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**IMPACT OF FINANCIAL MANAGEMENT PRACTICES ON FINANCIAL  
SUSTAINABILITY OF FOOTBALL KENYA FEDERATION**

FRANKLINE SHABANJI

71941



**A RESEARCH THESIS SUBMITTED TO THE STRATHMORE UNIVERSITY  
BUSINESS SCHOOL IN PARTIAL FULFILMENT FOR THE DEGREE OF  
MASTER OF COMMERCE STRATHMORE UNIVERSITY BUSINESS SCHOOL**

2023

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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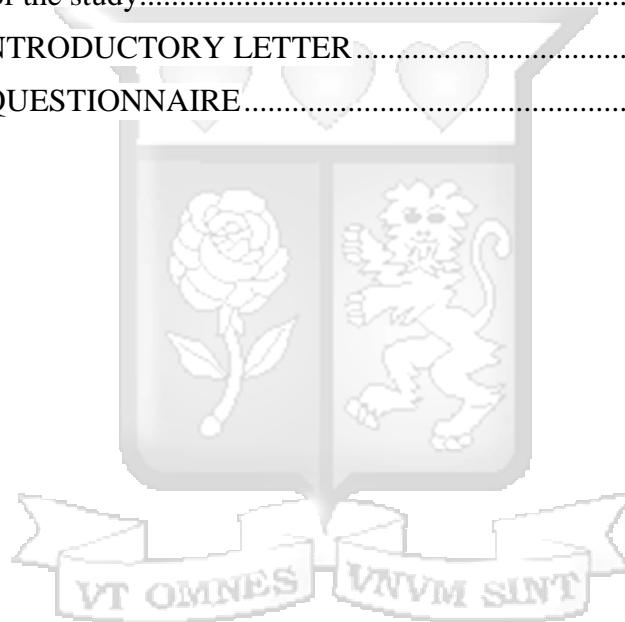


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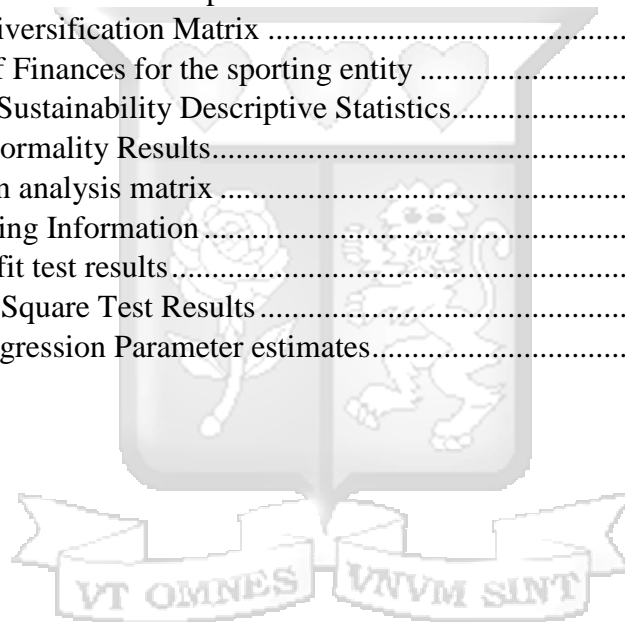
## ABSTRACT

Sports federations suffer from limited financial sources majority of which includes scanty sponsorship, minimal gate collection, league fees among many other sources. This study investigated the financial management practices in sport federations based on a case study of Football Kenya Federation and the various sources of funds available for the sport federations. The study is anchored on the cash management theory and the risk management theory. Specifically, the study sought to establish the influence financial reporting, budgeting, working capital management, investment decisions, financing decisions and accounting information systems on financial management in sport federations based on a case study of Football Kenya Federation. Therefore, the target population in study was 136 constituent members. The study adopted a stratified proportionate sampling technique to select the sample of 101 constituent members of FKF. The study used primary data and secondary data. Primary data was obtained using self-administered questionnaires while secondary data was obtained from Football Kenya Federation. Two respondents, the chairperson and finance managers, were selected from each of the constituent members of FKF and hence 202 questionnaires were issued. The questionnaire is made up of both open ended and closed ended questions. Data was analysed using Statistical Package for Social Sciences (SPSS Version 25.0). The study established that a significant change in financial sustainability of the sports federations is as a result of financial management practices adopted by the organizations such financial reporting ( $R^2=-0.060$ ,  $P=0.604$ ), budgeting ( $R^2=-0.276$ ,  $P=0.034$ ), working capital management ( $R^2=0.463$ ,  $P=0.022$ ), accounting information systems ( $R^2=-.551$ ,  $P=0.003$ ), investment decisions ( $R^2=0.153$ ,  $P=0.501$ ) and financing decisions ( $R^2=0.279$ ,  $P=0.05$ ). Working capital management, Financing decisions, budgeting, accounting information system have a statistically significant effect on the financial sustainability of the sport entities while financial reporting and investment decision has a statistically insignificant effect on the financial sustainability of the sport federations.



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## ABBREVIATIONS AND ACRONYMS

<b>CMA:</b>	Capital Markets Authority
<b>FKF:</b>	Football Kenya federation
<b>FM:</b>	Financial Management
<b>ISO:</b>	International Organization for Standardization
<b>NWC:</b>	Net Working Capital
<b>PLS:</b>	Partial Least Squares
<b>RM:</b>	Risk Management
<b>ROA:</b>	Return on Assets
<b>SMEs:</b>	Small and Medium Enterprises
<b>SPSS:</b>	Statistical Package for Social Science



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Sports as an activity are attracting the interest of millions of people worldwide and it is indeed, considered a universal activity that permeates every society at every corner of the world (Miragaia et al., 2019). Mwisukha & Mabagala (2010) posit that sports serve as more than entertainment for spectators; it contributes to the physical and health wellness of individual participants; it contributes to the political and social-economic development of a country.

Mwisukha et al. (2003) argues that popularity of sports gives commercial organizations an opportunity to use sporting events as avenues of marketing and advertising of their goods and services. They also posit that sport is a commercial industry that employs many individuals in various capacities such as sports administrators, coaches, managers of sports facilities, professional sportsmen/women among others. Mwisukha & Mabagala (2010) argue that sports products can be manufactured and sold to earn a country foreign exchange. They also posit that sports can lead to the development of sports facilities such as stadiums, gymnasiums, golf courses, swimming pools that have a multiplier effect in the development of accompanying infrastructure such as shopping centres roads, electricity and water supply, health facilities, hotels and others. Governments worldwide have recognized the importance of the sector and have as such committed themselves to supporting the independence of sports associations (Procházka, 2012).

Despite the gains in popularity and commercialization of various sports disciplines across the world various challenges have been experienced by various sports associations. The challenges vary from corporate branding challenges, infrastructural challenges, management challenges and financial challenges among others. Jankovic & Jaksic-Stojanovic (2019) posits that corporate branding requires heavy investments to gain loyal and satisfied sports consumers, however, these investments are not directly correlated with increased revenues and thus deemed as costly as it increases costs of operations which hampers the sustainability of the sporting entity. Similarly, Adelphi University (2020) posit that there are higher brand stakes with heavy social media presence especially when faced with a fallout from offensive or controversial statements.

Krsteska (2015) established that challenges that plague sports clubs in Serbia include the management sports clubs' facilities is not based on competences, financial effects or sporting results. Voluntarism in sports management, which is common in Serbia, has created vague organizational, property-legal, and administrative relations that have contributed inefficiencies, financial losses and loss of control over the assigned infrastructure.

Financial management has been identified as one of the biggest challenges in the sporting world affecting both clubs and football associations. Miragaia et al. (2019) established that there were huge rise debt levels incurred by professional football clubs which brought challenges and the need to improve their efficiency levels. The study established that only 66.67% of clubs that had won titles in football leagues in German, English, Spanish, French and Italian leagues between 2009 and 2014 were financially sound and 33.33% were inefficient. Similarly, Thiga (2014) posits that sports in Kenya in general is considered financial improbable due to continued financial constraints and mismanagement. Financial constraints have resulted from the withdrawal of sponsorship by government and other sponsors. Commercialization of sport has seen various challenges as corporates are not keen to take up advertising or sponsorship deals with federations. To this end, sports entities should improve their management and control of financial resources available in order to grow the sporting industry.

The sport sector in many countries consumes very high budgetary allocation and therefore sound financial management is paramount (Zietlow et al., 2007). A lot of resources are involved in running organizations and therefore to get value from those investments require a lot of transparency and accountability from the people in charge (Miragaia et al., 2019). Hence prudent financial management is critical for growth of the sports industry. Financial management is concerned with organization's decisions on how to source for funds, how to control financial resources through financial controls, prudent allocation of financial resources and accountability measures (Cordery et al., 2016). It is fundamental for the success of any entity. According to Herranz et al. (2017) the rationale for financial management is raising funds for both short term and long-term use and enhancing proper utilization of the funds.

In Kenya, football was introduced by the British settlers and it grew in importance up to early 1990s. In the following years Premier League, Kenya's top domestic soccer league, experienced a decline in performance and sustainability. Over the years, Kenya's football has suffered corruption, mismanagement and decline in revenue which has had any major effect on regional, continental and global events (Kinyariro, 2018). By 2021, the national football league

is seen as a financially improbable investment that is based on the will to maintain the tournament by sponsors, supporters and even employees. This situation continues to deny Kenya's new bunch of talented players a reputation stage for enhancing their skills and living with soccer in a decent way (Thiga, 2014).

Financial management is to identify, acquire, allocate and use financial resources in accordance with the objective of the organization (Finkler et al., 2008). The Key elements in financial management are financial planning, control and financial decision making. (McMenamin, 2005). Financial Planning is concerned with ensuring that an entity has adequate resources at the appropriate time to run the activities in the short term and long term (Finkler et al., 2008). Short term needs of sporting federations include investment in equipment, payment of salaries, and organization of sporting activities among others. Long term needs may include in acquisition of land and other assets such as sports facilities like stadiums, swimming pools among others. Long argue that budgets are critical in prudent financial management especially in capacity-constrained environments and are critical in the financial planning process. Secondly, Financial control involves ensuring that an entity is able to meet its goals and include efficient assets utilization, Security of assets and whether the management acts in the best possible manner with the interest of stakeholders taking precedent as well as keeping in mind the sporting rules of operations. Lastly, Financial decision-making relates to investment decisions, financing decisions and dividend decisions. Financing decision involve the selecting the avenues through which the activities of an entity was financed. For instance, finance can be raised through taking short or long-term borrowing from banks, credit from suppliers or retained earnings (Thiga, 2014).

Financial management can be looked at from a descriptive, operational and analytical point of view (Sretenka Dugalić, Krsteska, 2015). They posit that descriptive involves sources of funds, financing decisions, investment decisions and capital budgeting while operational involves financial management in the long run and in the short run. McMenamin (2005) postulated that two dissimilarities, a time horizon of more than one year for long term financial management includes the management of current assets and liabilities, while the short-term financial management has less than one year's time horizon.

Zada et al. (2019) posits that there are five financial management practices namely financial reporting and accounting information systems, working capital management, investment decisions and financing. The financial management should include maintaining a precise

financial transactions records and connecting the budget to the strategy and ensuring that financial reports meet the expectations of the finance source (Njonde & Kimanzi, 2014). Secondly, Al-Hassan et al. (2013) asserted that it is the role of the accounting officer or any other designated executive officer to manage the funds of an organization i.e., working capital management. Different organizations have varied ways of accounting depending on the sources of funds. It ensures that funds are managed efficiently and that financial management deals with the efficient funds use. It is a method to demonstrate and assess the financial position of a company over an amount of time. These practices include financial forecasting, budget management, monitoring and internal control. He further postulates that if these activities are not performed properly and effectively the local Institutions will end up performing poorly (Al-Hassan et al., 2013)

Experts in finance intimate that for effective financial management, an organization must be careful, efficient and effective. Financial management is a control system that allows the available resources to be optimally utilized to produce good results. It also includes the development of organizational goals and programs to attain these objectives of the sponsor/donor (Karadag, 2015)

### **1.1.1 Football Kenya Federation**

The Football Kenya Federation (FKF) is the governing body of football in Kenya. The FKF organizes the Kenyan Premier League, the Kenyan Women's Premier League, FKF Division One, FKF Women Division One and Kenya national football teams. Football Kenya Federation (FKF) is an organization of an associative nature registered in Kenya in compliance with the Sports Act No. 25 of 2013 as a National Sports Organization. It is formed for an unlimited period and is an affiliated member of FIFA, CAF and CECAFA.

### **1.2 Statement of the Problem**

Financial management remains the life blood of every organization and there is need to ensure effective and proper use of financial resources as per the objectives and budgets of various funding (Finkler et al., 2008). Lack of proper financial management practices structures has over time deprived football clubs the privilege to maximize their potential towards contributing fully to the economic development of the country (Kinyariro, 2018).

Over 10 years ago, studies by Mwisukha et al. (2003) and Mwisukha & Mabagala (2010) established several challenges that affect sport federations across East Africa. The challenges

were lack of proper funding for management of sports; lack of trained professionals in sports administration and management and disputes and wrangles over leadership positions as well as opportunities for control of financial and other resources. These among other challenges have led to Football Kenya federation having financial management issues where diversion of funds, misappropriation and imposition of unauthorized levies has been the norm rather than the exception (Musonye, 2017).

Mwisukha and Mabagala (2010) argued that the way forward for management of sports across the East African region include the following: The professionalization of sports management by introducing a requirement of mandatory sports management training background as a criterion for appointment or election in sports management position. Secondly, the diversification of funding avenues for sports programmes in the region since government budget allocations have been on a decline. The alternative avenues as proposed are lotteries and raffles, Sports clinics, coaching seminars and courses, maximization of gate collections and sponsorship deals among others.

Close to 10 years later, Sports federations and clubs still exhibit challenges associated with lapses in prudent financial management. This is attributed to the fact that there are cases of failure to pay players on time, travel and accommodation issues for national team players, lack of facilities and facilitation for training by some as well as the poor quality and pace of renovating the various sporting facilities across the country (Kanairo, 2017). In addition, sports federations suffer from limited financial sources majority of which includes scanty sponsorship, minimal gate collection, league fees among many other sources. Thiga (2014) adds that the main problem is the Federation's ability to ensure funds from various sponsors and partners are utilized for the intended purpose, in order to keep its income and costs financially Sustainable, to consistently improve its investment and wisely apply sound financial practices. Therefore, it's important to investigate the extent to which financial management practices have been implemented in sports federations in Kenya and establish the practices that are statistically significant.

### **1.3 General Objective**

This study aims to identify and analyse the financial management practices that contribute to the financial sustainability of sports federations in Kenya.

## **1.4 Specific Objectives**

The specific objectives of this research work are:

1. To establish the financial management practices applied by Sports federations in Kenya.
2. To determine the innovative financial matrix for sports federations in Kenya.
3. To establish the relationship between financial management practices and financial sustainability of sports federations

## **1.5 Research Questions**

1. What are the financial management practices applied by Sports federations in Kenya?
2. What is the revenue diversification matrix for sports federations in Kenya?
3. Is there a relationship between financial management practices and financial sustainability of sports federations?

## **1.6 Scope of the Study**

The study investigated the factors influencing financial management in sport federations based on a case study of Football Kenya Federation. This research was conducted in Football Kenya Federation. Musonye (2017) posits Football is the most prevalent in Kenya and hence provided a broader perspective on sports development in Kenya. The research examined how sources of funding, budget management, liquidity position, and management quality and working capital influences financial sustainability in sport federations based on a case study of Football Kenya Federation. The study was done for a period of 6 months between January and June 2022

## **1.7 Significance of the Study**

### **1.7.1 Sports Federations**

For existing as well as aspiring sports associations, this study may be useful in giving direction on how to manage their finances. The management of these organizations would be better placed to utilize the revenue-generating opportunities available to them. They would be well positioned to propose and negotiate on those that may currently be under-utilized by the corporate sector.

The FKF management may benefit substantially from this study by understanding the various factors that affect their financial management. This way, the findings of this study may be essential to them as they were able to handle the problems encountered in budgeting and how they can purpose to mitigate the challenges since this is one area which leads to success of any sports federation in Kenya.

### **1.7.2 Regulators**

The Government under the Ministry for Youth and Sports may also benefit from the study by understanding factors that have been influencing financial management in FKF and other sports federations. They may hence come up with policies and strategies to tame mismanagement of funds and make commercially feasible local premier league more attractive to the most talented footballers worldwide.

### **1.7.3 Scholars and researchers**

The study may provide new knowledge to the academicians and researchers regarding financial management in sports federations. The findings and recommendations of this research paper may be used as a guide for additional research in this area.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter delved into the literature that has been previously discussed regarding factors influencing financial management in sport federations in Kenya. It discussed the underlying theories and gives the research gap that exists in previous research. The chapter covered the theoretical review in section 2.2; empirical review 2.3; research gaps, 2.4 covers the conceptual framework and the chapter concludes with the chapter summary and research gaps at 2.5.

#### 2.2 Theoretical Review of Literature

The risk management theory and cash management theory will anchor this study. The risk management theory expounds on the utilization of resources in risk mitigation while the cash management theory expounds on the management of cash by entities to ensure that there is sufficient working capital for operations.

##### 2.2.1 Risk Management Theory

This theory was introduced by psychologists Amos Tversky in 1970s. Pollatsek & Tversky (1970) asserts that the Risk Management Model includes the identification and/or prioritizing, followed by co-ordinated and cost-effective resource application, to curtail, monitor and manage the probability and/or impact of unfortunate occurrences and/or to exploit opportunities achievement. Risks could arise from financial sector uncertainty, project failures, potential obligations, credit hazard, accidents, natural events and disasters and deliberate adversary attacks or incidents involving an uncertain or unpredictable root cause (Smith, 1995).

Andrews (1995) argues that evaluation of risk management strategies is a critical component in integrated resource planning. The risks associated with value and scope can be addressed during the process of planning while risks associated with the operating environment need technical analysis within planning models. Robustness and flexibility are key strategies for management of risks posed by the uncertainties. Andrews further posits that standard capacity expansion planning models are poorly equipped to compare risk management strategies. However, acknowledgement of risks or uncertainty by organizations is better at evaluating robustness in risk management.

Leopkey & Parent (2009) identified and characterized the application of risk management strategies in major sporting events from the standpoint of the organizing committee and other stakeholders. They established seven risk strategy categories: risk reduction, risk avoidance, risk reallocation, risk diffusion, risk prevention, relationship management and legal risks. As a consequence, a strategic framework for dealing with risk management issues experienced at sporting events was developed. Effective risk management can offer all organisations, large or small, public and private, far-reaching advantages. They include higher financial performance, better strategic bases, continued to improve delivery of services, greater competitive advantage, less fire-fighting time and less unhappy surprises, increased chances of change initiative, increased internal emphasis on doing the right thing, increased resource efficiency, reduced wasteful spending and potential income (Geeraert et al., 2014).

Effective risk management structure helps to improve decision-making by providing good comprehension and impact of risks. If risks are not dealt with, they can have a negative effect on the value of the stakeholder during risk management practice (RM). Therefore, effective risk management increases the value of shareholders. It significantly improves the financial management practices and thus improves efficiency by establishing a good discipline in risk management. As per Geeraert et al. (2014) trying to ensure the cost-effective exploitation of risk management by an organization first involves creating an approach that constructs and then incorporates well-defined risk management. This theory is relevant to the study as it gives two important aspects of risk management; Planning and control of resources in risk mitigation; it guides on the identification and/or prioritizing, followed by co-ordinated and cost-effective resource application which can be instrumental in guiding the FKF in effective management of resources at their disposal.

### **2.2.2 Cash Management Theory**

Miller & Orr (1966) developed the model for determination of the demand for money by firms. This model was developed by Morton Miller and Daniel Orr and aimed at trying to create a more reasonable way to deal with finance management over Baumol's model. It conjectures that the aggregate cash flows are constantly distributed with very low levels of the mean and standard deviation. This is a stochastic or a probabilistic model which accepts instability in finance management. It accepts that the day-by-day cash flows are unverifiable and, in this manner, take after a trendless random walk. This model thusly sets bounds inside which money ought to be managed. These cut-off points are: A furthest breaking point, which is the most

extreme value of money to be held, Lower restrict, which is the base value of money to be held (thought to be zero), and Return point, which is the target amount of money considered optimal.

Pandey (2008) posits that cash management concept is concerned with the optimization of available cash, maximization of interest earned by surplus funds and reduction of losses caused by delays in the transmission of funds. He further posits that in order to resolve the risks associated with cash flow forecasting and lack of harmonization between cash receipts and cash payments, an entity should formulate appropriate policies for management of cash. These strategies evolve around four facets: Cash planning where cash inflows and outflows ought to be budgeted to project cash surplus or deficit for each period of the planning period. Secondly, management of cash flows should be properly managed i.e., Cash inflows should be enhanced while the cash outflows should be decelerated as much as possible. Thirdly, optimum cash levels should be maintained as an entity should resolve about the appropriate level of cash balances. This involves recognizing the costs of excess cash in addition to danger of cash deficiency in order to match and determine the optimum level of cash balances to hold. Lastly, is the investment of surplus cash in a proper manner in order earn profits. Guevara et al. (2021) argues that an entity should strike a balance between the division of surplus cash balance between alternative short-term investment avenues such as marketable securities, bank deposits or inter-corporate lending.

This theory is relevant to the study as it gives an insight on the planning, control and investment of funds by sport federation. It is critical for the study as one of the problems facing sport federations is the proper utilization of the scarce resources as well as alternative sources of funding where investing of surplus funds is critical. The study aims at establishing the financial management practices that affect the financial sustainability of sporting federations.

## **2.3 Empirical Literature Review**

This section focused on reviewing prior studies on financial management practices and their relationship with financial sustainability of sports federations. The section was split into two parts with part 2.3.1 focusing on financial management practices and section 2.3.2 focused on sources of funds sports federations.

### **2.3.1 Financial Management practices of Sports Federations**

Financial management (FM) is a vital factor in the organization to operate effectively. Many resources are used by running organizations and therefore a lot of oversight and accountability from the management is required to make value from these investments (Zietlow et al., 2007).

Financial management is a framework system for which an organization's resources are directed towards achieving the organization's objectives as well as Sponsors, Partners, donors or Government. Effective financial administration is crucial since it makes sure that a corporation's finances are transparent and accountable and meets expectations of finance sources (Geeraert et al., 2014).

Zada et al. (2019) posits that there are five financial management practices namely financial reporting and accounting information systems, working capital management, investment decisions and financing. Similarly, Lower & Czekanski (2019) argue that there exists both internal and external factors that affect financial managements in organizations. These include sources of funding, budget management, liquidity position, management quality and working capital.

Financial management behaviour refers to the capability to play financial roles in the long and short run. An interpretation of good financial science should support the implementation of the appropriate financial management pattern and can apply it in everyday life (Finkler et al., 2008). Management quality requires management teams to be comprised of managers with good financial governance behaviour was more likely to become acquainted with financial planning, financial control of organisations and evaluating the initial planning action not complying with the conditions occurred and improving financial problems (Karadag, 2015).

According to Business Jargons (2021) investment decisions and financing involve decision making regarding selection of both long-term and short-term assets through which the surplus funds can be invested. Capital budgeting refers to long-term investment decision making while working capital management refers short-term investment decision making.

Ekholm & Wallin (2000) argue that budgeting as a financial management practice entails creating a spending plan that allows organizations to determine in adequacy of funds available for undertaking various activities. Munge et al. (2016) studied the factors influencing financial management in public secondary schools in Nakuru County, Kenya and applied transversal research design. The study showed that budget control and investment controls influenced financial management positively and significantly. The study recommended effective budget management and strong financial controls for public secondary schools. However, a study by Østergren & Stensaker (2011) contradicts the importance of budgets and posits that firms should embrace “Beyond Budgeting” as these new approaches to financial management control aim to address the shortcoming associated with budgets. Similarly, Ekholm & Wallin (2000)

in their seminal work “Is the annual budget really dead?” posit that traditional annual budgets have been incapable of addressing the demands of the competitive environment in the information age while Østergren & Stensaker (2011) argue that traditional budgets are time consuming and focus on cost reduction instead of value creation

### **2.3.2 Financial Sustainability of Sports Federations**

Financial sustainability refers to the ability of a firm to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow growth while maintaining service levels (Joo & Kokabdurri, 2015). Further, they argue that the measures of financial sustainability focus on an organization’s profitability, liquidity, capital structure, cash flow, capacity for growth and debt servicing.

Salim & Bilal (2016) define liquidity as the ability of a company to raise cash when it needs it or the ability to convert assets into cash to pay its present obligations (short-term liquidity). Liquidity is a prerequisite for companies to fulfil their short-term obligations and is measured by the "current ratio" and the "quick ratio." The current ratio sets the connection between existing and current assets. A high current ratio is usually considered as an indicator of how the company can fulfil its short-term liabilities promptly (Rizkiah, 2018). She posits that a fast ratio creates a connection between rapid or liquid assets and existing liabilities. An asset is liquid when, immediately or reasonably soon, it can be converted into cash without loss of value (Atseye et al., 2015). Low liquidity tends to lead to a company's failure to pay its creditors in due time or to fulfil its maturing obligations to credit, service and goods suppliers. This could lead to losses because supplies are not available and insolvency. Moreover, it may affect the operation of the company and in many cases may affect its reputation if the company cannot meet its short-term liabilities (Salim & Bilal, 2016).

Kruk (2021) defines capital structure of a firm as the composition or makeup of its capitalization which includes all long-term capital resources i.e., Reserves, loans, reserves, bonds and shares. In addition, the capital structure is composed of debt and equity securities which form the permanent financing of an entity. (Mutegi, 2016) measures the capital structure using the debt ratio and the findings of the study showed that financial performance declines with the rise in the debt ratio in the capital structure. This indicates that there is need for capital injection as an alternative to borrowing since debt financing is associated with costs such as interest rates which may exceed the benefits of debt financing. The study recommends that

firms should reduce the financial leverage in their capital structure with the aim of enhancing the financial performance and creating huge value for its shareholders.

### **2.3.3 Relationship between financial management practices and financial sustainability**

Njonde & Kimanzi (2014) studies one aspect of financial management practices; Financial reporting and accounting information systems. They studied the IFMIS, a financial reporting and accounting information system and the study found that IFMIS has been effective in financial reporting and budgeting. The study also revealed that there was a positive relationship between the efficacy of IFMIS on financial management and financial reporting, internal controls, budgeting and projects management. Prudent financial management practices require management accounting should consist of a precise record of all money transfers linking the budget to the financial and tactical plans of the company (Njonde & Kimanzi, 2014; Gallardo-Guerrero et al., 2008). Despite, the positive relationship between financial reporting and accounting systems and financial sustainability, an important aspect of stakeholder participation and transparency (access) are critical. This was advocated by Maina (2013) who studied factors influencing effective financial management systems in government sector based on a case of Kitui Central ministerial departments in Kenya. The study showed that 66,7% of respondents did not participate in the budgeting process and they did not have access to expenditure budgets and the government financial reports. This made it difficult to assess whether public resources were being applied prudently. On the basis of the findings, the study recommended that the legal framework be supplemented by clear financial rules and financial reporting instructions; improved public access to revenue and expenditure documents and adoption of transparent accounting systems that comply with the International Public Sector Accounting Standards are critical in order to address some of the challenges.

Majakusi (2019) studied the effects of liquidity management on commercial banks financial sustainability for the period between 2010 and 2014 using a descriptive research and regression analysis. He established that ROA and liquidity management are positively correlated with a statistically significant correlation coefficient. This means that good financial health and sustainability of firms are caused by enough cash. The study also showed that management of liquidity explains 34 per cent of the financial returns achieved by variability. Furthermore, the study showed that the banks were able manages their liquid assets well to satisfy customers' demands for cash without putting the institutions at risk, to absorb sensible operational and functional losses. This is similar to a study by Songe (2015) who studied the effect of liquidity management on the financial performance of deposit taking Sacco's in Nairobi County. The

study establishes that financial performance is positively related to liquidity, liquidity risk financing, production performance, rapid ratio and the record of total assets.

#### **2.3.4 Sources of Funds and Financial sustainability**

Mwisukha & Mabagala (2010) identified funding of sport federation, financial planning and control and lack of diversified revenue as some of the major impediments in the sustainability of sport federations. A study by Guevara et al. (2021) on the financial sustainability and earnings management in the Spanish Sports Federations using a multi-Theoretical approach established that Spain boasts of a mixed model where sports federations main source of funds is in the form of unconditional grants from the CSD (Supreme Council for Sports) in addition to revenues from private sources (international organizations, licenses & sponsors). The study establishes that the sports federations receive over 90% of their revenue from the government with the remaining 10% coming from private funds. However, this can be attributed to the fact that Spain considers high-level sports a State Interest and this the development of high-level and high-performance sports resides with the National Sports Federations through which public resources are channelled. The NSFs depend primarily on these funds and they must manage the funds efficiently in order to achieve competitive results. From this perspective, sustainability necessitates a triple bottom line approach, where improvements in performance are pursued in the economic social and environmental and economic dimensions. Since NSFs are entities with environmental and social goals, there is a growing need for cost containment and management of resources efficiently.

In contrast to the findings by Guevara et al. (2021), a study by Barget & Chavinier-Rela (2017) establishes that amateur clubs strongly rely on one revenue stream i.e., member fees and there is need for diversification of revenue streams. Their study focused on analysis of funding sources for Amateur sports clubs in Europe established that heterogeneity of financial resources is the main characteristic of sources of funds similarly to the Guevara study. Barget and Chavinier focused on respondents from different sporting disciplines across different countries in Europe namely France, Czech Republic, Germany, Netherlands and Spain. The study applied OLS to establish the significant variables that affect financial sustainability of the sports clubs. They analysed membership, no of employees in a club, the level of high-ranking sportsmen in the club, the revenue of the club and costs of running the club. On the sources of revenue, the study established that only four sources had a significant effect on financial sustainability of the clubs as below;

**Figure 2.1: The funding Structure of Sports clubs in Europe**

	<b>Budget Structure</b>					
	<i>Germany</i>	<i>Spain</i>	<i>France</i>	<i>The Netherlands</i>	<i>Czech Republic</i>	<i>All clubs</i>
<b>Membership</b>	58.6%	69.2%	43.5%	48.3%	15.2%	56.4%
<b>Subsidies</b>	8.6%	8.8%	31.9%	5.3%	33.5%	14.1%
<b>Sponsorship</b>	13.2%	12.5%	6.7%	11.5%	22.3%	11.8%
<b>Business revenues</b>	19.6%	9.5%	17.9%	34.9%	29.0%	17.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source. Athens Journal of Sports, March 2017

Wicker & Breuer (2014) recognizes that Sport governing organisations play a critical role in the sports system. Their study analysed the financial conditions of Sport governing organisations which had been neglected in previous studies. Basing the findings on financial portfolio theory, the study proposed that revenue diversification levels had a positive effect on financial status of the entities (measured through break even, total revenues, profit and investments). Furthermore, the effect of financial success and sport-related factors was examined using data collected from sport governing bodies in Germany where a sample size of 1,080 respondents was investigated. The results showed that there were relatively high levels of revenue diversification in sports as compared with other industries. In summary, the study established that cost optimization, revenue diversification and hosting of major sporting events positive effect on the financial status while increased memberships in clubs and organizing frequent competitions had a negative effect

In a different study, the Expert Group on Sustainable Financing of Sport (2012) proposes other avenues for sustainable financing of sport that include sponsorship and donations, Lotteries, gambling and betting, media rights as well as public sector subventions such as infrastructure and support for individual sports clubs. Similarly, Cordery & Baskerville (2012) concur that insufficient funds hampers the financial sustainability of football clubs and argued that financial sustainability of non-profit organizations is impacted negatively when revenue generation is concentrated on a small number of potentially unpredictable sources. They posit that entities with more diversified revenue streams were more likely to enjoy financial sustainability. However, the study establishes that despite the availability of alternative sources

of revenue most clubs sought revenue from ‘traditional’ means and they applied a risk averse rather than been risk-taking approach when it came to revenue diversification.



## 2.4 Summary of Literature and Research Gaps

Various studies have been conducted in relation to Gaps are illustrated in Table 1 below:

Authors/ year	Objective of the study	Main findings and Conclusions	Knowledge Gaps identified
(Kinyariro, 2018)	To study the relationship between financial management practices and financial stability of football clubs in Kenya	Financial stability of clubs can be improved through winning matches and enhancement of financial management structures.	It contradicts findings by (Barget & Chavinier-Rela, 2017) that financial performance is matched by winning matches
(Thiga, 2014)	Financial management practices affecting the growth of football clubs in Kenya	Sponsorship from Parent organizations accounted for the largest share	The sample only constituted of clubs in the top flight clubs
(Zada et al., 2019)	Financial management practices affecting on the development of SMEs in Pakistan	The study establishes a significantly strong positive correlation between financial management practice and firm growths.	Geographical and Sectoral Gap. The study is domiciled in Pakistan and focused on SMEs in Agricultural Sector

(Barget & Chavinier-Rela, 2017)	The Analysis of Amateur Sports Clubs Funding: A European Perspective	sporting level of the club, the size of the budget, the organization of sporting events, the percentage of women, been positively correlated with revenue diversification.	Geographical Gap. The characteristics of Amateur sports in Europe is not similar to the Kenyan context
(Guevara et al., 2021)	Financial Sustainability and Earnings Management in the Spanish Sports Federations	Study provides evidence that long-term debt levels and the size of sports federations are determinants of earnings management	Geographical Gap The study is domiciled in Spain. The level of sports development in Spain and Kenya is considerably different
Munge et al. (2016)	Factors Influencing Financial Management in Public Secondary Schools in Nakuru County, Kenya	Budget control and investment controls influenced financial management positively and significantly	Contextual Gap The study is focused on Public Secondary Schools in Nakuru. The findings cannot be generalized to sporting federations
Østergren & Stensaker (2011)	Management control without budgets: A field study of “Beyond Budgeting” in practice	importance of budgets and posits that firms should embrace Beyond Budgeting as these new approaches to financial management control aim to	Geographical Gap The study is domiciled in Europe. The level of adoption of financial management controls is considerably different across Europe as compared to Kenya

		address the shortcoming associated with budgets	
Ekholm & Wallin (2000)	Is the annual budget really dead?	Traditional annual budgets have been incapable of addressing the demands of the competitive environment in the information age	The study is domiciled in Europe. The level of adoption of financial management controls is considerably different across Europe as compared to Kenya
Atseye et al. (2015)	Determinants of Working Capital Management	Working capital affect the operation of the company and in many cases may affect its reputation if the company cannot meet its short-term liabilities	The study focused on working capital management and hence limited in scope
Majakusi (2019)	Effects of liquidity management on commercial banks financial sustainability	ROA and liquidity management are positively correlated with a statistically significant correlation coefficient	Contextual gap. The study focused on the banking sector and hence generalizability is limited

**Table 2.1: Research Gaps**

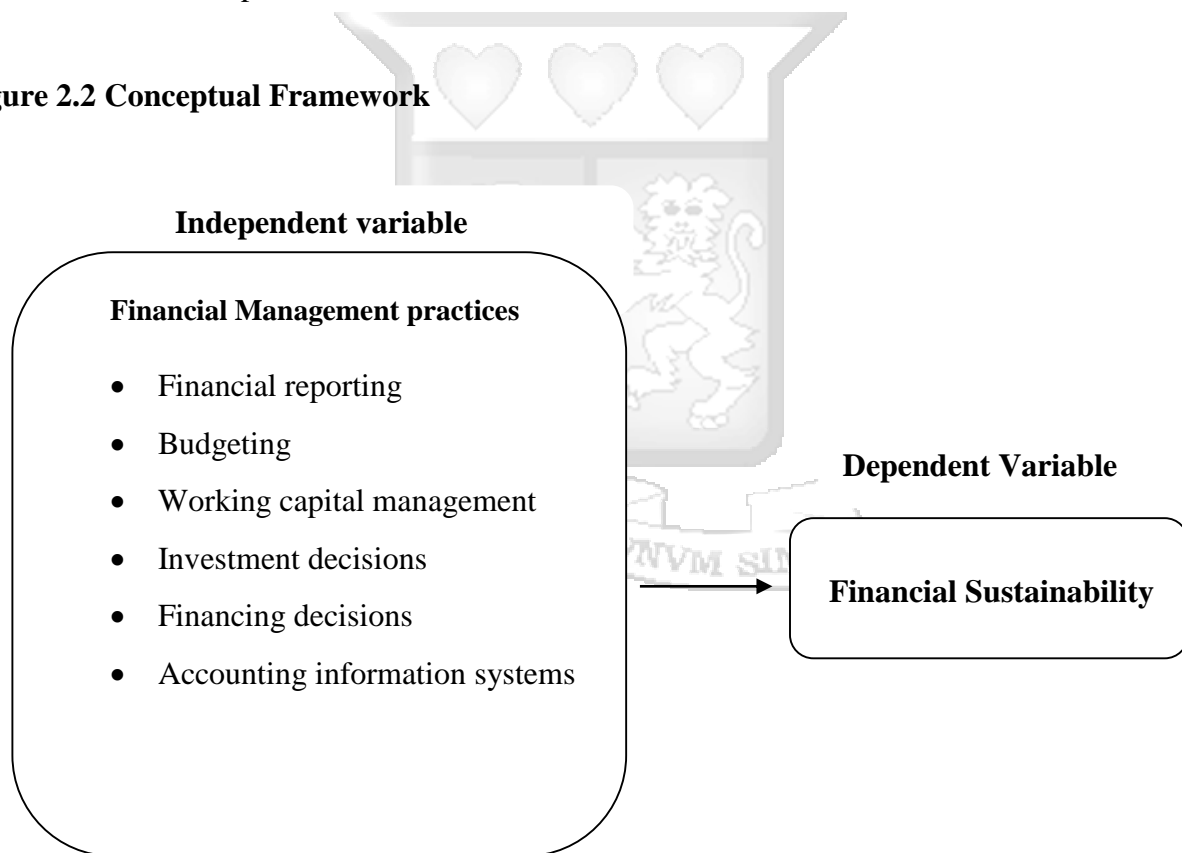
Source. Researcher (2022)

## 2.5 Conceptual Framework

The conceptual framework is used to define the nature of research variables that would be studied and how they would be measured. A conceptual framework illustrates and provides a clear and understandable and reliable foundation for the formulation and classification of selected variables in the theories and conceptual variables surrounding research interests.

The study seeks to establish how financial sustainability of sport federations which is the dependent variable is affected or determined by the independent variables of the study which are summarized into six financial management practices namely financial reporting and accounting information systems, budgeting, working capital management, investment decisions and financing decisions while the dependent variable.

**Figure 2.2 Conceptual Framework**



Source. Researcher (2022)

## 2.6 Operationalization of the variables

Kinyariro (2018) applies investment practices, financial reporting framework, working capital management and financing activities as the independent variables which affect the financial

sustainability of soccer clubs. In another study, Zada et al. (2019) identifies working capital, financial reporting and analysis, accounting information systems, investment and financing as the independent variables that affect the growth of SMFEs. This study will apply and measure its variables as follows;

**Table 2.2: Operationalization of Variables matrix**

<b>Variable</b>	<b>Indicators</b>	<b>Attributes</b>	<b>Measure</b>	<b>Supporting Literature</b>
<b>Financial Management Practices</b>	1. Financial reporting	1. Adherence to reporting regulations 2. Audit of Financial reports 3. Access to Financial Reports 4. Transparency in Financial Reporting	Likert Scale	Thiga (2014)
	2. Budgeting	1. Transparency in Budgeting 2. Cost Containment 3. Prioritization of Needs	Likert Scale	
	3. Working capital management	1. Payment to stakeholders 2. Financial reserves, 3. Diversification of income	Likert Scale	Stewart (2020)
	4. Investment decisions	1. Investment of funds in value adding assets	Likert Scale	
	5. Financing decisions	1. Financing of Operating Expenditure 2. Financing of Acquisition of Assets 3. Transparency in Financing of the organization	Likert Scale	
	6. Accounting information systems	1. Adoption of Accounting Information Systems 2. Use of manual Accounting Systems 3. Training of staff on AIS	Likert Scale	
<b>Financial Sustainability</b>	1. Liquidity		a) Likert Scale	Stewart, (2006)
	2. Debt management			Stewart, (2020b)
	3. Diversified revenue			

**Likert Scale:** Questions will contain 5 response options. The selections range from Strongly Disagree to Strongly Agree to ensure the researcher gets a holistic assessment of people's opinions as well as their level of agreement.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The chapter examined how the study was conducted to achieve the research objectives. This chapter describes the research philosophy in Section 3.2; research design section 3.3; population and sampling 3.4; Data collection methods section 3.5; data analysis in section 3.6; research quality in section 3.7 and ethical issues in section 3.8.

#### 3.2 Research Philosophy

Research philosophy explains the way evidence about a phenomenon should be gathered, analysed, and ultimately used (Saunders et al., 2015). Ancient philosophers established two main forms of reasoning, which are phenomenology or constructivism and philosophical positivism, to check the validity of their observations and to construct rational arguments (Warfield, 2010). This type of reasoning provides framework for the kind of logical analysis that drives scientific research and discovery (Palinkas et al., 2015).

The study adopted a positivist philosophy where the researcher is an objective analyst who dissociated from personal values and opinions and works independently (Zukauskas et al. 2018). The researcher relied on quantitative data that is reliable and factual than qualitative data that. Positivism also allowed the researcher to follow a well-defined structure in the data collection, analysis and discussion of the findings hence increasing its objectivity (Saunders et al. 2009).

#### 3.3 Research Design

This study employed correlational descriptive survey research design. Siedlecki (2020) asserts that the descriptive design is instrumental when the study aims at describing individuals, conditions or events by studying them as they are in nature. The advantage of this design is that researcher does not manipulate the variables but rather describes the variables or the population. Heppner et al. (2016) argued descriptive survey design is relevant where the overall goal is to determine whether there is a strong relationship between variables at a certain point in time. The design was ideal since it seeks to describe the characteristics of certain groups, estimate the proportion with certain characteristics and make predictions. This design involved the collection of quantitative data for

carrying out inferential analysis and for describing and explaining themes of behaviour discerned about the factors influencing financial management in sport federations based on a case study of Football Kenya Federation.

### 3.4 Population and Sampling

#### 3.4.1 Population

The target population is defined as the entire group of persons, units or elements to which the researchers is interested in simplifying the conclusions (Israel, 2013). Therefore, the target population was the Football Kenya Federation constituent membership. The membership of FKF is composed of Premier League Clubs; National Super League Clubs; National Division One League Clubs; Division Two League Club; The 48 Counties of FKF; FKF recognized Association for Football Referees; FKF recognized Association for Football Coaches; FKF recognized Association for Football players; FKF recognized Association for Women’s Football. FKF Women’s Premier League (Premier League and Division One League).

**Table 3.1: Study Population**

	Federation Membership	Total Membership
1	Premier League Clubs	18
2	National Super League Clubs	18
3	National Division One League Clubs	32
4	The 48 Counties of FKF	48
5	FKF recognized Association for Football Referees	1
6	FKF recognized Association for Football Coaches	1
7	FKF recognized Association for Football players	1
8	FKF recognized Association for Women’s Football	1
9	FKF Women’s Premier League	16
	Totals	136

### 3.4.2 Sample Size

A sample is a representative portion of the population of interest which is chosen randomly (Israel, 2013). The size of the sample was established at 95% confidence level and an error of 0.05 utilizing the Yamane 1967 formula as shown below;

$$n = \frac{N}{1+N(e)^2}$$

Where **n**= sample size

**N** = Population Size

**e**= tolerance of desired level of confidence (take 0.05) at 95% confidence level)

$$n = \frac{136}{1 + 136 \times (0.05)^2} = 101$$

The sample size was 101.

#### 3.4.2.1 Study Respondents

The study used a stratified proportionate random sampling procedure to select the respondents. The objective of a stratified random sample is to obtain the desired representation of different subgroups in the population. The selection of the current subgroups in the population is more or less representative of the sample in stratify random samples (Etikan & Bala, 2017). The sample size was the sampling ration have calculated and then multiplied with target population for targeted group Table 4.

**Table 3.2: Sampling Frame**

	Federation Membership	Total Membership	Ratio	Sample	Respondents: Chairperson & Finance	Total
1	Premier League Clubs	18	0.74	13	2	27
2	National Super League Clubs	18	0.74	13	2	27
3	National Division One League Clubs	32	0.74	24	2	47

4	The 48 Counties of FKF	48	0.74	36	2	71
5	FKF recognized Association for Football Referees	1	0.74	1	2	1
6	FKF recognized Association for Football Coaches	1	0.74	1	2	1
7	FKF recognized Association for Football players	1	0.74	1	2	1
8	FKF recognized Association for Women's Football	1	0.74	1	2	1
9	FKF Women's Premier League	16	0.74	12	2	24
	Totals	136		101		201

The respondents were the chairperson and finance person for all the representative associations and football clubs. The approach is similar to a study by (Kinyariro, 2018).

### 3.5 Data Collection Methods

The researcher used an introduction letter first for personal identification to the respondents. Still, a research permit letter was obtained from the university to allow the researcher to go the field to collect data. Questionnaire was developed and distributed to the respondents whom were the members of the Football Kenya Federation constituent. This was undertaken through the hand delivery method. A period of three days was allowed for the respondents to respond to the questionnaires which were later collected for analysis.

### 3.6 Data Analysis

All received questionnaires were checked for completeness and properly filled questionnaires referenced and data entry items in the questionnaire coded. After data purification involving the checking for entry errors, it was estimated for all the quantitative variables and information presented in the information table that descriptive statistics, such as frequencies, percentages, average score, median, skewness, kurtosis and standard deviation are available. The qualitative data from open questions are analysed and presented in narrative form using thematic content

analysis. Data reduction was done to reduce the volume of original data to represent it in a much smaller volume. Data reduction ensures the integrity of data while reducing the data (Silipo, 2015).

The following methods was applied

1. **Missing Values Ratio.** Removal of variables with too many missing values as its unlikely that they will have any useful information
2. **Low Variance Filter.** Removal of data columns with little changes in the data was done i.e., data columns with variance lower than a given threshold was removed.

The remaining variables were subjected to Likert scale regression analyses are used to perform inferential data analyses. The data are analysed through the Social Sciences Statistical Package (SPSS Version 25.0). Tests for normality, Kolmogorov-Smirnov and Shapiro-Wilk, were carried out to determine whether the Likert scales regression was ordinal or nominal regression analysis. The regression model that was applied to explain the relationship between financial management practices and financial sustainability was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \epsilon$$

Where: -

Y= Financial Sustainability in sport federations	X <sub>2</sub> =Budgeting
$\beta_0$ =constant	X <sub>3</sub> =Working capital management
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = regression coefficients	X <sub>4</sub> =Investment decisions
X <sub>1</sub> =Financial reporting	X <sub>5</sub> =Financing decisions
	X <sub>6</sub> =Accounting information systems
	$\epsilon$ =Error Term

### 3.7 Research Quality

Research Quality is the scientific process that includes all facets of the study design, methods, the selection of subjects, measurements of outcomes and protection against bias (Maxwell, 1992). The research quality can be broadly discussed in two broad themes: Research Reliability and Research Validity

### 3.7.1 Research Reliability

Creswell & Creswell (2017) defines reliability as a measure of the degree to which an instrument is bias-free and therefore guarantees consistent time and measurement of the different items in the instrument. This is a sign that this instrument measures the concept and helps to estimate the "goodness" of its measurement with stability and predictability (Gorard, 2013). The issue of reliability is whether the results of a study can be repeated. To achieve full trial reliability, the reliability of the data collection instrument is done using the divided half method and then calculated using Spearman Brown correlation formulae. If the sum scale is absolutely reliable, we hoped to have perfect correlation between the two halves. For all the constructs, a 0.7 or higher composite reliability is deemed sufficient for this study (Remmers et al., 1927)

### 3.7.2 Reliability Test Results

The study undertook the reliability test results by using the Cronbach's Alpha that is used to measure and determine internal consistency of items. Cooper and Schindler (2013) indicated that Cronbach Alpha measures range that is between 0-1, therefore, when the Cronbach Alpha has a score between 0-0.6 it shows the instrument reliability is low whereas a score of 0.7 and above is a revelation that the reliability and internal consistency is high.

**Table 3.3: Reliability Results**

Variable	Cronbach's Alpha	Number of Items
Financial reporting	0.984	4
Budgeting	0.986	3
Working capital management	0.989	4
Investment decisions	0.987	4
Financing decisions	0.985	5
Accounting information systems	0.724	4

**Source: Research Data, (2022)**

The presentation shown on table 6 showed the reliability tests using Cronbach Alpha. It was established that for financial reporting, internal consistency was 0.984, Budgeting it had a measure of consistency that was 0.986 whereas Working capital management had internal consistency of 0.989, Accounting information systems had internal consistency of 0.724. Investment decisions the measure was 0.987 and Financing decisions it was 0.985. Going by all the variables' internal consistency measurement of Alpha value, it was over 0.7. The results showed that all the variables were reliable considering that they were over 0.7 thresholds.

### **3.7.3 Data Validity**

Creswell & Creswell (2017) defines validity as the extent to which the test item sample represents the test content; the degree that the information obtained from a particular tool is a specific area or content of a given concept and the content used in this study is of importance. The study used content validity that infers a wide field of objects similar to the test scores. Content validity is with regards to the representativeness of the sample population. The content validity is achieved by asking the supervisor, teachers and other professional for their opinion on the adequacy of the questionnaire and on improving sampling and representation.

### **3.8 Ethical Issues in Research**

Yip et al. (2016) posit that ethical issues form an integral part in research studies relating to the researcher and subject of the study. It involves various international regulations and guidelines that exist on issues pertaining to confidentiality, informed consent, provision of incentives in addition to various forms of research misconduct. During this study, all respondents was guaranteed confidentiality orally and in writing and all respondents not be induced by any financial or material inducement. The researcher sought ethical clearance from the university and a research permit from NACOSTI. On completion, the findings were shared with stakeholders through feedback sessions and through publications in journals for wider academic sharing.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the research findings investigating the financial management practices adopted by sports federations in Kenya and its impact on financial sustainability. Secondary Data comprised of the registration and location of details of constituent member clubs of the football Federation of Kenya and was obtained from the FKF. The primary data was from the questionnaire distributed to the identified constituent member clubs of the football Federation of Kenya and the respondents was either the CEO/Chairperson and the Finance manager of the club.

##### 4.1.1 Background information

The study focused on 101 constituent members of the Football Kenya Federation representing the population of 136 constituent members. The respondents to the questionnaires were the Chairperson and the Finance Manager of each entity giving a total of 201 questionnaires. A total of 201 questionnaires were distributed to the respondents out of which 189 questionnaires were answered well and returned totalling to 94% while 12 questionnaires were not returned and they were 6%. Response rate shows the number of distributed questionnaires, returned and not-returned questionnaires. According to Mugenda and Mugenda (2008), a response rate of 50% is adequate for analysis and reporting, a response rate 60% is good and a response rate of 70% and over is excellent. From this study, having 94% as a response rate was considered excellent for the study. The researcher applied connections gained through his employment at the Football Kenya Federations to convince the respondents to take part in the study and hence the high response rate. The table below shows the response rate as follows;

**Table 4.1: Study Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Returned Questionnaires	189	<b>94</b>
Questionnaires not Returned	12	<b>6</b>
<b>Total</b>	<b>201</b>	<b>100</b>

**Source: Research Data, (2022)**

#### 4.1.2 Demographic Analysis

The information therefore covers the position of the respondent, the education level of respondents and the work experience in the operations of the club.

**Table 4.2: Demographic Analysis Results**

<b>Position in the club</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
CEO/Chairperson	72	38.1	38.1	38.1
Finance	117	61.9	61.9	100.0
Total	189	100.0	100.0	
<b>Professional management experience in the football industry</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	57	30.2	30.2	30.2
1-3 years	77	40.7	40.7	70.9
4-5 years	42	22.2	22.2	93.1
Over 5 years	13	6.9	6.9	100.0
Total	189	100.0	100.0	
<b>How many years has your club being in operations</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
0-3 Years	66	34.9	34.9	34.9
4-5 years	43	22.8	22.8	57.7
6-10 years	79	41.8	41.8	99.5
Over 10 years	1	0.5	0.5	100.0
Total	189	100.0	100.0	

The research findings show that a total of 38.1% of respondents were CEO/Chairperson however 61.9% were Finance Managers of the club. Secondly, majority of the CEO's and Finance Managers 70.9% have professional management experience in the football industry of between 0 and 3 years. 30.2% had been with the club for less than a year, 40.7% have 1-3 years' experience 22.2% had 4 to 5 years' experience while a paltry 6.9% had professional management experience for over 5 years. Lastly, the findings show that 34.9 of the clubs have been in operation for 0-3 years, 22%

have been in operation for 4-5 years, 41.8% have been in operations for 6-10 years' while 0.5% have been in operations for over ten years. From these findings, we conclude that there is a high attrition rate considering that majority of clubs have been in existence for more than 4 years at 65.1%. This shows that the professional management of experience in the football industry is lacking and this compounded with the findings that only 0.5% of the clubs have been in existence for over 10 years.

## **4.2 Financial management practices applied by Sports federations in Kenya.**

The first objective of the study was to establish the financial management practices adopted by sporting federations in Kenya. The study collected responses on structured questionnaires with Likert scale data and responses were measured on range of 1-5 with 1 denoting strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 for strongly agree. The financial management practices under review were financial reporting, budgeting, working capital management, investment decisions, financing decisions and accounting information systems.

### **4.2.1 Financial Reporting**

The study sought to establish whether financial reporting as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations in Kenya. The results of the findings showed that most of the respondents as represented by with a mean of 3.1693 and mode of 4 strongly agreed that the financial Reports are readily available for scrutiny as and when needed. The study also established from the findings with a mean of 3.5820 and a mode of 4 that the financial reports are prepared in a transparent manner and reflect the true position of the entity. The study also showed that the financial reports are audited as per rules and regulations of sport federation as depicted by a mean of 3.4656 and a mode of 5. However, the preparation of financial reports on a regular basis as had a mean of 2.3439 and a mode of 2 denoting that the regular preparation of financial reports was not practiced by the sports entity.

**Table 4.3: Financial Reporting Descriptive Reporting Statistics**

**Financial Reporting Statistics**

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Frequency of financial reports	189	0	2.344	2	2	1.09313	1.195
Auditing of financial reports	189	0	3.466	4	5	1.29858	1.686
Access of Financial reports	189	0	3.169	3	4	1.27284	1.62
Transparency of Financial Reports	189	0	3.582	3	4	3.85783	14.883

This response implied that there was majority of respondents were in agreement that financial reporting as a financial management practice contribute to the financial sustainability of sports federations in Kenya. The findings were therefore in agreement with those of (Geeraert et al., 2014) that stated financial management (FM) is a vital factor in the organization to operate effectively. Many resources are used by running organizations and therefore a lot of oversight and accountability from the management is required to make value from these investments. Financial management is a framework system for which an organization's resources are directed towards achieving the organization's objectives as well as Sponsors, Partners, donors or Government. Effective financial administration is crucial since it makes sure that a corporation's finances are transparent and accountable and meets expectations of finance sources.

**4.2.2 Budgeting**

The study sought to establish whether budgeting as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations in Kenya. The study revealed from majority of respondents agreed that the budgets address the most important needs of the entity with a mean of 3.7831 and a mode of 4 (Agree). The study also established that most respondents were neutral on the transparency in budgets are prepared which had a mean of 3.2963 and a mode of 3 (Neutral). The study also established that budgets are

adhered to with little or no deviation as a cost containment measure as depicted by a mean of 3.7354 and a mode of 4.

**Table 4.4: Budgeting Descriptive Statistics**

**Budgeting Descriptive Statistics**

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Transparency of budgets	189	0	3.296	3	4	1.17012	1.369
Cost Containment:	189	0	3.735	4	4.00 <sup>a</sup>	1.19122	1.419
Budget address	189	0	3.783	4	5	1.21188	1.469

The findings revealed an overall mean of 3.6049 a revelation that Budgeting as a financial management practice contributes to the financial sustainability of sports federations in Kenya. These findings were in conformance with the findings provided by Ekholm & Wallin (2000) argue that budgeting as a financial management practice entails creating a spending plan that allows organizations to determine in adequacy of funds available for undertaking various activities. Munge et al. (2016) studied the factors influencing financial management in public secondary schools in Nakuru County, Kenya and applied transversal research design. The study showed that budget control and investment controls influenced financial management positively and significantly. The study recommended effective budget management and strong financial controls for public secondary schools.

**4.2.3 Working Capital Management**

The study sought to establish whether working capital management as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations in Kenya. The study findings showed the effect of working capital management as a financial management practice contributes to the financial sustainability of sports federations in Kenya. The study established that majority of respondents were in agreement that the entity relies majorly on one source of income to finance its operations, this was confirmed with a mean of 3.7566 and a mode of 4. The study further established that the entity pays all its suppliers without delays as supported by a mean of 3.7725 and a mode of 4. Respondents who were in support that the entity has enough reserves to finance a year of operations had a mean of 3.7937 and a mode of

4. Further analysis showed that respondents with a mean of 3.5368 and a mode of 4 showed that the entity pays its entire staff without delays.

**Table 4.5: Working Capital Management Descriptive Statistics**

**Working Capital Management Statistics**

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Staff payment	189	0	3.773	4	5	1.20993	1.464
Payment of suppliers	189	0	3.773	4	4	1.09936	1.209
Reserves	189	0	3.794	4	5	1.13679	1.292
Source of income	189	0	3.757	4	4.00 <sup>a</sup>	1.16875	1.366

The study findings obtained from the study revealed an overall mean of 3.7738 implying that majority of respondents was in agreement that working capital management as a financial management practice affects financial sustainability of sports federations in Kenya. The study findings were found to be similar to those provided by Business Jargons (2021) investment decisions and financing involve decision making regarding selection of both long-term and short-term assets through which the surplus funds can be invested. Capital budgeting refers to long-term investment decision making while working capital management refers short-term investment decision making. Five financial management practices namely financial reporting and accounting information systems, working capital management, investment decisions and financing. Both internal and external factors that affect financial managements in organizations, these include sources of funding, budget management, liquidity position, management quality and working capital.

**4.2.4 Accounting Information Systems**

The study sought to establish whether accounting information systems as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations in Kenya. The study findings showed the effect of adoption of accounting information

systems as a financial management practice contributes to the financial sustainability of sports federations in Kenya.

The study establishes that the respondents were in agreement that the staffs are well equipped and trained to use accounting information systems depicted by a mean of 4.2381 and a mode of 5. The study also revealed that the entity relies on manual accounting procedures as shown by the mean of 3.9418 with a mode of 4. The analysis further revealed that the entity relies on both manual and an accounting information system had a mean of 3.8042 and a mode of 5. Still, it was noted that the entity used an accounting information system for its financial accounting and reporting as expressed with a mean of 4.0053 and a mode of 5.

**Table 4.6: Accounting Information Systems Descriptive Statistics**

**Accounting Information Systems Statistics**

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Accounting & reporting software	189	0	4.0053	4	5	1.09397	1.197
Manual Accounting & reporting	189	0	3.9418	4	4	0.99563	0.991
Both Manual and software accounting & reporting	189	0	3.8042	4	5	1.17997	1.392
Staff equipped with necessary skills	189	0	4.2381	4	5	0.84515	0.714

From the findings obtained in the study and using the overall composite mean of 3.9974 is an indication that accounting information systems as a financial management practice that contribute to the financial sustainability of sports federations in Kenya. The findings obtained in the study therefore revealed that identifying appropriate Accounting Information Systems those employees can make use and develop positive image towards the financial sustainability of sports federations in Kenya. To confirm the study, it was found that Njonde & Kimanzi (2014) studies one aspect of financial management practices; Financial reporting and accounting information systems. They studied the IFMIS, a financial reporting and accounting information system and the study found that IFMIS has been effective in financial reporting and budgeting. The study also revealed

that there was a positive relationship between the efficacy of IFMIS on financial management and financial reporting, internal controls, budgeting and projects management. Prudent financial management practices require management accounting should consist of a precise record of all money transfers linking the budget to the financial and tactical plans of the company

#### 4.2.5 Investment Decisions

The study sought to establish whether investment decisions as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations in Kenya. The study findings showed the effect of sound investment decisions as a financial management practice contributes to the financial sustainability of sports federations in Kenya. The findings revealed that majority of respondents were in support for idea of sports federations in Kenya investing in Land/Stadiums as revealed by the mean of 4.0635. Whereas other finding revealed that sports federations in Kenya investing in Vehicles & Transport as depicted by mean of 4.0106. The study also confirmed that Buildings and Training Facilities are a good investment decision as evidenced by the mean of 3.9471 and mode of 4, and lastly, the study established that other investments would contribute to the financial sustainability of sports federations in Kenya as shown with a mean of 3.8360 and a mode of 4.

**Table 4.7: Investment Decisions Descriptive Statistics**

#### Investment Decision Statistics

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Land/Stadiums	189	0	4.0635	4	5	0.90283	0.815
Buildings and Training Facilities	189	0	3.9471	4	4	0.93248	0.87
Vehicles & Transport	189	0	4.0106	4	4	0.86288	0.745
Others	189	0	3.836	4	4	0.95627	0.914

#### 4.2.6 Financing Decisions

The study sought to establish whether investment decisions as a financial management practice is adopted by sports federations and contributes to the financial sustainability of sports federations

in Kenya. The study findings showed the effect of sound investment decisions as a financial management practice contributes to the financial sustainability of sports federations in Kenya.

The findings show the factors contribute to your club’s financial sustainability. Going by the responses obtained in the study confirmed that the respondents were in agreement that there is transparency in the manner the finances of the entity are utilized as depicted by a mean of 3.8995. The analysis further revealed that the entity takes loans & overdrafts to finance its day-to-day operations had a mean of 3.7937. Still, it was noted that the entity takes loans to finance acquisition of assets for the club/Federation as expressed with a mean of 3.6243.

**Table 4.8: Financing Decisions Descriptive Statistics**

**Financing Decision Statistics**

	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Funding of Daily Operations	189	0	3.7937	4	5	1.1321	1.282
Acquisition of Assets	189	0	3.6243	4	4	1.21237	1.47
Utilization of funds:	189	0	3.8995	4	5	1.18746	1.41

From the findings obtained in the study and using the overall composite mean of 3.7725 is an indication that majority of respondents were in agreement that there is transparency in the manner the finances of the entity are utilized in sports federations in Kenya. As a result, the findings correlated with those provided by Barget & Chavinier-Rela (2017) establishes that amateur clubs strongly rely on one revenue stream i.e., member fees and there is need for diversification of revenue streams. Their study focused on analysis of funding sources for Amateur sports clubs in Europe established that heterogeneity of financial resources is the main characteristic of sources of funds similarly to the Guevara study. Barget and Chavinier focused on respondents from different sporting disciplines across different countries in Europe namely France, Czech Republic, Germany, Netherlands and Spain. The study applied OLS to establish the significant variables that affect financial sustainability of the sports clubs. They analysed membership, no of employees in a club, the level of high-ranking sportsmen in the club, the revenue of the club and costs of running the club.

From the analysis, we conclude that Sporting federations in Kenya have applied various financial management practices; financial reporting, budgeting, working capital management, Investment decisions and financing decision in the management of the finances of the sports clubs among members of the Football Kenya Federation in Kenya. However, the impact that the adoption of financial management practices on the financial sustainability of the companies varies.

### 4.3 Innovative financial matrix for sports federations in Kenya

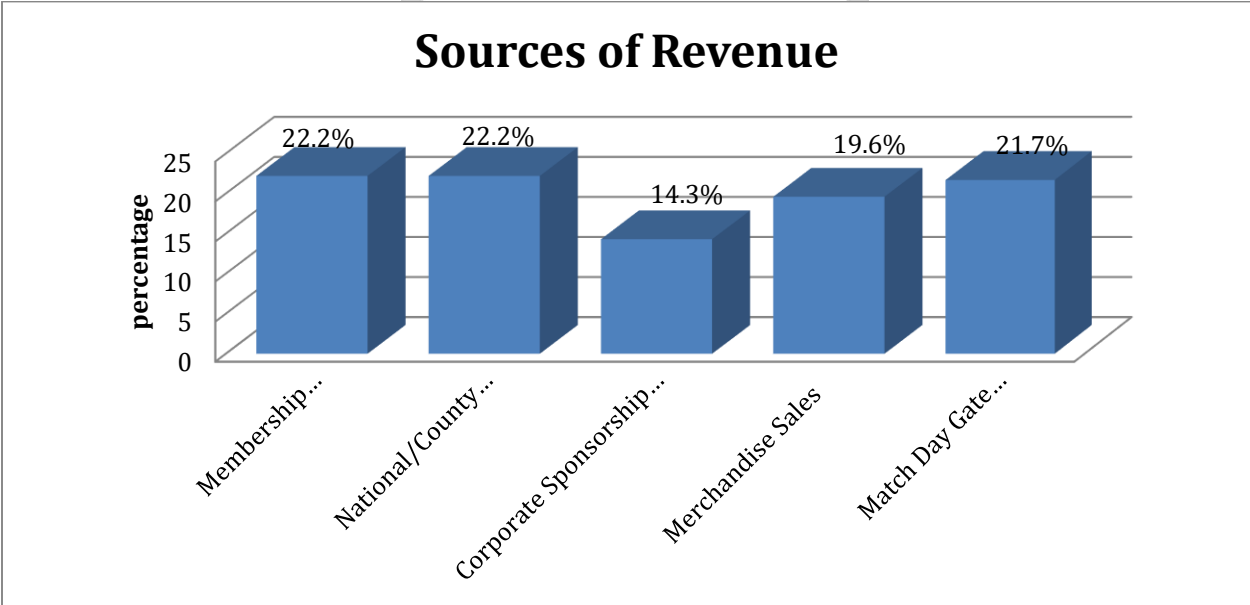
The study sought to establish the revenue diversification matrix for sports federations in Kenya. The study analysed eleven different sources of revenue namely Membership Subscriptions, National/County Governments grants Corporate Sponsorship Deals Merchandise Sales Match Day Gate Collections, Lotteries & Other Gambling Services, Federation Allocations, Broadcasting revenue, Donors & Other Volunteers, Infrastructure/Facilities, Others. The findings show that only 5 out of the 11 possible sources of revenue form the largest source of revenues for the sports federations as shown below;

**Table 4.9: Revenue Diversification Matrix**

	Revenue Source	Percentage (%)
1	Membership Subscriptions	22.2
2	National/County Governments grants	22.2
3	Corporate Sponsorship Deals	14.3
4	Merchandise Sales	19.6
5	Match Day Gate Collections	21.7
6	Lotteries & Other Gambling Services	0
7	Federation Allocations	0
8	Broadcasting revenue	0
9	Donors & Other Volunteers	0
10	Infrastructure/Facilities	0
11	Others	0
	Totals	100%

The study establishes that revenue source for sports federations in Kenya was Membership Subscriptions as it was represented by 22.2%, followed by National/County Governments grants as the main source of revenue for sports federations in Kenya was represented by 22.2%. The findings further revealed that 14.3% stated Corporate Sponsorship Deals as a revenue source. 19.6% of the respondents stated revenue source for sports federations in Kenya was Merchandise Sales. Lastly were 21.7% of the respondents their revenue source was on match day gate collections. Based on the research findings it was concluded the main revenue source for sports federations in Kenya is Membership Subscriptions and National/County Governments grants and match day gate collections.

**Figure 4.1 Sources of Revenue**



The study also established that sports federations also source other alternative financing in term of debt capital as follows

**Table 4.10: Sources of Finances for the sporting entity**

Sources of Finances	Percentage
Bank Loans and Overdrafts	8.99
Loans and Overdrafts from Microfinance Institutions	6.87
Government Loans	33.86
Loans from Sport Federations	40.74
Others	9.54
<b>Total</b>	<b>100</b>

The findings show that 40.74% of the debt finance is derived from Loans from Sport federations as the main source of finances for the sport entity, 33.86% from government loans formed the second main source of finances for the sport entity. Hence, the major debt finance of sport federations is from government entities. 9.54% indicated that other financing methods as a source of finances for the sport entity, while 8.99% and 6.87% of the respondents stated that loans and overdrafts from banks and microfinance institutions formed the main source of finances for the sport entity respectively.

The study concludes that sports federations have not exhaustively pursued alternative sources of income for the clubs and they rely on the traditional sources of income such as member subscriptions, grants from governments, corporate sponsorships, merchandise sales and match day gate collections. Alternative sources of revenue that have been neglected by the sports federations include lotteries and other gambling services, federation allocations, broadcasting revenue, donors and other volunteers, infrastructure and facilities hire among others.

#### **4.4 Relationship between financial management practices and financial sustainability of sports federations**

The third objective of the study was to establish the relationship between financial management practices and financial sustainability of sports federations. The study collected responses on structured questionnaires with Likert scale data and responses were measured on range of 1-5 with 1 denoting strongly disagree, 2= disagree, 3= neutral, 4= agree and 5 for strongly agree.

#### 4.4.1 Financial Sustainability

The study sought to establish whether sports federations are financially Sustainable and sustainable. The study findings showed that there is financial sustainability and sustainability of sports federations in Kenya as revealed by the mean of 4.1376. Whereas other finding revealed that the club has diversified revenue streams and does not over rely on one revenue source as depicted by mean of 3.9947. The study also confirmed that the club has manageable debt levels and its able to meet repayment of debt commitments once they fall due as evidenced by the mean of 3.9471. The analysis further revealed that the club is able to pay its financial obligations and payments of suppliers and staff on time had a mean of 3.7196. Still, it was noted that the club has enough resources to run its operations for the next year (going concern) as shown with a mean of 3.7090.

**Table 4.11: Financial Sustainability Descriptive Statistics**

Financial Sustainability Statistics							
	N		Mean	Median	Mode	Std. Deviation	Variance
	Valid	Missing					
Sustainability of Sports Federations	189	0	4.1376	4	5	0.92949	0.864
Payments of service providers	189	0	3.7196	4	4	1.12074	1.256
Going Concern	189	0	3.709	4	5	1.26111	1.59
Debt Payment & expenses	189	0	3.9471	4	4	0.97705	0.955
Source of Revenue	189	0	3.9947	4	5	1.03911	1.08

From the findings obtained in the study and using the overall composite mean of 3.9016 is an indication that financial sustainability is a key element for sports federations in Kenya. The findings obtained in the study therefore revealed that identifying appropriate financial sustainability is what is needed for sports federations in Kenya. To confirm the study, it was found that Wicker & Breuer (2014) recognizes that Sport governing organisations play a critical role in the sports system. Their study analysed the financial conditions of Sport governing organisations which had been neglected in previous studies. Basing the findings on financial portfolio theory, the study proposed that revenue diversification levels had a positive effect on financial status of the entities (measured through break even, total revenues, profit and investments). Furthermore, the effect of financial success and sport-related factors was examined using data collected from sport governing bodies in Germany where a sample size of 1,080 respondents was investigated. The results showed that there were relatively high levels of revenue diversification in sports as compared with other industries.

#### **4.4.2 Regression analysis**

Due to the application of Likert Scale data in the study, test for Normality of the data was carried out to determine the regression and correlation model that will be applied to the data.

##### **4.4.2.1 Test for Normality**

Since the data has 189 entries the more reliable test for normality for data of more than 100 entries was applied. To test for normality of the data the Kolmogorov-Smirnov test was applied to the data. The Kolmogorov-Smirnov for normality is applied using the distribution platform to study a continuous variable.

The null hypothesis for this test is that the data are normally distributed

$H_0$ : The sample is taken from a normal distribution.

$H_a$ : The sample is not taken from a normal distribution.

This hypothesis is rejected if the critical value P for the test statistic W is **less than 0.05**.

**Table 4.12: Test for Normality Results**

	<b>Tests of Normality</b>					
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Financial Reporting	.176	189	.000	.604	189	.000
Budgeting	.134	189	.000	.962	189	.000
Working Capital Management	.094	189	.000	.976	189	.002
Info Systems	.147	189	.000	.949	189	.000
Finance Decisions	.167	189	.000	.935	189	.000
Invest Decisions	.128	189	.000	.965	189	.000
Financial Sustainability	.103	189	.000	.973	189	.001

a. Lilliefors Significance Correction

Critical value for the test statistics is less than 0.05 and hence it is statistically significant. This means that the data is not normally distributed. Since the data is not normally distributed, we shall use the ordinal regression analysis (non-parametric) method as per the table below

**Table 4.13: Regression analysis matrix**

Type of Data	Parametric or Normally Distributed Data	Non-Parametric or Non-Normally Distributed Data
Regression Method	Linear Regression	Ordinal Regression
Correlation Method	Pearson Correlation	Spearman Rank Correlation

Source LaValley, 2008.

#### 4.4.2.2 Ordinal Regression analysis

In predictive analysis, Ordinal regression describes data in addition to explaining the relationship between two or more independent variables and the one dependent variable. In ordinal regression, both the dependent variable is and the independent variables are ordinal. Ordinal regression was carried out and the results were as follows.

**Table 4.14: Model fitting Information**

<b>Model Fitting Information</b>				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	940.478			
Final	926.051	14.427	6	.025

Link function: Logit.

The model fitting information shows how well the model fits the data. The Model fitting information has a statistically significant value of 0.025 which is lower than the 0.05 hence the model fitting information is statistically significant. This means that the resultant model fits the data very well.

**Table 4.15: Good-of- fit test results**

<b>Goodness-of-Fit</b>			
	Chi-Square	df	Sig.
Pearson	2763.502	2814	.748
Deviance	926.051	2814	1.000

Link function: Logit.

The goodness of fit test results from ordinal regression contains the Pearson and Deviance chi-square which elaborates the goodness of fit of the model to the data. The Pearson is statistically insignificant since its more than 0.05 at 0.748 which shows that the model is a good fit while the Deviance Chi-Square is Highly Statistically Insignificant with a significance value of 1 which is more than the 0.05 which also confirms that the earlier Model fitting information that the model fits the data well.

**Table 4.16: Pseudo R-Square Test Results**

<b>Pseudo R-Square</b>	
Cox and Snell	.733
Nagelkerke	.774
McFadden	.715

Link function: Logit.

The study focused on the Nagelkerke's  $R^2$  which explains the percentage variation in the dependent variable caused by the independent variables. It adjusts the scale of the statistic to cover the full range from 0 to 1. It summarizes the proportion of variance in the dependent variable associated with the predictor (independent) variables, with larger  $R^2$  values indicating that more of the variation is explained by the model, to a maximum of 1. The ordinal regression results show Pseudo  $R^2$  Nagelkerke's is 0.774. This is interpreted that 77.4% of the changes in financial sustainability of the sports federations are as a result of financial management practices adopted by the organizations.

**Table 4.17: Ordinal regression Parameter estimates**

Parameter Estimates								
		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Financial Sustainability = 4.80]	3.597	1.521	5.596	1	.018	.617	6.577
Location	FReporting	-.060	.116	.269	1	.604	-.289	.168
	Budgeting	-.276	.165	2.802	1	.034	-.600	.047
	WorkCapital	.463	.202	5.263	1	.022	.067	.858
	Info Systems	-.551	.182	9.137	1	.003	-.908	-.194
	Finance Decisions	.279	.147	3.617	1	.050	-.009	.567
	Invest Decisions	.153	.228	.453	1	.501	-.293	.600
Link function: Logit.								

From the parameter estimates, the coefficients for the model applied in the study was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \epsilon$$

Where: -

Y= Financial Sustainability in sport federations

$\beta_0 = 3.597$

$\beta_1 = -0.060$   $\beta_2 = -0.276$   $\beta_3 = 0.463$   $\beta_4 = 0.153$   $\beta_5 = 0.279$   $\beta_6 = -0.551$

X<sub>1</sub>=Financial reporting

X<sub>2</sub>=Budgeting

X<sub>3</sub>=Working capital management

X<sub>4</sub>=Investment decisions

X<sub>5</sub>=Financing decisions

X<sub>6</sub>=Accounting information systems

$\epsilon$ =Error Term

The resultant model is

$$Y = 3.597 - 0.060X_1 - 0.276X_2 + 0.463X_3 + 0.153X_4 + 0.279X_5 - 0.551X_6$$

The ordinal regression coefficients are interpreted as estimated change in log odds of being in a higher category or group (as opposed to a lower) on the dependent variable per unit increase in the independent variable. From this we can interpret the positive coefficients for working capital, financing decisions and investment decisions as follows;

The regression coefficient for working capital is positive 0.463 which means that for every one-unit increase in working capital management there is a predicted increase of 0.463 in the log-odds of falling at a higher level on financial sustainability. However, the significance coefficient is 0.022 which is higher than the 0.05 level of significance for the study which means that the working capital as a financial management practice is statistically significant.

The regression coefficient for financing decisions is positive 0.279 which means that for every one-unit increase in sound financing decisions there is a predicted increase of 0.279 in the log-odds of falling at a higher level on the financial sustainability. In addition, the significance coefficient is 0.02 which is less than the 0.050 level of significance for the study which means that the financing decisions as a financial management practice is statistically significant.

The regression coefficient for investment decisions is positive 0.153 which means that for every one-unit increase in sound investment decisions there is a predicted increase of 0.153 in the log-odds of falling at a higher level on the financial sustainability. In addition, the significance coefficient is 0.501 which is higher than the 0.05 level of significance for the study

which means that the investment decisions as a financial management practice is statistically insignificant.

The regression coefficient for investment decisions is Negative 0.060 which means that for every one-unit decrease in sound financial reporting there is a predicted decrease of 0.060 in the log-odds of falling at a higher level on the financial sustainability. In addition, the significance coefficient is 0.604 which is higher than the 0.05 level of significance for the study which means that the financial reporting as a financial management practice is statistically insignificant.

The regression coefficient for budgeting is Negative 0.276 which means that for every one-unit decrease in sound budgeting practices there is a predicted decrease of 0.2760 in the log-odds of falling at a higher level on the financial sustainability. In addition, the significance coefficient is 0.034 which is less than the 0.05 level of significance for the study which means that budgeting as a financial management practice is statistically significant.

The regression coefficient for Accounting Information Systems is Negative 0.551 which means that for every one-unit decrease in sound budgeting practices there is a predicted decrease of 0.551 in the log-odds of falling at a higher level on the financial sustainability. In addition, the significance coefficient is 0.003 which is less than the 0.05 level of significance for the study which means that Accounting Information Systems as a financial management practice is statistically significant.

The findings show that 77.4% of the changes in financial sustainability of the sports federations are as a result of financial management practices adopted by the organizations such as financial reporting ( $R^2=-0.060$ ,  $P=0.604$ ), budgeting ( $R^2=-0.276$ ,  $P=0.034$ ), working capital management ( $R^2=0.463$ ,  $P=0.022$ ), accounting information systems ( $R^2=-.551$ ,  $P=0.003$ ), investment decisions ( $R^2=0.153$ ,  $P=0.501$ ) and financing decisions ( $R^2=0.279$ ,  $P=0.05$ ). Further, 4 out of the 6 financial management practices i.e., working capital management, Financing decisions, budgeting, accounting information system have a statistically significant effect on the financial sustainability of the sport entities while financial reporting and investment decision has a statistically insignificant effect on the financial sustainability of the sport federations.

From the analysis we can conclude that budgeting, efficient working capital management, adoption of accounting information systems and financing decisions have a statistically significant effect on the financial sustainability of sports federations that have adopted them. On the contrast, financial reporting and investment decisions did not have any statistically significant effect on the financial sustainability of sports federations that have adopted them.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides the summary based on the major findings from the study, the conclusions obtained from the study findings and recommendations. The chapter is categorized into summary of findings, discussion, conclusion and recommendations and the future studies.

#### **5.2 Demographic**

Work experience and education have an effect on organizational performance. Employees with qualifications classified as medium range and experience in the medium range perform better as compared to those on either extreme of the educational qualification (R. Kotur & Anbazhagan 2014). Further, Cordery and Baskerville (2012) posit that that the longer an individual is entrenched in some processes and practices, the more they understand and adopt them easily. Therefore, the functions of a department can determine the procedure and practices of an organization. The department of engagement was applied in clustering of responses as Onyango (2021) posits that certain departments would have a particular characteristic and understanding that are specific to them and not to others.

#### **5.3 Discussion of the Findings**

The purpose of this study was to identify and analyze the financial management practices that contribute to the financial sustainability of sports federations in Kenya. Primary data was collected using structured questionnaire and regression analysis was run for the data set. The following were the findings;

##### **5.3.1 The financial management practices applied by Sports federations in Kenya**

The study sought to establish the financial management practices applied by Sports federations in Kenya. Generally, sports federations in Kenya have depicted having elements of adopting financial management practices in their performance and results from the regression analysis show that there was a strong coefficient of determination with organizational performance while the combined regression model confirms a strong correlation. The descriptive analysis show that majority of the respondents concurred that financial reporting as a financial management practice with constructs of the financial Reports are readily available for scrutiny;

the financial Reports are prepared in a transparent manner and reflect the true position of the entity; financial reports are audited as per rules and regulations of sport federation as depicted and that the financial reports are prepared on a regular basis as per rules and regulations of sport federation. This response implied that there was majority of respondents were in agreement that financial reporting as a financial management practice contribute to the financial sustainability of sports federations in Kenya.

The findings were therefore in agreement with those of (Geeraert et al., 2014) that stated financial reporting is a vital factor in the organization to operate effectively. Many resources are used by running organizations and therefore a lot of oversight and accountability from the management is required to make value from these investments. Financial management is a framework system for which an organization's resources are directed towards achieving the organization's objectives as well as Sponsors, Partners, donors or Government. Effective financial administration is crucial since it makes sure that a corporation's finances are transparent and accountable and meets expectations of finance sources.

The descriptive analysis show that majority of the respondents concurred that budgeting as a financial management practice with constructs the budgets address the most important needs of the entity; the budgets are prepared in a transparent and Open Manner and the budgets are adhered to with little or no deviation contributes to the financial sustainability of sports federations in Kenya. Budgeting as a financial management practice that contribute to the financial sustainability of sports federations in Kenya. These findings were in conformance with the findings provided by Ekholm & Wallin (2000) argue that budgeting as a financial management practice entails creating a spending plan that allows organizations to determine in adequacy of funds available for undertaking various activities. Munge et al. (2016) studied the factors influencing financial management in public secondary schools in Nakuru County, Kenya and applied transversal research design. The study showed that budget control and investment controls influenced financial management positively and significantly. The study recommended effective budget management and strong financial controls for public secondary schools.

The descriptive analysis show that majority of the respondents concurred that working capital management as a financial management practice with constructs that the entity relies majorly on one source of income to finance its operations; the entity pays all its suppliers without delays as supported; the entity has enough reserves to finance a year of operations and that the entity pays its entire staff without delays contribute to the financial sustainability of sports federations in Kenya.

The study findings were found to be similar to those provided by Business Jargons (2021) investment decisions and financing involve decision making regarding selection of both long-term and short-term assets through which the surplus funds can be invested. Capital budgeting refers to long-term investment decision making while working capital management refers short-term investment decision making. Five financial management practices namely financial reporting and accounting information systems, working capital management, investment decisions and financing. Both internal and external factors that affect financial managements in organizations, these include sources of funding, budget management, liquidity position, management quality and working capital.

The descriptive analysis show that majority of the respondents concurred that accounting information systems with constructs of the staffs are well equipped and trained to use accounting information systems; the entity relies on manual accounting procedures; the entity relies on both manual and an accounting information system and the entity used an accounting information system for its financial accounting and reporting contribute to the financial sustainability of sports federations in Kenya.

The findings obtained in the study therefore revealed that identifying appropriate Accounting Information Systems those employees can make use and develop positive image towards the financial sustainability of sports federations in Kenya. To confirm the study, it was found that Njonde & Kimanzi (2014) studies one aspect of financial management practices; Financial reporting and accounting information systems. They studied the IFMIS, a financial reporting and accounting information system and the study found that IFMIS has been effective in financial reporting and budgeting. The study also revealed that there was a positive relationship between the efficacy of IFMIS on financial management and financial reporting, internal controls, budgeting and projects management. Prudent financial management practices require

management accounting should consist of a precise record of all money transfers linking the budget to the financial and tactical plans of the company

The descriptive analysis show that majority of the respondents concurred that investment decisions with the constructs of sports federations in Kenya investing in Land/Stadiums; sports federations in Kenya investing in Vehicles & Transport; Buildings and Training Facilities are a good investment decision as evidenced and others investment decisions would contribute to the financial sustainability of sports federations in Kenya. The descriptive analysis show that majority of the respondents concurred that financing decisions with the constructs; the entity takes loans & overdrafts to finance its day-to-day operations; the entity takes loans to finance acquisition of assets for the club/Federation and there is transparency in the manner the finances of the entity are utilized contribute to the financial sustainability of sports federations in Kenya. To confirm the study, it was found that Wicker & Breuer (2014) recognizes that Sport governing organisations play a critical role in the sports system. Their study analysed the financial conditions of Sport governing organisations which had been neglected in previous studies. Basing the findings on financial portfolio theory, the study proposed that revenue diversification levels had a positive effect on financial status of the entities (measured through break even, total revenues, profit and investments). Furthermore, the effect of financial success and sport-related factors was examined using data collected from sport governing bodies in Germany where a sample size of 1,080 respondents was investigated. The results showed that there were relatively high levels of revenue diversification in sports as compared with other industries.

### **5.3.2 The innovative financial matrix for sports federations in Kenya**

Guevara et al. (2021), a study by Barget & Chavinier-Rela (2017) establishes that amateur clubs strongly rely on one revenue stream i.e., member fees and there is need for diversification of revenue streams. The findings in Kenya show that Sports federations rely heavily on membership subscriptions, followed by national/county governments grants. other sources of funds were corporate sponsorship deals, merchandise sales and match day gate collections. Based on the research findings it was concluded the main revenue source for sports federations in Kenya is Membership Subscriptions followed by National/County Governments grants. In addition, Mwisukha & Mabagala (2010) identified funding of sport federation, and lack of diversified revenue as some of the major impediments in the sustainability of sport federations.

Secondly, a study by Guevara et al. (2021) on the financial sustainability and earnings management in the Spanish Sports Federations using a multi-Theoretical approach established that Spain boasts of a mixed model where sports federations main source of funds is in the form of unconditional grants from the CSD (Supreme Council for Sports) in addition to revenues from private sources (international organizations, licenses & sponsors). In Kenya, the ministry of sports does not disburse any funds to the Sports federations as established in the study and this hampers the financial stability and sustainability of the sports federations.

Further, sports federations result in taking up loans from private entities and government as the main source of finances for the sport entity. From the study it can be concluded that majority of the respondents indicated that Loans from Sport Federations the main source of finances for the sport entity. Findings showing the factors contribute to your club's financial sustainability.

### **5.3.3 The relationship between financial management practices and financial sustainability of sports federations**

From the analysis we can conclude that budgeting, efficient working capital management, adoption of accounting information systems and financing decisions have a statistically significant effect on the financial sustainability of sports federations that have adopted them.

This is in line with Majakusi (2019) who studied the effects of liquidity management on commercial banks financial sustainability for the period between 2010 and 2014 using a descriptive research and regression analysis. He established that ROA and liquidity management are positively correlated with a statistically significant correlation coefficient. This means that good financial health and sustainability of firms are caused by enough cash. The study also showed that management of liquidity explains 34 per cent of the financial returns achieved by variability.

On the contrast, financial reporting and investment decisions did not have any statistically significant effect on the financial sustainability of sports federations that have adopted them. This contradicts the findings by Njonde & Kimanzi (2014) studies one aspect of financial management practices; Financial reporting and accounting information systems. They studied the IFMIS, a financial reporting and accounting information system and the study found that IFMIS has been effective in financial reporting and budgeting and it improves organizational performance.

## **5.4 Conclusion**

The study found that there was good representation of club top managers in the research study. This showed that majority had professional management experience in the football industry for a period between 1-3 years, implying that employees had fairly good experience and were considered informed about financial management practices that affect the financial sustainability of sports federations in Kenya. This showed that majority of the respondents stated that their club has been in operations for more than 6 years.

Based on the research findings it was concluded the main revenue source for sports federations in Kenya is Membership Subscriptions followed by National/County Governments grants and match day gate collections. However, Sport federations are not exploring all potential sources of revenue available to them. This may affect the financial sustainability of the sport federations when challenges occur in accessing funds from the main sources of revenue identified above.

The prudent management of working capital, sound financing decision making, proper budgeting and adoption of accounting information systems by sports federations has a statistically significant effect on the financial sustainability of the sport entities while financial reporting and investment decision have a statistically insignificant effect on the financial sustainability of the sport federations.

## **5.5 Recommendations**

### **5.5.1 Sporting Federations**

Sport Federations in Kenya should be more strategic and aggressive at exploiting their potential in order to increase their revenue streams. The Sport Federations in Kenya should adopt collaborative measures to gain from broadcasting rights. They should also aggressively promote their merchandise and expand membership subscriptions. Adopting a segmented view of their fan-base would also go a long way in enhancing the clubs' revenues.

The Sport Federations in Kenya should diversify their sources of revenue to reduce reliance on sponsorship from parent organizations as the main source of revenue. In addition, the clubs' resources should be invested in staff and players through regular training programs, staff motivation and reward management and research and development. Emphasis should also be put on the application of laid down systems and processes to enhance legal and regulatory compliance.

Collective selling allows leagues and national sport federations to sell the media rights to their matches and sports collectively and then redistribute the income between clubs, national governing bodies and grassroots sport. If Sport Federations in Kenya negotiate rights independently it can mean no cut is offered to grassroots sport or smaller sports.

The sport federations in Kenya should diversify their sources of revenue to reduce reliance on sponsorship from parent organizations as the main source of revenue. In addition, the clubs' resources should be invested in staff and players through regular training programs, staff motivation and reward management and research and development. Emphasis should also be put on the application of laid down systems and processes to enhance legal and regulatory compliance.

### **5.5.2 Recommendations for regulators**

Regulators should ensure that all sports federations strive to adopt and implement prudent management of working capital, sound financing decision making, proper budgeting and adoption of accounting information systems since it has a statistically significant effect on the financial sustainability of the sport entities

### **5.5.3 Recommendations for further studies**

In retrospect, this study focused on the impact of financial management practices on financial sustainability of sport federations in Kenya. However, the factors that potentially determine the financial sustainability of top-flight football clubs in Kenya may also be external. In order to provide a panoramic view of the environmental factors affecting the financial sustainability of football clubs, another study that analyses the external factors such as political, economic, social and technological factors could enhance the utility of the recommendations of this study.

## **5.6 Limitations of the study**

Organizations have various procedures that are outlined publicly to govern movement of people to the organization and from the organization. However, some procedures are usually too tedious to the dislike of visitors/researchers. This was characterized by long procedures and regulations that were expected to be followed. Despite such challenges, the researcher was adequately prepared to abide by all the regulations so that a successful research study could be carried out.

The researcher had initially been denied access based on the restrictive policies against external researchers and especially private research studies. This was due to the recorded history of exploring and exposing inefficiencies in various organizations. However, the researcher overcame this challenge by using an introduction letter from Strathmore University which showed the purpose of this study so that gaining accessibility could be achieved.

The researcher still experienced challenges on lack of cooperation. Some of the staff within these federations had reluctantly declined to participate in this research in pretence of not very genuine reasons. As a result, quite a number of respondents would have failed to provide the data. However, to counter this challenge, the researcher had to assure the respondents that this study was only covering the academic goals.



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## APPENDIX I: INTRODUCTORY LETTER

Old Sangale Rd, Mbaraka Estate,  
P.O. Box 58857 00200, Nairobi, Kenya.  
Cell: +254 700 414067, Twitter: @SBSKenya  
Email: info@sbs.ac.ke or visit www.sbs.strathmore.edu



26<sup>th</sup> May 2021

### **RE: FACILITATION OF RESEARCH – FRANKLINE INDUSWE**

This is to introduce Frankline Induswe who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/071941. As part of our MCOM Program, Frankline is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Frankline would like to request for appropriate data from your organization.

Frankline is undertaking a research paper on " **IMPACT OF FINANCIAL MANAGEMENT PRACTICES ON FINANCIAL VIABILITY OF SPORT FEDERATIONS IN KENYA - A CASE STUDY OF FOOTBALL KENYA FEDERATION** ". The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Njoki Kiagiri". The signature is stylized and somewhat cursive.

Njoki Kiagiri  
Associate Manager – Graduate Programmes.  
Strathmore University Business School.

Association of African  
Business Schools



Strathmore Business School is a Proud member of



AACSB

## APPENDIX II: QUESTIONNAIRE

Frank Shabanji  
Strathmore University  
Ole Sangale Road, off Langata Road,  
Madaraka Estate, Nairobi, Kenya.

Dear Respondent

I am undertaking a research study on financial management practices that affect the financial sustainability of sports federations in Kenya. This is in partial fulfilment of the requirement for the Degree in Masters of Commerce at the Strathmore University.

The attached questionnaire is designed to seek your input on how various elements contribute to the financial sustainability of Sports federation in Kenya. This will enable me to draw conclusions that shall form the basis of my recommendations. It is my hope that this study shall be of benefit to the wider sporting fraternity who may use its findings to improve their revenue bases, and implement financial management practices that will improve their financial sustainability.

The attached questionnaire is brief and would possibly take no more than ten minutes of your time to complete. I shall treat your feedback with utmost confidentiality. This study is for academic purposes only and upon its completion, you will receive a copy of the final report. In case of any queries, you can reach me using the contact details indicated below. I look forward to your cooperation.



Yours sincerely

## SECTION 1: GENERAL INFORMATION

This section gives the general perspective of the organisation. Please answer the questions as accurately as possible, by ticking the appropriate boxes.

1. Which of the following best describes your position in the club?

CEO/Chairperson

Finance Manager

2. How many years of professional management experience in the football industry do you have?

Less than 1 year

1-3 years

4-5 years

Over 5 years.

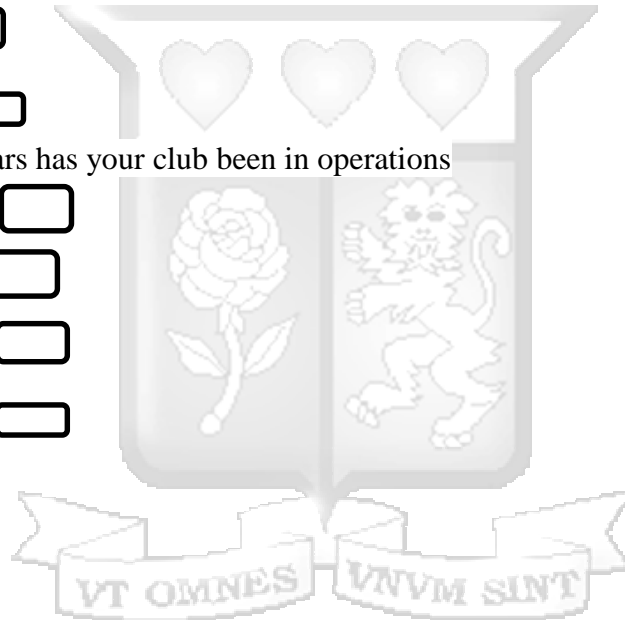
3. How many years has your club been in operations

0-3 Years

4-5 years

6-10 years

Over 10 years.



**SECTION II: SOURCES OF REVENUE**

For each of the revenue source below and indicate the percentage, please tick the appropriate box

	Revenue Source	Tick as Appropriate
1	Membership Subscriptions	
2	National/County Governments grants	
3	Corporate Sponsorship Deals	
4	Merchandise Sales	
5	Match Day Gate Collections	
6	Lotteries & Other Gambling Services	
7	Federation Allocations	
8	Broadcasting revenue	
9	Donors & Other Volunteers	
10	Infrastructure/Facilities	
11	Others	

Others (Please Specify) .....

.....

.....

### SECTION III: FINANCIAL REPORTING

To what extent would you say the following factors contribute to your club's financial sustainability or sustainability?

	<b>Financial Reporting and presentation of the books of account of the entity</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	The financial reports are prepared on a regular basis as per rules and regulations of sport federation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The financial reports are Audited as per rules and regulations of sport federation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Access: The financial Reports are readily available for scrutiny	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Transparency: The financial Reports are prepared in a transparent manner and reflect the true position of the entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SECTION IV: BUDGETING

To what extent would you say the following factors contribute to your club's financial sustainability?

	<b>Budget preparation and Implementation</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	Transparency: The budgets are prepared in a transparent and Open Manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Cost Containment: The budgets are adhered to with little or no deviation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The budgets address the most important needs of the entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION V: WORKING CAPITAL MANAGEMENT**

To what extent would you say the following factors contribute to your club’s financial sustainability?

	Working Capital management and Liquidity of the entity	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The entity pays all its staff without delays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The entity pays all its suppliers without delays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The entity has enough reserves to finance a year of operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The entity relies Majorly on one source of income to finance its operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION VI: ACCOUNTING INFORMATION SYSTEMS**

To what extent would you say the following factors contribute to your club’s financial sustainability?

	Utilization of Accounting information systems in financial reporting and accountability	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The entity used an accounting information system for its financial accounting and reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The entity relies on manual accounting procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The entity relies on both manual and an accounting information system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The staff are well equipped and trained to use accounting information systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SECTION VII: INVESTMENT DECISIONS

To what extent would you say the following factors contribute to your club's financial sustainability?

	Management invests funds in assets that add value to the club	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Land/Stadiums		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Buildings and Training Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Vehicles & Transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SECTION VIII: FINANCING DECISIONS

### Sources of Finances for the sporting entity

	Sources of Finances	Tick as Appropriate	% Age
1	Bank Loans and Overdrafts		
2	Loans and Overdrafts from Microfinance Institutions		
3	Government Loans		
4	Loans from Sport Federations		
5	Others		

To what extent would you say the following factors contribute to your club's financial sustainability?

	Raising of and utilization of finances	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The entity takes loans & overdrafts to finance its day-to-day operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The entity takes loans to finance acquisition of assets for the club/Federation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	There is transparency in the manner the finances of the entity are utilized.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION VIII: FINANCIAL SUSTAINABILITY**

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	The club/federation is financially Sustainable and sustainable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The club is able to pay its financial obligations and payments of suppliers and staff on time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The club has enough resources to run its operations for the next year (going concern)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The club has manageable debt levels and its able to meet repayment of debt commitments once they fall due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The club has diversified revenue streams and does not over rely on one revenue source					



1. In your opinion, which other factors affect the financial sustainability of sporting federations or clubs in Kenya?

.....  
 .....  
 .....  
 .....

2. In your opinion, do you think education qualifications of leaders of Sports Federations or clubs has any impact on financial sustainability of sports federations in Kenya? If Yes, Explain

.....  
 .....

**APPENDIX III – RESEARCH LICENSE**





**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Date of Issue: 29/July/2021**

**RESEARCH LICENSE**

**Ref No: 499358**




**This is to Certify that Mr. FRANKLINE SHABAN INDUSWE of Strathmore University, has been licensed to conduct research in Nairobi on the topic: IMPACT OF FINANCIAL MANAGEMENT PRACTICES ON FINANCIAL VIABILITY OF SPORT FEDERATIONS IN KENYA A CASE STUDY OF FOOTBALL KENYA FEDERATION for the period ending: 29/July/2021.**

**License No: NACOSTIP/21/02093**

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## APPENDIX III – ETHICAL LETTER



1<sup>st</sup> November 2021

Mr Induswe Frankline,  
frankline.induswe@strathmore.edu

Dear Mr Induswe,

**RE: Impact of Financial Management Practises on Financial Viability of Sport Federations in Kenya**

This is to inform you that SU-IERC has reviewed and approved your above SU-master's research proposal. Your application reference number is SU-IERC1139/21. The approval period is 1<sup>st</sup> November 2021 to 31st October 2022.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and also obtain other clearances needed.

Yours sincerely,

for: Prof Fred Were,  
Chairperson; SU-IERC



<https://research-portal.nacosti.go.ke/>

Ole Sangale Rd, Madaraka Estate, PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000  
Email [admissions@strathmore.edu](mailto:admissions@strathmore.edu) [www.strathmore.edu](http://www.strathmore.edu)

**APPENDIX IV. LIST OF FKF MEMBERS**

<b>KENYA PREMIER LEAGUE</b>			<b>NATIONAL SUPER LEAGUE</b>		
<b>NO.</b>	<b>Team</b>	<b>Location</b>	<b>NO.</b>	<b>TEAM</b>	<b>LOCATION</b>
01	A.F.C. Leopards	Nairobi	01	APS Bomet	Bomet
02	Bandari	Mombasa	02	Fortune Sacco	Kirinyaga
03	Bidco United F.C.	Thika	03	Murang'a SEAL	Murang'a
04	Gor Mahia	Nairobi	04	Muhoroni Youth	Muhoroni
05	Kakamega Homeboyz	Kakamega	05	MCF	Yatta
06	Kariobangi Sharks	Nairobi	06	Shabana	Kisii
07	Kenya Commercial Bank	Nairobi	07	Naivas	Nairobi
08	Mathare United	Nairobi	08	Vihiga United	Vihiga
09	Nairobi City Stars	Nairobi	09	Kibera Black Stars	Nairobi
10	Nzoia Sugar	Bungoma	10	Migori Youth	Migori
11	Posta Rangers	Eldoret	11	Mombasa Elite	Mombasa
12	Sofapaka	Nairobi	12	Assad	Kwale
13	Tusker	Nairobi	13	Mara Sugar	Awendo
14	Ulinzi Stars	Nakuru	14	Silibwet	Bomet
15	Vihiga United F.C.	Kakamega	15	Coastal Heroes	Mombasa
16	Wazito	Machakos	16	Mwatate United	Mwatate
17	FC Talanta	Nairobi	17	Kisumu All Stars	Kisumu
18	Police FC	Nairobi	18	Gusii	Kisii

**FKF BRANCHES**

01	BUNGOMA		25	NYANDARUA
02	WEST POKOT		26	GARISSA
03	SIAYA		27	VIHIGA
04	TAITA TAVETA		28	MARSABIT
05	LAIKIPIA		29	NAROK
06	THARAKA NTHI		30	MOMBASA
07	KWALE		31	MAKUENI
08	BUSIA		32	KAKAMEGA

09	NANDI		33	KIAMBU
10	MANDERA		34	ELGEYO MARAkwET
11	ISIOLO		35	MERU
12	BARINGO		36	WAJIR
13	KIRINYAGA		37	NYAMIRA
14	EMBU		38	KAJIADO
15	NAIROBI EAST		39	KISII
16	MIGORI		40	BOMET
17	NAIROBI WEST		41	MACHAKOS
18	MURANG'A		42	HOMA BAY
19	UASIN GISHU		43	KITUI
20	TURKANA		44	KILIFI
21	TRANS-NZOIA		45	KISUMU
22	KERICHO		46	LAMU
23	NAKURU		47	TANA RIVER
24	NYERI		48	SAMBURU

<b>KENYA DIVISION 1 CLUBS</b>					
<b>NO.</b>	<b>NAME</b>	<b>LOCATION</b>	<b>NO.</b>	<b>NAME</b>	<b>LOCATION</b>
01	Equity	Nairobi	17	Kona Rangers	Kakamega
02	Liberty Sports Academy	Nairobi	18	Transfoc	Kitale
03	Ruiru Hotstars	Ruiru	19	Luanda Villa	Luanda
04	Vapor Sports	Nairobi	20	Bungoma Superstars	Bungoma
05	Administration Police	Nairobi	21	Kamungei United	Bomet
06	Zetech Titans	Nairobi	22	MMUST	Kakamega
07	Western Stima	Kisumu	23	St. Josephs Youth	Naivasha
08	Dandora Love	Nairobi	24	Kangemi All Stars	Nairobi
09	Gor Mahia Youth	Nairobi	25	Sindo United	Sindo
10	Buruburu Sports	Nairobi	26	GDC	Nakuru
11	Young Bulls	Nairobi	27	Green Commandos	Kakamega

12	Kangemi Allstars	Nairobi		28	Zoo Youth	Kericho
13	Ligi Ndogo	Nairobi		29	Bondo United	Bondo
14	Balaji EPZ	Nairobi		30	Egerton	Egerton
15	Congo Boys	Mombasa		31	Bandani	Kisumu
16	Dummen Orange	Embu		32	Zoo Kericho	Kericho

<b>LIST OF FKF ASSOCIATIONS</b>						
	<b>NAME</b>	<b>LOCATION</b>				
01	FKF recognized Association for Football Referees	NAIROBI				
02	FKF recognized Association for Football Coaches	NAIROBI				
03	FKF recognized Association for Football players	NAIROBI				
04	FKF recognized Association for Women's Football	NAIROBI				

#### **KENYA WOMEN PREMIER LEAGUE TEAMS**

<b>NO.</b>	<b>TEAM</b>	<b>LOCATION</b>
01	Vihiga Queens FC	VIHIGA
02	Wadadia FC	MUMIAS
03	Nakuru Queens FC	NAKURU
04	Kisumu All Starlets FC	KISUMU
05	Trans-Nzoia Falcons	KITALE
06	SEP Ladies FC	HOMABAY
07	Oserian Ladies	NAIVASHA
08	Eldoret Falcons FC	ELDORET
09	Thika Queens	THIKA
10	Ulinzi Starlets	NAKURU
11	Gaspo Women	THIKA
12	Zetech Sparks	NAIROBI
13	Kayole Starlets	NAIROBI
14	Kibra Women	NAIROBI
15	Makolandars	NAIROBI
16	Mathare Women	NAIROBI