

**CHALLENGES FACING THE PERFORMANCE OF REVOLVING FUNDS IN KENYA. A CASE OF HIGHER EDUCATION LOANS BOARD**

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## ABSTRACT

Revolving funds are established in order to achieve a particular purpose or assist a particular target group; however there are often challenges in the sustainability. Despite the importance of revolving funds, conflicts have always occurred if the purpose cannot be achieved or the target groups cannot be assisted in some other way. The purpose of the study was to determine the challenges facing revolving funds, a case of HELB. The specific objectives of the study were to determine the effect of financial management practices, information technology, corporate governance and skills and competences influence fund mobilization in HELB. A descriptive research design was chosen. The population of interest was 66 employees that consist of the management staffs at the recovery and repayment department and funds management department at HELB. Stratified and simple random sampling techniques were used. The study concludes that financial management practices affect the performance of HELB. There existed challenges in the organisation which were mainly in the working capital management and budgeting in the organisation. It was also concluded that information technology affected performance of HELB and that unsustainable ICT-supported programs were a key challenge. It was concluded that the Board of Directors influences performance of HELB Fund and the managers are involved in mobilization and proper fund management. It was finally concluded that skills and competences influence performance of HELB Fund. It was also revealed that to increase funding for students. From the findings the study recommends that the organisations should train their staff on good financial management practices which ensures accountability and integrity of the staffs. The study recommends that the organisations should invest in technology since technology in form of ICT increases efficiency and effectiveness of management of the HELB fund. The study recommends that the Board of Directors and the managers should safeguard the interest of all stakeholders and also mobilize and ensure proper fund management in the organisation. The study recommends that the organisation should train its staff to ensure that they have the necessary skills and competences.

***Keywords: Financial Management Practices, Information Technology , Corporate Governance, Skills, Higher Education Loans Board***

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