

Financial Management Practices Adopted By the Principals For Effective Administration Of Secondary Schools In Anambra State

Okoye Ukamaka Theresa, Okorji Perpatua N. (Prof)

(Department Of Educational Management And Policy, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria)

(Department Of Educational Management And Policy, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria)

Abstract:

This study ascertained financial management practices adopted by principals for effective administration of secondary schools in Anambra State, Nigeria. Four research questions guided the study while four null hypotheses were tested at 0.05 level of significance. For the study, descriptive survey research design was adopted. The population of the study comprised 516 respondents, which made up of 258 principals and 258 bursars of public secondary schools in Anambra State, Nigeria. Stratified random sampling technique was employed to select 258 respondents, which made up of 129 principals and 129 bursars. A researcher-developed instrument titled 'Principal Financial Management Practices Questionnaire (PFMPQ)' was used for data collection. Three experts comprising two lecturers from the Department of Educational Management and Policy while the other, a specialist in Measurement and Evaluation, all from the Faculty of Education, Nnamdi Azikiwe University, Awka, Nigeria, validated the instrument. The reliability of the instrument was ascertained using Cronbach alpha and it yielded reliability co-efficient of 0.74, 0.68, 0.64 and 0.62 for clusters I, II, III and IV respectively and overall co-efficient of the whole instrument was 0.67. The researcher alongside five research assistants collected data for the study. A 98% return rate was recorded. Mean and standard deviation were employed to answer research questions while t test was used to test the null hypotheses. The findings of the study revealed among others that the budgeting practices adopted by principals for effective administration include; embark on market survey to obtain facts before preparing the school budget, give priority to the most pressing needs of the school in budget planning, make some monetary allocations for unforeseen expenditure of the school in the course of budgeting, estimate the expected income in the school budget, defend the budget in the presence of relevant authorities. It was also discovered that there is no significant different in the mean rating of principals and bursars on the auditing practices adopted by principals for effective administration of secondary schools in Anambra State. From the findings, it was recommended among others that Ministry of Education should create an independent auditing unit in each school to collaborate with principals in improving their auditing practices.

Key words: *Financial Management, Budgeting, Cash Management, Inventory Management, Auditing and Effective Administration*

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I. Introduction

Background to the study

Education is a veritable tool for facilitating learning, and the acquisition of skills and knowledge for self-reliance and improvement in the standard of living. Oduma (2013) acknowledged that education helps in the positive development of human potentials, talents, intellect, attitude, and skills. It is the premise for modernity, science, and technology, which have made all nations of the globe accord immense priority to education. According to the Federal Republic of Nigeria (FRN, 2013), education in Nigeria is an instrument of "par excellence" for affecting national development. To achieve the national objectives of post-primary education, and to ensure effective school administration, the principal is appointed to serve as the chief executive to ensure effective school administration. Effective school administration involves the enhancement of teaching and learning through successful maximization of the available resources. Akomolafe (2012) defined effective school administration as a positive response to administrative efforts and actions to accomplish the stated goal. Effective school administration could manifest in quality decision making, self-discipline, adequate motivation of personnel, and Improvement in staff and students' performance as well as optimal financial management. According to Ogbonnaya (2018), financial management practices are concerned with the decision on the way to procure, expend, and provides an account of the fund provided for the implementation of

organizational programs. Contextually, financial management practice is the management task that involves how to raise funds and use them effectively without wastage to attain educational goals. Financial management practices include budgeting, cash management, financial control, accounting, inventory management, and auditing. In their own perception, Yogendrarajah, Kengatharan, and Suganya (2017) describe financial management practice as a process of designing, organizing, monitoring, and controlling money to attain organizational goals efficiently and effectively. The nature of Bursars' duties makes them partners to some extent to principals' financial management practices at school. This is due to their positions as school accountants. Thus, the principal seeks the cooperation of the school bursars in preparation of the school budget, cash management, and providing relevant financial records to help in auditing in school. This study was limited to budgeting, cash management, inventory management, and auditing, as outlined by Maronga, Weda, and Kengere (2013).

Statement of the problem

It is the duty of principals as managers of secondary school to forecasts and plans the school budget, audit the school financial account, manage school inventories, and cash to achieve the desired objectives of the school. These financial management practices promote the judicious use of funds for effective school administration. However, if the principal fails in his duty as a useful financial manager, by not adhering to the tenets of acceptable financial management practices, such as the ones elucidated above. The effect may result in a negative and un-conducive learning environment for the students who are the primary targets of practical administration. It is worrisome that parents and members of the public sometimes accuse some secondary school principals in Anambra State of mismanaging funds put in their custody. This alleged act by some of these principals may not be unconnected with the poor state of infrastructural facilities, inadequate teaching/learning materials, and poor financial record keeping in some of the secondary schools in the six education zones of Anambra state. It is in the light of this unsatisfactory state of affairs in some of the schools that the researcher was prompted to investigate the financial management practices adopted by the principals for effective administration of secondary schools in Anambra state, Nigeria

Research questions

The following research questions guided the study.

1. What are the budgeting practices adopted by principals for the effective administration of secondary schools in Anambra state.
2. What are the cash management practices adopted by principals for the effective administration of secondary schools in Anambra state.
3. What are the inventory management practices adopted by principals for the effective administration of secondary schools in Anambra state.

II. Methodology

A descriptive survey research design was used for the study. According to Nworgu (2015), descriptive survey is the design, which aims at collecting data and describing in a systematic manner the characteristics, features, or facts about a given population. This design seemed appropriate since the researcher will collect data from the population of the study to assess financial management practices adopted by secondary school principals for effective school administration.

Population

The population of the study comprises 258 principals and 258 bursars of public secondary schools in the 6 education zones of Anambra State. Among the six education zones, Aguata has 49 principals and 49 bursars, Awka has 61 principals and 61 bursars, Nnewi has 50 principals and 50 bursars, Ogidi has 40 principals and 40 bursars, Onitsha has 32 principals and 32 bursars and Otuocha has 26 principals and 26 bursars respectively. Therefore, the total population of the study is 516 respondents. The data were from Planning, Research and Statistics (PRS) Department of Post Primary School Service Commission (PPSSC) Awka, January 2019.

Sample and sampling technique

The sample for this study comprised 258 (two hundred and fifty-eight) respondents. The proportionate stratified random sampling technique was adopted. This is to ensure that the sub-groups in the population participated in the study in the same proportion, as they exist in the population. To do that, the schools were stratified based on their education zones. In each education zone, 50% of public secondary schools were selected using simple random sampling technique. That yielded 129 principals and 129 bursars of public schools.

Instrument for data collection

A researcher-developed instrument titled “Principal Financial Management Practices Questionnaire” (PFMQ) was used for data collection. The researcher developed the instrument from literature review and consultation with experts in the fields. Section A of the instrument deals on demographic data of the respondents such as gender, experience, education zone, and qualification. Section B elicited information on financial management practices adopted by secondary school principals. It had principals’ version and bursars’ version. Each of the two versions had four clusters namely; A, B,C, and D. These clusters were based on the four areas covered in the study. Cluster A had 8 items on budgeting practices; cluster B had 11 items on cash management practices; cluster C had 6 items on inventory management practices, and cluster D had 8 items on auditing practices. The instrument, therefore, contained 33 items and was structured on a four-point rating scale of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (D) weighted 4, 3, 2 and 1 respectively.

III. Results

Table no 1

Mean Ratings and Standard Deviation Scores of Principals and Bursars on Budgeting Practices Adopted by Principals for Effective School Administration

S/N	ITEMS	Principals (N = 127)			Bursars (N =127)		
		Mean	Sd	Decision	Mean	Sd	Decision
1	embark on market survey to get facts before preparing the school budget	2.72	1.15	Agree	2.69	1.06	Agree
2	give priority to the most pressing needs of the school in budget planning	3.12	0.99	Agree	2.86	1.08	Agree
3	make some monetary allocations for unforeseen expenditure in the course of budgeting	2.81	1.03	Agree	2.77	1.05	Agree
4	consult stakeholders to make inputs during budget preparation	2.38	1.02	Disagree	2.35	1.05	Disagree
5	estimate the expected income in the school budget	2.65	1.07	Agree	2.54	1.10	Agree
6	adhere to the official fiscal calendar in budget planning	2.68	1.08	Agree	2.31	1.12	Disagree
7	defend the budget in the presence of the relevant authorities	2.63	1.15	Agree	2.64	1.19	Agree
8	submit the school budget proposal for review by stakeholders	2.33	1.00	Disagree	2.19	1.12	Disagree

As shown on Table no1, the principals and bursars mean scores for items 1, 2, 3, 5, and 7 were above the cut off mean score of 2.50, which indicated that they agreed that these items are budgeting practices applied by principals. Item 4 and 8 were rated below 2.50 by the principals and bursars and this indicated disagreement. The bursars disagreed with the principals on item 6 as their budgeting practice.

Table no. 2

Mean Ratings and Standard Deviation Scores of Principals and Bursars on Cash Management Practices Adopted by Principals for Effective School Administration

S/N	ITEMS	Principals (N = 127)			Bursars (N =127)		
		Mean	Sd	Decision	Mean	Sd	Decision
9	keep accurate account of money flow in school	3.02	1.01	Agree	2.75	1.15	Agree
10	disburse funds based on school priorities	2.85	1.09	Agree	2.50	1.02	Agree
11	make use of direct labour to minimize cost	3.13	0.98	Agree	2.76	1.14	Agree
12	invest in minor businesses to generate funds for school	2.87	1.06	Agree	2.71	1.05	Agree
13	make bulk purchases of material resources for cash discount	2.67	1.11	Agree	2.49	1.14	Disagree
14	keep accurate receipts of cash expenditure in school	2.81	1.17	Agree	2.67	1.06	Agree
15	regularly check on bursary activities to minimize fraud	2.86	1.02	Agree	3.06	1.07	Agree
16	thoroughly cross check vouchers before endorsement	2.43	0.96	Disagree	2.56	0.96	Agree
17	set up clear performance indicators in spending to control use of school funds	2.32	0.97	Disagree	2.18	1.03	Disagree
18	instruct bursars to report financial	2.27	1.09	Disagree	2.40	1.09	Disagree

	transactions on quarterly basis						
19	conduct periodic cash survey	2.57	1.17	Agree	2.74	1.14	Agree

The result of data analysis presented on Table 2 reveals that principals and bursars agreed with items 9, 10, 11, 12, 14, 15 and 19 as the cash management practices applied by principals as shown by their mean scores above 2.50 for the items. Principals and bursars disagreed with items 17 and 18 as cash management practices applied by principals as indicated by their mean scores below 2.50. There was disagreement between principals and bursars with regard to items 13 and 16 as cash management practices applied by principals.

Table no.3
Mean Ratings and Standard Deviation Scores of Principals and Bursars on Inventory Management Practices Adopted by Principals for Effective School Administration

S/N	ITEMS	Principals (N = 127)			Bursars (N =127)		
		Mean	Sd	Decision	Mean	Sd	Decision
20	purchase durable facilities for optimal use in instructional delivery	2.50	1.19	Agree	2.54	1.25	Agree
21	constitute committee for regular inspection of school inventory	2.57	1.09	Agree	2.48	1.05	Disagree
22	make entries in expenditure book for purchase of facilities in the school	3.09	1.13	Agree	3.07	0.98	Agree
23	source professional inputs on matters related to school facilities maintenance at minimal cost	2.55	0.91	Agree	2.40	1.06	Disagree
24	inspect the quality of purchased facilities in school	2.57	1.09	Agree	2.43	1.17	Disagree
25	sensitize personnel in school on the need to imbibe good maintenance culture on school facilities	2.80	1.03	Agree	2.71	1.05	Agree

The result presented on Table 3 shows that principals and bursars agreed with items 20, 22 and 25 as the inventory management practices applied by principals as shown by their mean scores above 2.50 for the items. There was disagreement between principals and bursars with regard to items 21, 23 and 24 as inventory management practices applied by principals.

Table no. 4
Mean Ratings and Standard Deviation Scores of Principals and Bursars on Auditing Practices Adopted by Principals for Effective School Administration

S/N	ITEMS	Principals (N = 127)			Bursars (N =127)		
		Mean	Sd	Decision	Mean	Sd	Decision
26	assess adherence to budgetary provision/operational guidelines for schools	3.12	0.85	Agree	2.57	1.21	Agree
27	review compliance of the school with statutory and regulatory procedures on financial management	2.29	1.20	Disagree	2.38	1.16	Disagree
28	continuously examine accounting books and records of the school	2.77	1.03	Agree	2.72	1.16	Agree
29	Periodically reviews guidelines on revenue collection given by the ministry of education as required.	2.54	1.13	Agree	2.40	1.01	Disagree
30	periodically checks the schools' banking documents	3.07	0.90	Disagree	3.04	0.99	Agree
31	approve and appropriately authorize financial transactions before execution	3.35	0.79	Agree	3.31	0.91	Agree
32	ensure that due process is adequately and consistently observed in the award of contracts of works ,supplies and job orders	2.80	1.05	Agree	2.47	1.14	Disagree
33	evaluate the use of resources in the pursuit of defined objectives of the school	2.48	1.07	Disagree	2.50	1.05	Agree

The result of data analysis presented in Table 4 reveals that principals and bursars agreed with items 26, 28, and 31 as the auditing practices applied by principals as shown by their mean scores above 2.50 for the items. Principals and bursars disagreed with item 27 as auditing practices applied by principals as indicated by their mean scores below 2.50. There was disagreement between principals and bursars with regard to items 29, 30, and 32 as auditing practices applied by principals.

IV. Discussion

Budgeting practices applied by Principals for effective school administration

The findings of the study revealed that the budgeting practices adopted by principals for effective school administration, includes; embark on market survey to get facts before preparing the budget, give priority to the most pressing needs in budget planning, make some monetary allocations for unforeseen expenditure in the course of budgeting, estimate the expected income in the school budget and defend the budget in the presence of the relevant authorities. This supported the finding of Bilkisu (2018) which reported budgeting practices applied by principals include; stocktaking and market survey, collaborate with every unit in school, defend their budget proposal and seek approval. The two studies agreed probably because they were conducted in the same country within just a year difference in time span. The secondary school principals in Anambra state perform their statutory responsibility of budget preparation. This could be due to financial management directives of the government, which mandates school principals to prepare their budgets. The budget may not successfully be prepared without these practices and these induced principals to adopt them. This indicated that secondary school principals in Anambra State estimate income and set expenditure priorities in schools. It was reported that there is no significant difference in the mean ratings of principals and bursars on the budgeting practices adopted by principals for effective administration of secondary schools in Anambra State . This is in line with the finding of Oboegbulem (2013) which showed there was no significant difference in the mean ratings of principals and bursars with regard to the ways principals manage funds. The possible explanation for the similarity in the findings could be because of the fact that the two studies were conducted in the southeast Geopolitical zone that has similar characteristics in school management.

Cash management practices applied by principals for effective school administration

The results of the study showed that the cash management practices applied by principals for effective school administration include: keep an accurate account of money in flow to school. Disburse funds based on school priorities, make use of direct labour to minimize cost, invest in minor businesses to generate funds for the school, keep accurate receipts of cash expenditure in school, regularly check on bursary activities to minimize fraud and conduct periodic cash survey. This is in consonance with the finding of Abshir (2016) which revealed that principals adopt cash management practices like documentation of cash receipts, disbursement of funds according to school needs and investment in minor businesses as alternative source of income to enhance school financial performance. The possible reason for the agreement could be the fact that the two studies were conducted at secondary school level and utilized principals and bursars as the participants. The cash management practices help to build the parents' trust that money paid for the education of their wards is not misused. This engenders accountability and stewardship by extension enhances effective school administration in secondary schools in Anambra State. It was found out that there is no significant difference in the mean ratings of principals and bursars on the cash management practices adopted by principals for effective administration of secondary schools in Anambra State. This affirmed the finding of Abshir (2016) who reported that the difference in the mean ratings of principals and bursars on cash management practices of principals was not significant. The possible explanation for the agreement between the two studies could be because they were conducted at the same level of education and used the same participants.

Inventory management practices applied by principals for effective school administration

It was reported that the inventory management practices applied by principals for effective school administration include; purchase durable facilities for optimal use in instructional delivery, make entries in the expenditure book for the purchase of facilities in the school and sensitize personnel in school on the need to imbibe good maintenance culture on school facilities. Kareem (2018) reported that managers adopt only buying in large quantities as an inventory management practice. The possible reason for the inventory management practices adopted by principals would be to prevent financial wastage in already underfunded and under-resourced secondary schools in Anambra State. Secondary school principals in Anambra state have limited funds for the procurement of school facilities. The inventory management practices ensure that school facilities are being cared for and properly used in an ideal fashion to enhance teaching and learning. This enables students and staff to benefit from the school programmes, optimally. The result of the study also revealed that there is no significant difference in the mean ratings of principals and bursars on the inventory management practices adopted by principals for effective administration of secondary schools in Anambra State. Bessong, Ubana and

Udo (2012) revealed that there was no significant difference in the mean scores of principals and bursars with regard to the financial management of the principals. The agreement between the findings may be because the two studies were conducted in the same country.

Auditing practices applied by principals for effective school administration

The result of the study indicated that the auditing practices applied by principals for effective school administration include; assess adherence to budgetary provision/operational guidelines for schools, continuously examine accounting books and records of the school, approve, and appropriately authorize financial transactions before execution. This affirmed the finding of Okeze, Okpe and Ngwakwe (2018) which reported that auditing practices are adopted in secondary schools. The reason for the agreement between the findings could be that the two studies were conducted in the southeast, Nigeria and states in the zone share similar characteristics in education system and management. Some of the auditing practices are being adopted by secondary school principals in Anambra State as a result of the fact that it is a compulsorily required by legislation. The auditing practices act as principals' watchdog for prevention of fraudulent practices in the use of funds in secondary schools in Anambra State. It also minimizes the embezzlement and misappropriation of school funds.

It was reported that there is no significant difference in the mean ratings of principals and bursars on the auditing practices adopted by principals for effective administration of secondary schools in Anambra State. Okeze, Okpe and Ngwakwe (2018) there is no significant difference in the mean ratings of principals and bursars on auditing practices of secondary school principals. What could account for the agreement between the two studies was that they were conducted in the same southeast zone of Nigeria within a time span of just a year difference.

V. Conclusion

Based on the findings, it was concluded that secondary school principals in Anambra State adopt financial management practices for effective school administration. Principals adopt budgeting, cash management, inventory management and auditing practices for effective school administration in Anambra State. Thus, secondary school principals in Anambra State perform their financial management obligations. This result to judicious use of school funds for purposes for which it was for and thus, minimizes wastages and misuse. The principals and bursars do not significantly differ in their mean scores of financial management practices adopted by principals for effective school administration in Anambra State

VI. Recommendations

Based on the findings of this study, the following recommendations were made:

The Ministry of Education should encourage and mandate all secondary school principals to undergo compulsory training programme in the Universities on budgeting practices in order to up-date their skills and knowledge on modern trends of school budgeting.

School principals should constitute cash management sub-committee to create more formal, planned and structured cash management practices.

The Ministry of Education should enact a law to act as a watchdog over the inventory management practices of secondary school principals.

The Ministry of Education should create an independent auditing unit in each school to collaborate with principals in improving their auditing practices.

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