

**Motivation**

There were high rates of dropout despite bursary programs. The government was interested in finding out whether their funds were benefitting the poor, as they were intended to do.

**Objectives**

Therefore, a PETS was carried out in order to provide information for improving the effectiveness of public expenditures in bursary funds.

**Main findings**

The bursary program is not thoroughly audited which increases possibilities of leakage. Criteria of selection of vulnerable and needy students are not followed by many schools. An audit trail of the bursary funds released was not possible because of the lack of proper accounting system.

**Leakage**

More than 80% of schools did not receive their entitled amount of bursary funds; it is found that some schools are receiving more allocation than required and that funds are diverted for personal gains. As a result, total leakage of bursary funds is estimated at 35.8%.

Causes: Financial management of the school is in the hands of the head teacher with minimal influence of the Parents Teachers Association and Board of Governors. Lack of information at the school level leads to non-accountability of public resources and poor records maintained by schools and lack of proper audits.

**Absenteeism**

Absenteeism is estimated at 8.1% among teachers.

**Other findings**

Release of money through Authority to Incur Expenditures (AIE) to districts is a bottleneck to expenditures at the district level given that AIE are issued without disbursement of funds at the district level.

**Sample**

- 26 districts and 3 divisions in Nairobi province
- 330 public secondary schools
- students
- 598 parents

**Sample design**

Stratification of the country into provinces. In each of the 8 provinces, 2 poor and 1 rich districts were selected using poverty index. Facilities were selected in each districts using systematic random sampling. Random selection of 2 students who had received a bursary in each class.

**Resources monitored**

- Bursary funds
- Data for 2001-02, 2002-03, 2003-04
- 4 levels (central government, districts, facilities and users)

**Recommendations**

Affirmative action is needed to target girls and disadvantaged child.

**Lessons**

District school auditors are required for verification of the constituency bursary operations and to prepare annual national reports.

**Main report**

Republic of Kenya (2004) "Public Expenditure Tracking Survey (PETS) 2004," Preliminary Report, Ministry of Planning and National Development, Ministry of Finance, Ministry of Health, Ministry of Education Science and Technology, Nairobi, Kenya.