

Capitation Grant Spending: Adherence to Good Governance Principles in Primary Schools in Morogoro Region, Tanzania

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Abstract

The capitation grant governance in Government primary schools in Tanzania has been extended to parents through the democratically elected school committee members with expectation that the capitation grant would be spent well. However, there have been incidents of mismanagement of the grant and information on the governing aspect of the school committees is scanty. Hence, based on this problem, the research on which this paper is based was conducted in Morogoro Region from August, 2014 to March 2015. The study employed quantitative and qualitative data to examine the extent to which Government primary schools in the study area adhere to good governance principles in their capitation grant spending. The study found that the weighted means of good governance attributes of effectiveness (3.9), rule of law (3.4), and accountability (3.9) were below the extremely good range of 4.5-5.0. The results demonstrate the need to develop strategies to improve capitation grant governance in Government primary schools.

Keywords: Capitation grant, good governance, school committee.

1. Introduction

The Tanzania Government developed the National Framework on Good Governance (NFGG) in 1999 on which various development strategies and programmes such as the Primary Education Development Programme (PEDP) is based (United Republic of Tanzania - URT, 1999a). The second phase of PEDP, for instance, had the objective to ensure that all key actors at all levels have knowledge of good governance and that school committees (SCs) are able to maintain the concept of Whole School Development Plan (WSDP) at all primary schools. These SCs have authority over the use of capitation grant (CG). The CG is a recurrent mechanism to fill the financial gap caused by the abolition of school fees, while targeting at provision of teaching and learning materials such as textbooks and chalks, and school administration (URT, 2012). The SCs have to spend the CG based on good governance principles as outlined by the Government. Good governance means an increased transparency and accountability in the public sector (URT, 1999b). Akter and Girdharan (2016) define good governance as competent management of the country's resources and affairs in a manner that is open, transparent, accountable, equitable and responsive to people's needs. Generally, as outlined in the NFGG, good governance has various benchmarks including accountability, transparency, and the rule of law.

Despite the Government's efforts to ensure good governance in the CG spending there have been incidents of CG mismanagement in Tanzania (Manara and Mwombela, 2012). Mismanagement can include such acts like corruption and misappropriation of funds. For instance, the 2013 Global Corruption Barometer (GCB) showed that 74% of respondents highlighted education system in Tanzania as one of the most corrupt sectors (Transparency International – TI, 2013). Based on the fact that decisions on CG spending are always made at a school level by a school committee, the quality of these decisions needs attention. Nevertheless, information on the governing aspects of the SCs in the management of the CG is scanty. The school committee is a mandatory independent governing body of a primary school which is composed of teachers and community members and which operates in Government primary schools (GPSs) within Tanzania. The study on which this paper is based therefore determined adherence of the SCs to good governance attributes in CG spending in Morogoro Region Tanzania by answering the following three questions: to what extent does capitation grant spending portray effectiveness? How much revealed is rule of law in capitation grant spending? And what is the level of accountability in capitation grant spending?

2. Literature Review

2.1 Theoretical framework

Theoretically, the study is guided by the Agency Theory (AT) as explained by Jensen and Meckling (1976) and Fayezi *et al.* (2012). The theory was developed between 1960s and 1970s in broadening the risk sharing problem. The AT posits that there is an asymmetry of information between principals and agents (Klitgaard, 1988). It is directed at the ubiquitous agency relationship, in which one party (the principal) delegates work to another (the agent) who performs that work. The AT attempts to resolve two problems that can occur in agency relationships: the desires or goals of the principal and of the agent are in conflict, and it is difficult or expensive for the principal to verify what the agent is actually doing; and the principal and agent have different attitudes towards risk, and thus they may prefer different actions (Eisenhardt, 1989). The agency problem arises because there is always the possibility that the agent will not act in the best interests of the principals but may serve their own interests. This means that in a world with no information asymmetry, citizens would be able to evaluate on their behalf the works done by the agents and/or the Government officials.

In a world with information asymmetry, citizens' ability to control agents' behaviour is constrained by imperfect information. According to Holmström (1979), this ultimately reaches a situation of shirking and rent extractions: agents devote fewer efforts than what was expected by the principals and divert some portion of public funds to their own benefits. The agent, in the pursuit of his/her official duties, has great discretion and monopolistic power, and when accountability of agent to the principal is weak, he may take that opportunity to betray the principal's interests for his/her own including corruption (Klitgaard, 1988; Otusanya, 2011). Transparency means that decisions by Government agencies are reached in a manner that follows due process or approved rules and regulations (Nwogwugwu and Etareri, 2015). In this case, Nwogwugwu and Etareri (*op. cit.*) assert that state business and conduct are open to the scrutiny of other state actors, non-state actors including Civil Society Organisations (CSOs) as well as the general public. The concept of accountability has been defined in different ways from punishment or sanctions to answerability and enforcement (Ahmad, 2008). Lewis (2003) defines financial accountability as a moral or legal duty, placed on an individual, group or organisation, to explain how funds, equipment or authority given by a third party has been used.

In fact, this theory is used with expectation that it will contribute in informing practice in Government primary schools (GPSs). According to Boer *et al.* (2015), the value of any theoretical contribution will be determined by its utility in informing practice and/or future research. In line with this paper's main objective of analysing adherence of the school committees (SCs) to good governance principles in capitation spending, the AT is extended to the Tanzania context where the management of GPS finances is delegated to SCs. Citizens (parents), as principal, select members of SCs (agents) to represent them as governing bodies in GPSs. The AT is most relevant in situations such as this one where, according to TI (2009), funds that reach GPSs may not be used according to their intended purpose. The SCs, as were clearly outlined in PEDP II, have various roles including operating bank accounts and efficiently and effectively managing funds received for implementation, while guaranteeing maximum accountability and transparency.

2.2 An overview of educational funds and their management in schools

In specific terms, good governance is attributed to principles of participation, transparency, accountability, rule of law, effectiveness, equity and strategic vision (Nyamongo and Schoeman, 2010; Chen, 2011; Kefela, 2011; Manara and Mwombela, 2012; Mgonja, 2014; Ukase and Audu, 2015). Kefela (2011) asserts that accountability cannot be enforced without transparency and the rule of law. Similarly, Chen (2011) shows that schools can be held accountable by parents and communities (bottom-up accountability) and by Government bodies (top-down accountability).

Failure to observe these good governance principles and practices in capitation grant (CG) spending may lead to mismanagement of funds including corrupt transactions. Corruption is identified as an endemic disease damaging the environment of good governance world-wide (Adesote and Abimbola, 2012; TI, 2013; Agbo and Aruomoghe, 2014; Doorgapersad and Aktan, 2017). Nwogwugwu and Etareri (2015), studying accountability and transparency in local Government in Nigeria during the fourth republic, stated that officials at the local Governments engage in different kinds of corrupt practices such as over invoicing of cost of services and goods. Previously, Ezigbo (2012), studying the extent of the relationship between decentralization and organizational effectiveness, demonstrated that whenever divisions, functions, or teams are given too much decision-making authority, they may begin to pursue their goals at the expense of organizational goals. Adesote and Abimbola (2012) in their Nigeria case argued that incidence of financial corruption is characterised by abuse of discretion, mismanagement and misappropriation of funds, lack of transparency and accountability, embezzlement, inflation

of contraction, and diversion of funds. Thus, the basic principles for preventing corruption in staff administration are openness and fairness, clear accountability and impartial enforcement of rules and regulations (Akter and Girdharan, 2016).

Generally, studies show that poor governance may be a first order constraint in translating inputs into outcomes in developing country education systems (Smit and Oosthuizen, 2011; Serra, 2011; Manara and Mwombela, 2012). Smit and Oosthuizen (2011), researching on the democratisation of schools and the education system in North-West Province in South Africa, found that parents often misconceive participatory democracy for political democracy and misunderstand the role of the school governing body to be a political forum. This may lead to poor academic performances of pupils in schools. For instance, Serra (2011), investigating the relationship between accountability systems (top-down and bottom-up) and education outputs in Albanian primary schools, found a strong positive correlation between top-down accountability and students' excellence in mathematics. Looking at the state of the governance of the capitation grant in primary schools from the civic engagement (demand side) and school autonomy (supply side) perspectives in Tanzania, Manara and Mwombela (2012) showed the importance of improving governance of disbursed funds at the school level. On the contrary, Nampota and Chiwaula (2013), exploring the processes and outputs of school grants in Malawi, found that the mechanisms of grant administration were conducive to accountability.

On the basis of the Agency Theory (AT), it can be presumed that for the governance of school funds to be effective, there must be maximum adherence to good governance principles in CG spending in Government primary schools (GPSs), particularly in Morogoro Region, Tanzania. Based on the fact that decisions on CG spending are always made at a school level by a school committee, the quality of these decisions needs attention. Nevertheless, information on the governing aspects of the school committees (SCs) in the management of the CG is scanty. As asserted by Kiprono *et al.*, (2015) that the management of school finances can be one of the most challenging activities of the SCs' responsibilities, it would be desirable to see the implementation of the CG policy at the school level by a school committee. Moreover, the use and usefulness of grants may also differ between schools because in-school processes can be very different from school to school.

2.3 Conceptual framework

Based on the Agency Theory (AT) and the fact that the utilization of financial resources for the public good is an essential part of governance (Agbo and Aruomoaghe, 2014), it is conceptualized that governance of capitation grant (CG) depends on school autonomy and civic engagement. According to Manara and Mwombela (2012), civic engagement is indicated by existence of clear plans for CG spending, CG expenditure reporting and transparency in capitation funds management. School autonomy in Tanzania is viewed in the context of the Decentralisation-by-Devolution Policy of 1998, and it is indicated by management of capitation funds, clear rules on CG disbursement and spending, and measures taken against misuse of capitation funds. Generally, these indicators entail effectiveness and accountability because, according to Kefela (2011), accountability cannot be enforced without transparency and the rule of law. The study from which this paper emanates adapts the Primary Education Capitation Grant Governance Index (PECGGI) by Manara and Mwombela (*op. cit.*). In their study, they combined the Local Governance Barometer (LGB) and Public Expenditure and Financial Accountability (PEFA) indicators to construct the PECGGI with four dimensions of effectiveness, rule of law, accountability, and participation. The criteria of the LGB in measuring good governance are effectiveness, the rule of law, accountability, participation and equity. The reasons for selecting LGB and PEFA indicators are that in decentralized settings LGB fits the bill very well and PEFA indicators are part of the performance management framework for CG governance. These reasons are still valid for assessing adherence to good governance principles in CG spending in Morogoro Region.

3. Research Methodology

3.1 Description of the study area

The study from which this paper originates was conducted in Morogoro Region in Tanzania Mainland from August, 2014 to March, 2015. The region is administratively divided into seven districts namely Gairo, Kilombero, Kilosa, Morogoro, Mvomero, Ulanga and Malinyi. The region had 829 Government primary schools (GPS) in the year 2012. The region was selected purposively based on poor pass-rate and number of rural-based primary schools. The Morogoro Regional PSLE pass-rate of 2012 dropped to 28% from 56.1% in 2008 (URT, 2014), meaning that 72% of standard VII leavers in the region failed the PSLE. Also, in 2012, the region had the largest number of 404 rural-based primary schools located at a distance equal or more than 76 km from councils head office. According to URT (2010), the more remote a school is located from the council headquarters, the

lower is the quality of facilities. In addition, like in many other regions in Tanzania mainland, all GPS in the region were recipient of capitation grant (CG) (URT, 2012).

3.2 Research design and sampling

The study adopted a cross-sectional research design with mixed strategies; quantitative and qualitative, whereby data were collected at one point in time (Creswell, 2012). According to Mlozi *et al.* (2013), the design is relatively feasible, economical and the data collected could easily be analysed. The sample for the study was 102 randomly selected schools from 829 Government primary schools (GPSs) in Morogoro Region. These GPSs were stratified into three groups based on 2007/08 – 2011/12 average PSLE pass-rate (PR): schools having less than 41% PR as low performing; schools having PR ranging from 41% to 60% as medium performing; and schools having PR of 61% and above as high performing. From a school list in each group, a sub-sample of 34 GPSs was obtained randomly using a table of random numbers, to give a total of 102 GPSs. According to Bailey (1994), the bare minimum number of cases for a sample or sub-sample in which statistical data analysis is to be done is 30 and that in most cases 100 cases is taken. In addition, the sample size of 102 was enough as it was far above 10% of the study population (i.e. 83 GPSs) (Adongo and Jagongo, 2013). A total of 102 copies of a questionnaire were administered to School Heads from August, 2014 to November, 2014. The School Heads were preferred because they were secretaries to school committees (SCs) and had the responsibility of preparing school budgets (income and expenditure) and submit them to the SCs for authorization. The questionnaire included three types of construction: closed items, open ended items, and scale items. The scale items included five-point Likert scale response format (i.e. 1: strongly disagree 2: disagree, 3: neither agree nor disagree, 4: agree, 5: strongly agree) from which the mode response was taken for analysis.

Quantitative data were supplemented by qualitative data on capitation grant (CG) disbursed between 2007/08-2011/12. Qualitative face to face interviews were held with 11 key informants selected purposively based on their positions and locality: six Chairpersons of the school committees, three Ward Education Coordinators, one officer from the District Education Office, and one officer from the Municipal Education Office from September, 2014 to March 2015. Qualitative data were obtained based on a semi-structured interview guide as described in Creswell (2012). The key questions were “how does the school committee perform its duty (specifically on: capitation spending, readiness to spend time on school committee work, and adherence to good governance attributes)? Qualitative data analysis involved comparison and contrasting of key-informants’ arguments based on data reduction and interpretation; observed themes of the discussions, and agreement and disagreement in responses given, and quoting their words (Chombo and Kayunze, 2013).

3.3 Data analysis

The unit of analysis for the study from which this paper originates was a school; the school is in-charge of most managerial decisions (Barrera-Osorio *et al.*, 2009). This study adapted Manara and Mwombelas’ (2012) governance dimensions (i.e., effectiveness, rule of law, and accountability), indices and variables to examine adherence to good governance principles in capitation grant (CG) spending:

- *Effectiveness* - variables for the existence of clear plans for CG spending were: (a) CG is incorporated in the school plan, (b) school committee members are ready to spend their time on school committee work, and. Variables for the good management of capitation funds were: (a) the school complies with PEDP financial and procurement guidelines (b) all school’s CG expenditures are formula-based, and (c) procurement summary is prepared for CG spending at school.
- *Rule of law* - variables for the existence of clear rules on capitation disbursements and spending (Public Expenditure and Financial Accountability, PEFA) were: (a) school committee members are knowledgeable of PEDP financial, and (b) procurement guidelines, school committee members are aware of CG that reach school as per formulae. Variables for measures taken against misuse of capitation funds were: (a) cases of fraud in CG spending are reported to authorities, (b) teachers/school committee members accused of misusing capitation funds are suspended, and (c) members of the school committee have received training in financial management.
- *Accountability* - variables for capitation expenditures reporting (PEFA) were: (a) capitation spending reports are submitted to ward authorities, and (b) capitation expenditures are presented in parents meetings. Variables for transparency in the capitation funds management were: (a) capitation disbursements and expenditures are posted on notice boards, (b) Civil Society Organisations (CSOs) have access to capitation spending records, and (c) the school keeps records of CG transaction.

The good governance attribute of participation was not included in the current study because variables employed

by Manara and Mwombela (2012) as variables for participation, such as “frequency of monitoring visits conducted by CSOs” and “submission of procurement summary to school committees for approval”, were accommodated in the current study as variables for accountability and effectiveness respectively.

All the closed questions were analysed based on the percentage formula as shown in formula (2) (Yee, 2014).

$$\text{Percentage, \%} = \frac{\text{Number of responses}}{\text{Number of}} \times 100 \dots\dots\dots (1)$$

The weighted mean or mean score formula (2) as shown in Yee (2014) was used to analyse the five-point Likert scale questions. The level of acceptance for each mean score was determined (Table 1).

$$\text{Weighted Mean/Mean Score, } \bar{X} = \frac{w_1x_1+w_2x_2+w_3x_3+w_4x_4+w_5x_5}{\sum x} \dots\dots\dots (2)$$

where

- w – Weight given (scale)
- x – Number of responses
- Σx – Total number of respondents

Table 1: Analysis of Mean Scores

Mean Scores	Level of Acceptance
1.00 – 1.49	Worst
1.50 – 2.49	Not acceptable
2.50 – 3.49	Acceptable
3.50 – 4.49	Good
4.50 – 5.00	Extremely Good

Source: Adopted from Alston and Miller (2010) in Yee (2014).

Quantitative data were analysed using computer programme software, the Statistical Package for Social Sciences (SPSS) version 16. The findings were presented in frequency tables and the results were then interpreted (Table 1). Qualitative data analysis involved comparison and contrasting of key-informants’ arguments based on data reduction and interpretation; observed themes of the discussions, and agreement and disagreement in responses given, and quoting their words (Chombo and Kayunze, 2013). Descriptive texts were used to present the analysed findings.

4. Results and Discussion

The study attempted to answer three questions: to what extent does capitation spending portray effectiveness? How much revealed is rule of law in capitation spending? And what is the level of accountability in capitation spending?

4.1 Effectiveness in capitation spending

Results show that 82% of the head teachers agreed that school committees (SCs) in their respective schools observed effectiveness criteria in capitation grant (CG) spending or CG spending plans and management in exercising their duties (Table 2).

Table 2: Response of school heads on effectiveness in capitation grant spending (n = 102)

No.	Variables	Response (%)					Weighted Mean
		SDA	DA	NAD	A	SA	
1	CG is incorporated in the school plan	6.9	7.8	7.8	64.7	12.7	3.7
2	Procurement summary is prepared for CG spending at school	1.0	1.0	0.0	60.8	37.2	4.3
3	The school comply with PEDP financial and procurement guidelines	2.0	2.0	5.9	59.8	30.3	4.1
4	Readiness of the school committee members to spend their time for school committee work	2.9	10.8	14.7	47.1	24.5	3.8
5	All school's CG expenditures are formula-based	2.0	10.8	11.8	53.9	21.5	3.8
	Average	3.0	6.5	8.0	57.3	25.2	3.9

Note: SDA - Strongly Disagree, DA - Disagree, NAD - Neither Agree nor Disagree, A - Agree, SA - Strongly Agree

Based on the weighted mean score analysis by Alston and Miller (2010), their observations fall within 3.50 – 4.49, implying that effectiveness adherence was not complete though it was good. This corroborates the findings by Manara and Mwombela (2012) though it contrasts the effectiveness score. Manara and Mwombela (*op. cit.*) showed that effectiveness had a mean score of 4.5 in CG spending. This was probably due to the inadequacy and untimely disbursement of the CG in respective schools. The results of key-informant interviews analysis show that adherence to good governance principles was challenged by the inadequacy of the CG. Some of the key-informants had these to say:

“Just few years after inception of primary education development programme - PEDP the contributions from parents have grown to unaffordable levels...for that matter it is obvious that the plan only remains on paper and thus not implementable.....as a result parents have been opposing the school committee rather than supporting itthere is a problem that some schools lack fund raising projects which can provide enough funds to cater for school processes such as sitting allowances for school committee members....the Government has to improve the budget so as to encourage contributions from the community...for the primary education development, the capitation grant should be disbursed and used on time. Moreover, Tanzania shillings 10 000 per pupils per year is not sufficient and thus Tanzania shillings 20 000 per pupil per year should be set aside for primary education development”.

Thus, this could be the probable reason as to why less weight was given to ensure that: the CG is incorporated in the school plans, school committee members are happy to spend their time on school committee work and all school's CG expenditures are formula-based. The SCs, under PEDP II, had roles of approving Whole School Development Plans (WSDP) and Budgets and effectively manage funds received for implementation. Hence failure of the SCs to plan and observe spending-formula, and the lack of readiness in their work, pose a challenge to the good intent of the Government and the community to enhance CG governance through SCs.

In general, the results of the study confirm the Agency Theory (AT), as described in Boer *et al.* (2015), by showing that the SCs did not fully abide by good governance attribute of effectiveness, meaning that the desires of the agent were in conflict with that of the principal. The failure to abide by good governance attribute of effectiveness creates loopholes for corruption and mismanagement. Adesote and Abimbola (2012) assert that the incidence of financial corruption is hinged on the lack of good governance. Nyamongo and Schoeman (2010), investigating the effects of the quality of governance, namely, corruption, political instability and democracy, on public budget allocation to education by using data for a panel of 28 African countries over the period 1995-2004, observed that education expenditure was affected by the level of corruption. This is because the utilization of financial resources for the public good is an essential part of governance (Agbo and Aruomoaghe, 2014).

4.2 Rule of law in capitation grant spending

The results show that 61% of head teachers admitted that the school committees (SCs) had capacity to observe the capitation grant (CG) spending rules (Table 3). Moreover, based on the weighted mean score analysis by Alston and Miller (2010), the rule of law falls within an “acceptable” range of 2.50 – 3.49, suggesting that they put less emphasis on this governance attribute of rule of law, especially on the financial training criterion which falls in unacceptable range (1.50 – 2.49).

Table 3: Response of school heads on rule of law in capitation grant spending (n = 102)

No.	Variables	Response (%)					Weighted Mean
		SDA	DA	NAD	A	SA	
1	School committee member are knowledgeable of PEDP financial and procurement guidelines	3.9	9.8	11.8	60.8	13.7	3.7
2	School committee members are aware of CG that reach school as per formulae	0.0	1.0	2.9	68.6	27.5	4.2
3	Cases of fraud in CG spending are reported to authorities	6.9	10.8	17.6	49.0	15.7	3.6
4	Teachers/school committee members accused of misusing capitation funds are suspended	7.8	18.6	22.6	35.3	15.7	3.3
5	Members of the school committee have received training in financial management	17.6	50.0	15.7	11.8	4.9	2.4
Average		7.3	18.0	14.1	45.1	15.5	3.4

Note: SDA - Strongly Disagree, DA - Disagree, NAD - Neither Agree nor Disagree, A - Agree, SA - Strongly Agree

Lack of financial training can hinder adherence to the rule of law as it is argued by Manara and Mwombela (2012) that conforming to it in the context of the CG is complicated. Hence, people need the skills to understand budgets, bookkeeping, financial records and administrative systems through long-term strategies, such as regular on-the-job training support networks, advisory visits, and published guidelines (Kiprono *et al.*, 2015).

The results of key-informant interview analysis shows that they admitted that school committee members were not trained in financial management. For example, one key-informant stated:

“The school committees lack financial management skills as members have got no training on financial management and are not well educated; most of them are standard seven leavers....this calls for a need to train and retrain them so that they can perform their work effectively.... but there are no funds for seminars.....these negatively affect primary education development programme”

In fact, the results of the study confirm the Agency Theory (AT), as described in Boer *et al.* (2015), by showing that the SCs did not fully abide by good governance attribute of rule of law in their CG spending, meaning that the principal and SCs as agents prefer different actions as stated by Eisenhardt (1989). This can create loopholes for corruption and mismanagement as well. Later, the 2013 Global Corruption Barometer (GCB) showed that 74% of respondents highlighted education system in Tanzania as one of the most corrupt sectors (Transparency International – TI, 2013). According to Adesote and Abimbola (2012), the financial corruption can be traceable to mismanagement and misappropriation of funds.

4.3 Accountability in capitation grant spending

The results show that 81% of teachers admitted that capitation grant (CG) expenditures in their respective primary schools were transparent and thus accountable (Table 4). According to Kefela (2011) accountability cannot be enforced without transparency and the rule of law. Moreover, based on the weighted mean score analysis by Alston and Miller (2010), accountability had its weighted mean falling within 3.50 – 4.49, meaning that its adherence was not complete, though it was good. This means less weight was given to criteria that ensure accountability in CG spending especially in ensuring that Civil Society Organisations (CSOs) have access to CG spending records. Civil Society serves as critical agent of transparency and accountability (Ukase and Audu, 2015) and is one of the key players in good governance in Tanzania (URT, 1999 in Mgonja, 2014).

Table 4: Response of school heads on accountability in capitation grant spending (n = 102)

No.	Variables	Response (%)					Weighted Mean
		SDA	DA	NAD	A	SA	
1	CG spending reports are submitted to ward authorities	5.9	3.9	9.8	56.9	23.5	3.8
2	CG expenditure reports are presented in parents meetings	2.0	1.0	3.9	67.6	25.5	4.1
3	CG disbursements and expenditures are posted on notice boards	2.0	2.0	14.7	55.9	25.4	4.0
4	The school keeps records of CG transactions	1.0	0.0	2.9	58.8	37.3	4.3
5	CSOs have access to CG spending records	11.8	23.5	11.8	46.0	6.9	3.1
Average		4.5	6.1	8.6	57.0	23.7	3.9

Note: SDA - Strongly Disagree, DA - Disagree, NAD - Neither Agree nor Disagree, A - Agree, SA - Strongly Agree

Transparency in service delivery is one of the aspects of good governance and is possible when reports of decisions are freely accessible to the intended audience who might be in one way or another affected by the decision or its implementation. Key informants interview analysis results show that the unsatisfactory level of transparency in capitation spending could be due to various reasons including the politicisation of the school committee's work and failure of the school committee members to attend in the meetings. Some of the key-informants said:

"At the beginning all school committee members were attending their meetings because they were paid by the school heads...but nowadays they are not paid and thus their attendance has gone down....hence, school committee members are not accountable, unless they get paid for their work...this demand leads to ineffective education service delivery in schools..... and during first and second phase of Primary Education Development Programme - PEDP the school committees work has been politicized....and the politicians' statements confuse the parents as they fail to understand whose words they have to follow; either the school committees or the politicians....generally, the effectiveness of PEDP is not seen"

This shows that the functions of the school committees (SCs) are perplexed by political interference. Hence it contrasts the misconception argument by Smit and Oosthuizen (2011). They researched on the democratisation of schools and the education system in North-West Province in South Africa and found that parents often misconceive participatory democracy for political democracy and misunderstand the role of the school governing body to be a political forum. Based on the Agency Theory (AT), the observed politicisation of the work of the school committees may hinder their adherence to good governance principal of accountability. The findings of this study contrast with the findings by Nampota and Chiwaula (2013) who found that the mechanisms of grant administration were conducive to accountability.

In general, the results of this study support the AT, as described in Boer *et al.* (2015), by showing that the SCs did not fully abide by good governance attribute of accountability. This implies that it was difficult for the principal to verify what the SCs, as agents, were actually doing because his/her ability to control SCs' is constrained by imperfect information (Eisenhardt, 1989). According to Mgonja (2014), the ineffectiveness of existing institutional mechanisms lowers accountability and transparency. Lack of accountability can create loopholes for corruption as evidenced by Adesote and Abimbola (2012) and Agbo and Aruomoaghe (2014). In their study, Adesote and Abimbola (2012) argue that incidence of financial corruption is characterised by lack of transparency and accountability. Likewise, Agbo and Aruomoaghe (2014) assert that corruption often increases where transparency and accountability mechanisms are weak.

5. Conclusion and Recommendations

The study sought to determine adherence to good governance principles in capitation grant (CG) spending in Government primary schools (GPSs) in Morogoro region, Tanzania. The study attempted to answer three questions: to what extent does CG spending portray effectiveness? How much revealed is rule of law in CG spending? And what is the level of accountability in CG spending? On the basis of key findings, it is concluded that adherence of the school committees (SCs) to good governance principles in CG spending was not enough. This was caused by unsatisfactory adherence to good governance attributes of effectiveness, rule of law and accountability in CG spending. The study, with reference to the Agency Theory (AT), has generally shown that

control in CG spending relates to adherence to good governance principles. The results are important in the implementation of Primary Education Development Programme (PEDP). In this case the local councils and other stakeholders are urged to develop strategies to strengthen adherence to good governance principles in CG spending in Government primary schools (GPSs). This can be done by improving effectiveness, rule of law and accountability:

- Effectiveness can be improved by ensuring that: (a) the CG is adequately and timely disbursed to GPSs; (b) all school's CG expenditures are formula-based; (c) the CG is incorporated in the school plans; and (d) the parents elect their representatives to SCs who are ready to spend their time for school committee work.
- The rule of law can be improved in three ways: (a) all members of the SCs receive training in financial management; (b) all members of the SCs are knowledgeable of PEDP financial and procurement guidelines; and (c) increase penalties for the misuse of the CG.
- Accountability can be improved by ensuring that: (a) Civil Society Organisations (CSOs) have access to CG spending records in GPSs; (b) CG spending reports and school quality assurance reports are submitted to local councils timely and accurately; and (c) objectives, rules and procedures are clearly and more tightly defined.

On the other hand, further research is recommended to establish the relationships between socio-economic factors and school committee member's readiness to spend time for school committee work.

Acknowledgement

Many people contributed to the completion of this research work. We would like to express our sincere gratitude to the Government of Tanzania for making this work possible. Special thanks are also due to members of staff in the Department of Development Studies of Sokoine University of Agriculture for their co-operation and invaluable assistance.

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