required to ensure adherence to plans and modification of plans because of unforeseen changes (Besley&Bringham, 2005). The control function of the financial manager becomes relevant for funding which has been raised. The manager needs to determine if the various activities of the organization meet set objectives. This will be determined when data of actual performance versus forecast are compared. Forecast data in this case will have been prepared in the light of historical data modified to reflect expected future actuals (Brinkerhoff, 2001).

The government of Kenya has in the past decentralized funds to the local level with the aim of controlling imbalances in regional development and engendering citizen participation in the management of public resources towards poverty alleviation and improving service delivery. These funds can be categorized into: funds for loan facilitation that include the Youth Enterprise Fund and Women Enterprise Fund; targeted specific-sector transfers such as Free Primary Education fund and broad composite funds that include the Constituency Development Fund (CDF) and the Local Authorities Transfer Fund (Mzalendo, 2015).

In the tourism sector, the government introduced a policy that at least 25% of gate collection from the Game Reserves should go to the local communities neighboring game reserves (ROK, 1991). This led to the establishment of community support funds such as the Samburu support fund, Kakamega forest support fund, Lake Bogoria support fund and Maasai Mara support fund for communities neighbouring those areas. However, in practice it is not always the situation, it has been estimated that only 2% to 5% of Kenya's total tourism receipts trickle down to the population at the grassroots level (Odindo, 2009).

With the new Constitution Narok County government domesticated the National policy with the establishment of Maasai Mara Community support fund that officially channels 19% of the total annual gate collections from the game reserve to the communities living around the reserve. The fund seeks to see improved economic advantage to the local people within the Maasai Mara Game Reserve. The fund is managed by a board that is made up of 8 members and ward representative committee. Policies at the county level are still struggling to be in line with the needs of the Maasai Community, which has brought about lack of accountability and inefficient utilization of resources (Mzalendo, 2015). There also has been a wave of discontent in the political circles that little is being done to benefit the communities that are supposed to be benefiting from the Maasai Mara Game Reserve (world vision Kenya, 2015).

The local community has severally taken up arms against lack of financial accountability in the Maasai Mara Community support Fund, lack of proper internal controls and that the community seems not to be the major benefactor of the income coming from the park. Political elites have been

said to manipulate formation of policies that drive the community fund resources to perpetuate their rule by skewing allocations in favor of kinsmen, supporters, sycophants and all manner of political hangers-on (Bripac, 2015). According to World vision Kenya, capacity assessment report of 2015, Maasai Mara community support fund management is still not clearly transparent and accountable due to lack of effective transactional systems. The capacity assessment report also showed that the fund did not have well developed financial tracking system to enhance its performance measurement.

STATEMENT OF THE PROBLEM

Community support funds are important for community growth and development. One such fund is the Maasai Mara community support fund which was created by Narok County government to domesticate the 25% national tourism policy. Financial control is a very crucial area in the management of a community support funds. Dealing promptly with any unforeseen deviations in finances of community support funds will ensure that the goals of the organization are being pursued appropriately (Besley&Bringham, 2005). Management of community support funds has not always been effective in service delivery due to weak financial controls (Wanyama, 2005). Several complaints concerning financial controls in Community support funds have been raised by the community and donors. For instance, quarterly financial reports submitted to Narok County assembly from Maasai Mara Community support fund showed lack of proper recording of financial transactions in the system and lack of capacity as regards to financial control (World Vision Kenya, 2015).

According to (Odindo, 2009) Community support funds in Kenya fail due to either lack of transparency and accountability in the use of funds or lack of proper records on how the funds are used. In addition (Wanyama, 2005) observed that most CSFs do not have qualified personnel, lack sufficient resources, have inefficient systems in place and officials have self-interests and are corrupt. A more targeted report, as regards to Maasai Mara community support fund, done by World Vision Kenya in the region in 2015, revealed that there were evidences pointing to lack of transparency and accountability in financial transactions. The researcher hypothesized that technical skills of CSF officials was the possible factor responsible for these problems. Therefore, this study aimed at determining how technical skills affected financial control practices of the Maasai Mara community support fund.

RESEARCH OBJECTIVES

The objective of this study was to determine technical skills effect on financial control practices of the Maasai Mara community support fund.

HYPOTHESIS OF THE STUDY

H_0 Technical skills of Community support fund officials have no significant effect on financial control practices of Maasai Mara community support fund.

II. THEORETICAL FRAMEWORK

The theoretical foundation for this study anchored on the Institutional Theory.

A. INSTITUTIONAL THEORY

According to McAdam and Scott (2007) Institutional theory is a theory that asserts that institutional environment strongly influences the development of form structures in an organization, often more profoundly than market pressures. Institutional theory attends to the deeper and more resilient aspects of social structure in community projects. It considered the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquires into how these elements are created, diffused, adopted and adapted over space and time; and how they fall into decline and disuse. The theory considers stability, order in social life as well as consensus, conformity, conflict and change in social structures. The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing, organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations (Hill & Jones, 2005).

What happens at the bottom of the hierarchy, in grass root-level units, matters a lot, in some cases even more than that what happens at the top. A public bureaucracy must cope with the constraints and pressures applied by the outside local context in which it operates. Institutionalization may involved processes through which the members of an agency acquire values that go beyond the technical requirements of organizational tasks (Jean-Claude, 2011). This theory guided on how technical skills affect financial control practices in Maasai Mara community support fund.

B. TECHNICAL SKILLS AND FINANCIAL CONTROL PRACTICES

According to (Garner, 1998) active board officials can be the most important resource in the long-term financial health of non-profit organization. Non-profit organizations must get accounting expertise somehow, if they don't have strong skills in this area. Organizations should get someone on board with accounting skills to be the treasurer. An accountant should help set up the bookkeeping system, generate financial statements and do some financial analysis. The knowledge and understanding of basic accounting processes was required for the effectiveness of accounting to be guaranteed.

For effective financial control, the organization's staff and board members were required to be conversant and participate in the budgeting process that affects the line items for which they were held responsible. Program planning was often viewed as the domain of the executive director, program director and the board (Vincent & Emil, 2000). As found by Wanyama (2005), like the state, Community support funds have not been as effective in service provision despite the advantages that they enjoy over the state as far as development

is concerned. This was attributed to a number of factors; embezzlement of funds by leaders, illiteracy among members, delay in remitting and defaulting on contribution. These factors clearly depicts how technical skills of the personnel as regards financial control practices in Community support funds.

III. RESEARCH METHODOLOGY

This census study design was used because the target population was not vast and it enabled the researcher to obtain a higher degree of accuracy in describing the values, perceptions, attitudes and behaviors' thus giving more accurate reasons behind the answers. The 136 target population for this study comprised of three groups of respondents, including: Maasai Mara community support fund management board, Maasai Mara community support fund employees and Narok County Ward representative committees.

The primary data was collected using questionnaires. The study used the KMO sampling adequacy formula to establish the validity of the instruments and it was noted that the results obtained from each objective were above 0.4 and hence reliable. Reliability of the research instrument was calculated using Cronbach's coefficient alpha and the alpha reliability coefficient obtained was 0.880 and therefore accepted as reliable since the threshold was 0.7 according to Fraenkel & Wallen, (2000) and Kothari (2004).

Data was analyzed using descriptive statistics, Pearson correlation and simple linear regression modeled as;

$$Y = \alpha + \beta_1 x_1 + \epsilon$$

Where,

y = financial control

α = constant.

β_1 = the slope which represents the degree in which financial control practices changes as the independent variable change by one unit variable.

x_1 = Technical Skills

ϵ = error term

IV. RESEARCH FINDINGS AND DISCUSSIONS

A. DESCRIPTIVE ANALYSIS

The objective of the study sought to establish whether the technical skills of the CSF officials affect the financial control practices of the Maasai Mara community support fund. The respondents were asked to give their opinion on a five scale where 1- strongly disagrees, 2- disagree, 3- not sure, 4- agree and 5- strongly agree. The results were presented in table 4.1 below.

financial control	SD	D	N	A	SA
CSF knowledge	0	0	11 (9.6)	45 (39.1)	59 (51.3)
attended training	0	21 (18.3)	5 (4.3)	31 (27.0)	58 (50.4)

facilitators are knowledgeable	0	0	9 (7.8)	46 (40.0)	60 (52.2)
operational department	0	0	0	44 (38.3)	71 (61.7)
experienced finance personnel	4 (3.5)	0	13 (11.3)	74 (64.3)	24 (20.9)
board has accounting skills	4 (3.5)	0	5 (4.3)	19 (16.5)	46 (40.0)
knowledgeable in accounting		9 (7.8)	18 (15.7)	57 (49.6)	31 (27.0)

Key: SD=Strongly Disagree; D=Disagree; N=Neutral; A=Agree and SA=Strongly Agree
*Percentages in parenthesis (%)

Table 4.1: Response on Technical Skills of the Officials\

From the results presented in table 4.1, it was noted that majority 59(51.3%) of the respondents strongly agreed with the statement that all Maasai Mara CSF officials have knowledge in financial controls practices. while 45(39.1%) agreed and only 11(9.6%) were not sure about the statement. This shows that most of the respondents believed that the employees of CSF had the necessary skills required in financial control at the organization. This supports the findings of Koitaba (2013) who also noted that officials in community supported organizations have knowledge in financial control practices. The results also support the findings of (Alin et al., 2006) who noted that the competence of managers of the organization important in enhancing the financial control practices of community supported organization.

On whether all Maasai Mara CSF Officials have attended training in financial management in the past one year, majority 58(50.4%) strongly agreed while 31(27.0%) agreed to the statement. 21(18.3%) of the respondents disagreed while 5(4.3%) were not sure. This indicates that atleast most of the respondents acknowledged that the officials had attended training in financial management in the past years. This agreed with Odindo (2009), who indicated that training in financial management was very important in financial control because he noted that most community organizations have challenges in financial management as a result of lack of training. The findings of Koitaba (2013) also support this finding, which indicates that training is important in the ensuring that financial control practices in community support funds requires management to have appropriate training in various financial fields.

The study further sought to establish whether the training facilitators were knowledgeable in the field of study. It was revealed that majority 60(52.2%) of the respondents strongly agree while 46(40.0%) of the respondents agreed with the statement. Only 9(7.8%) were not sure about the statement. This indicates that most of the respondents who had attended the training attested that the facilitators had the skills required and were quite knowledgeable in handling the training needs. This supports the findings of (Vincent & Emil, 2000) and (Wanyama, 2005), who noted that training facilitators in financial control were knowledge and understood the subject matter for the training, this implies that the trainers were very helpful in equipping the management with the required skills in finance.

On whether Maasai Mara CSF has a fully operational finance department, majority 71 (61.7%) of the respondents strongly agreed to the statement while 44(38.3%) agreed. This also indicated that the organizational has a fully operational finance department to handle the issues of finance in the organization. It was also important to establish whether Maasai Mara CSF has experienced finance personnel. Majority of the respondents 74 (64.3%) agreed with the statement while 24(20.9%) of the respondents strongly agreed. A total of 13(11.3%) of the respondents were not sure while 4(3.5%) strongly disagreed with the statement. This agreed with (Amalokwu & Obiajulum, 2008) and (Koitaba, 2013) who established that most community based organizations must have a well functional finance department to ensure financial control.

Whether the board has someone with strong accounting skills the majority 46(40.0%) agreed to the above statement while 19(16.5%) strongly agreed. Only 5(4.3%) of the respondents were not sure while 4(3.5%) agreed to the above statement and only 6(3.7%) of the respondents strongly disagreed with the statement. This indicated that the respondents had strong accounting skills hence they were in a position to handle the financial issues of the organization. This supports the argument of (Amalokwu & Obiajulum, 2008) and (Koitaba, 2013) who also indicated that community support funds boards have representation of people with strong accounting skills. This shows that the community support funds ensure that financial control is effectively monitored by the board.

Finally, on whether all employees are knowledgeable about basic accounting processes, majority 31(27.0%) strongly agree and 57(49.6%) of the respondents agree. About 18(15.7%) of the respondents were not sure whether all employees are knowledgeable about basic accounting processes and only 9(7.8%) disagree with the above statement. This indicates that most of the employees at the organization have the required knowledge and basic accounting skills. This therefore indicates that the CSF officials have technical skills to handle the financial issues of the organization and hence ensure effective financial control practices. This supports the findings of (Vincent & Emil, 2000) and (Wanyama, 2005) that for effective financial control, the organization's staff and board members were required to be conversant and participate in the budgeting process that affects the line items for which they were held responsible. A similar view was held by (Koitaba, 2013) who also noted that most community support funds official have appropriate technical skills to handle financial issues.

B. PEARSON CORRELATION ANALYSIS

The analysis was further done using Pearson's correlation which helped to establish the relationship that exists between the technical skills and financial control in community funded projects. The results were presented in table 4.2.

		Technical Skills	Financial Control
Technical Skills	Pearson Correlation	1	.219*
	Sig. (2-Tailed)		.019
	N	115	115
Financial Control	Pearson Correlation	.219*	1
	Sig. (2-Tailed)	.019	
	N	115	115

$p > .05$ (2-tailed); $\alpha = 0.05$.

Table 4.2: Analysis of the Relationship between Technical Skills and Financial Control

The results on table 4.3 shows that there is a positive and statistically significant correlation ($r = 0.219$, p -value = 0.009) between technical skills and the financial control in community funded projects. This means that technical skills are an important influence on effectiveness of financial control of community funded projects. A similar view was held by (Koitaba, 2013) who also established a weak but significant correlation between technical skills and financial control in community support funds.

C. SIMPLE LINEAR REGRESSION ANALYSIS

The study further sought to establish the strength of the relationship between technical skills and financial control of the community funded projects. The results are presented in table 4.3.

Model	R	R Square	Adjusted R Square	R Square Change	F	df1	df2	Sig. F Change
1	.219 ^a	.048	.040	.048	5.700	1	113	.019

$p > .05$ (2-tailed); $df = 113$; critical $r = 3.93$; $\alpha = 0.05$.

Table 4.3: Regression Summary

From the table it is noted that any change in financial control at the community funded projects can be explained by only 4.8% of the effect of technical skills possessed by the employees. This relationship was significant since the p -value was less than 0.05 and hence the null hypothesis that there is no statistically significant relationship between technical skills and financial control of community funded projects was rejected. This is also confirmed by the F value where the critical F value at 0.05 is compared to the calculated value ($F(1,113) = 5.70$) the null hypothesis that there is no relationship between technical skills and financial control practices is rejected since the critical F -value ($1,113$) = 3.93 and is less than the calculated value at 5.700.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The objective of the study sought to establish whether the technical skills of the CSF officials affect the financial control practices at the organization. The study noted that most of the Officials have attended training in financial management in the past one year; the officials attested that the training facilitators were knowledgeable in the field of study. And that the fund has a fully operational finance department with experienced finance personnel. This showed that the fund

personnel have appropriate technical skills to enhance financial control. The regression coefficient however indicated that the influence of the technical skills on the financial control practices at the community support fund was not statistically significant and hence the null hypothesis that Technical skills of Community support fund officials' have no significant effect on financial control practices of Maasai Mara community support fund was accepted. This shows that having technical skills is important in financial control but by itself it does not have much effect on the financial control.

The study therefore concluded that technical skills might be seen to have an effect on the financial control of a firm but further analysis shows that the effect is not statistically significant meaning that firms that seek to enhance their financial control practices should not only rely on technical skills of the employees.

The study recommends that Firms that wish to have an effective financial control must enhance the technical skills of their employees because these are important in ensuring that the records are prepared and maintained effectively. However firm should note that relying on technical skills alone might not be an appropriate solution for financial control unless other factors are in place. The results have indicated that there seems to be other finance related factors that influence the financial control of a firm, it is recommended that another study be conducted to consider these other factors that might influence financial controls in the firm and were not considered in the study.

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