

ADOPTION OF FINANCIAL APPLICATION SYSTEM IN PLANNING AND BUDGETING ON PROCUREMENT MANAGEMENT AT HERMANN GMEINER SCHOOL AT SOS ELDORET, UASIN GISHU, KENYA

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ABSTRACT

Proper planning and budgeting in Financial Application Systems improves procurement management process by raising efficiency through reduction of pilferages. An institution that plans and budgets is perceived to have benefits in acquisition of quality goods, optimization and utilizations of available resources. Organizations adopting use of FAS in planning and budgeting viz: Item identification, costing, scheduling resource allocation in procurement management enhances transparency, accountability in the process. However, issues arise from improper planning and budgeting using FAS resulting in mismanagement of funds and delay. Schools are susceptible to frauds and malpractices associated with manual functioning of planning and budgeting in procurement management process. The study assessed adoption of planning and budgeting in Financial Application Systems on procurement management at SOS Eldoret, Uasin Gishu, Kenya. Census research design was employed with target population of Program Director, 10 Board Management Committee, 16 Finance officers and 52 Teacher of HGS. Census sampling technique was used. Data was sourced using structured questionnaire and interview schedules which was classified and tabulated to generate tables and figures. Finding showed that costing mechanism (Cost management, cost estimates cost benefit analysis and price fluctuation) in FAS was found to provide controls for procurement planning. FAS is useful in making cost estimates of services and goods to be procured raising efficiency and reduction of pilferages. Identifying right items in procurement ensures quality goods and services within limited resources and institutional capabilities. Scheduling in procurement process help listing all product milestones, duty allocation intended start and finish dates. Finding further showed that resource allocation for procurement planning process is value adding and cost effective. Study recommends HGS policy on planning and budgeting using FAS to account for steps in procurement planning process, recruit right staff to run system effectively to achieve best results and customize costing mechanism to compute all cost involved and cost overrun.

Keywords: Financial Application systems, Planning and budgeting, Procurement management, Costing Mechanisms, Resource allocation.