

FINANCIAL MANAGEMENT PRACTICES IN PUBLIC SECONDARY SCHOOLS IN BENUE STATE, NIGERIA

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Abstract

The study investigated financial management practices in public secondary schools in Benue State, Nigeria. Two research questions and two hypotheses guided the study. Descriptive survey research design was used. Researcher-based structured questionnaire titled Financial Management Questionnaire (FMQ) was used to collect data. Mean and standard deviation were used to answer the research questions, and t-test to test the hypotheses. For the research questions, 2.50 was used as the criterion mean. The hypotheses were tested at 0.05 level of significance. Findings indicated that there are other sources of funding the schools outside government grants and school fees, and these funds generated are not properly administered or accounted for. School principals are the sole signatories to the schools' accounts and there is no strict adherence to budgetary plans. Findings further indicated that there is no significant difference in the mean ratings of senior secondary school principals and junior secondary school principals on the sources of funding secondary schools in Benue State. It was recommended among other things that, secondary school principals should explore and maximize other supplementary sources of funds such as canteen/cafés, workshops, magazines and end-of-year events.

Keywords: *Management, financial management, school principal, secondary school, budget.*

Introduction

In Nigeria, the Principal is the executive head of a secondary school. He is responsible for coordinating all school activities ranging from student enrolment, coordinating the planning of the school time tables, keeping of school records like the class registers, logbook, visitors' book, updating his staff with information from the Ministry of Education (MOE), instructing the students, making budgetary and fiscal plans, sourcing for fund to run the school and managing the funds made available to run the school with the aim of realizing educational goals and objectives. Hence, the principal could be referred to as the head of management at the secondary school level.

According to Amirize and Olorube (2018), management is the organizational process that includes strategic planning, setting objectives, managing resources, deploying the human and financial assets needed to achieve objectives, and measuring results. One of the responsibilities of the secondary school principal is financial management. The principal is expected to source for funds for the running of the school.

For Eru (2019), financial management is the major task of educational administration that involves the utilization of all available financial resources in an effort to achieve the objectives for which educational institutions are established. It involves managing the funds available to ensure the provision of a wide variety of school resources and facilities. Financial management is the application of conventional principles in unwasteful spending of organizational funds with the aim of achieving institutional plans and aspirations (Oche, 2009). For Nwaokolo and Akilaya (2000), financial management is concerned with the management of funds for educational expansion.

According to Egbule and Igbogbor (2000), financial management deals with how to plan, budget for, secure and maintain financial resources in order to attain the institution's objectives. Pandey in Aliyu (2018) defines financial management as an

activity which is concerned with the planning and controlling of an organization's financial resources. According to Ogbonnaya (2005), financial management implies liability to be called upon to account for or answer for funds entrusted to one's care.

On the other hand, mismanagement is the process of organizing or controlling something poorly (Cambridge Dictionary, 2014). Thus, financial mismanagement is management that deliberately or not, is handled in a way that can be characterized as wrong, bad, careless, inefficient or incompetent and that will reflect negatively upon the financial standing of a business or individual (Wikipedia, 2019), or an organization. There are many ways of how financial mismanagement is carried out. For example, the wrong distribution of responsibility, to be inconsistent with payments, bills and taxes and neglecting responsibility, financial problems and economical standing can cause great financial mismanagement.

It is the duty of the principals to raise funds from approved sources and ensure that funds are spent for what they are originally budgeted for (Ezebunanwa, 2004). Proper accounting of revenue and expenditure of schools should be kept. In essence, financial management by principals should include budgeting, fund raising, and disbursing of school funds. Where the Principals efficiently do these, there will likely be increased and improved school facilities (Enyi, 2001). But where there are cases of mismanagement by principals, the status of school human and physical facilities will be such that educational objectives are hardly achieved.

Many situations in Nigerian education system appear to threaten schools' financial management. For instance, the rising cost of education places more burdens on principals' financial management of schools (Okoye, 2004). Closely related to the issue of rising educational cost is the problem of the inability of government to provide sufficient funds for educational endeavours. Little wonder, Okonjo-Iweala (2005) remarked

that the government faces competing demands and priorities its activities and policies on which funds are spent.

Many Principals of secondary schools in Benue State depend on school fees as a source of generating fund for the school. Other sources of funds include government's monthly or quarterly subvention and Parents-Teachers Association (PTA) levies. Irrespective of all the sources of funds available to secondary school principals, some school activities and programmes are not being handled effectively because of lack of adequate funds. Insufficiency of funds hinders the provision of infrastructural facilities, laboratory equipment, computers, power plants, audio-visual aids and stationeries among other facilities that enhance the operation of the school. Lack of these facilities frustrates school programmes and ultimately aborts educational goals and objectives. Osuala (2007) opined that the financing of education is a collective responsibility of all stakeholders, and that the school principal is expected to complement government's effort by diversifying their income basis and utilizing the available funds judiciously for the attainment of educational goals.

However, the problem of inadequate instructional facilities in secondary schools in Benue State do not exclusively rest on funding as often depicted, rather the problems are most likely made complex due to poor financial management by the principals. Some of the principals are accused of lacking the necessary training required of financial managers while others are accused of imposing illegal levies on their students, neglecting budgetary plans, delaying disbursement of funds for fraudulent purposes. This situation apparently creates a turbulent atmosphere for the success of teaching-learning process. This way, the school administrator needs specific skills in financial management, which are as follows: revenue generation, assessment of the school needs, planning and programming, prioritizing areas of pressing needs, cost benefit analysis, stock taking,

market survey, budgeting, financial record keeping, receipts, banking strategies, delegation of staff for financial matters, auditing and accountability (Oche, 2009).

Financial management practices of Principals in Benue State has become a sensitive issue over the years because of the growing public and government interest in the provision of funds for the implementation of school programmes. The public expects the school administrators to ensure prudent management of school funds, but on the contrary, there seems to be lack of initiative by principals to create other sources of funding the school, neglect of budgetary plans in financing school programmes, poor disbursement of funds, lack of trained personnel such as the bursars/cashiers, lack of training in financial management by some principals, illegal levies imposed on students, incompleteness of projects already approved and paid for by the government, abuse of PTA funds, poor record keeping as well as poor auditing and accounting system (Eru, 2019). All these are pointers to financial mismanagement in secondary school. It is against this backdrop that this study investigates the effect of financial management practices in public secondary schools in Benue State of Nigeria.

Udoh (2011) posited that the state of infrastructural facilities in Nigerian schools is deplorable. It seems all these could be attributed to poor financial management by the school principals. According to Oche (2009), the Executive Secretary (ES) of the Benue State Teaching Service Board (TSB) had, in a meeting with secondary school Principals, indicted them of apparent lack of capability in developing other sources of funding their schools. In another setting, the ES of TSB, Dr. Frank Kyungun (personal communication, November 5, 2020) commented in an emergency meeting with secondary school Principals in Benue State, accused some of the secondary school principals of funds misappropriation.

According to Knight in Mobegi, Ondigi and Simatwa (2012), the school management may produce plans for school,

but such plans may be useless unless they are linked to the budget because it is through budgeting that a school can decide to allocate resources so as to achieve organizational goals, and thereby developing the organization.

Purpose of the Study

This study investigated into financial management practices in public secondary schools in Benue State. Specifically, the study:

- (i) determined the sources of funding secondary schools in Benue State; and
- (ii) ascertained how funds are disbursed/managed by the school Principals, in order to establish whether funds are mismanaged or not.

Research Questions

The following research questions guided the study:

- (i) What are the sources of funding secondary schools in Benue State?
- (ii) How are funds disbursed or managed by the secondary school Principals in Benue State?

Hypotheses

The following null hypotheses have been formulated and tested at 0.05 level of significance.

- H₀ 1:** There is no significant difference between the sources of funding of junior and senior secondary schools in Benue State.
- H₀ 2:** There is no significant difference between how funds are disbursed or managed by the Principals of junior and senior secondary schools in Benue State.

Research Method

This study made use of descriptive survey research design. Descriptive survey research design, according to Nworgu in Uwakwe (2017), is one in which a group of people or item is studied by collecting and analyzing data from only a few people or

items considered to be representative of the entire group. The design is appropriate for this study since it used questionnaire for collecting data from the respondents to determine financial management in public secondary schools in Benue State. This study design is the most relevant design that could help the researcher in the study. Survey research is widely employed in the study of significant educational problems and has obviously had profound influences on the field of education as much as other science disciplines.

The research was carried out in Benue State, among principals of all government-financed (grant-aided) secondary schools. The State comprises twenty-three (23) LGAs namely; Ado, Agatu, Apa, Buruku, Gboko, Guma, Gwer-East, Gwer-West, Katsina-Ala, Konshisha, Kwande, Logo, Makurdi, Obi, Ogbadibo, Ohimini, Oju, Okpokwu, Otukpo, Tarka, Ukum, Ushongo, and Vandeikya. Benue State falls within the North-Central geo-political zone in Nigeria. The State shares common boundaries with Enugu, Ebonyi, Cross River (Arubi, 2017), Kogi, Nasarawa and Taraba States of the Federal Republic of Nigeria.

The population of the study comprised of principals of government-financed (grant-aided) junior secondary schools (JSS) and senior secondary schools (SSS) in Benue State, Nigeria. Based on the available statistical record, the population of JSS and SSS was 624 and each headed by a principal. These have been categorized as follows: 312 principals of JSS (SUBEB, 2019) and 312 principals of SSS (TSB, 2019). The population was not sampled due to the manageable size. The entire population of 624 principals of public secondary schools in Benue State were used.

A 27-item structured questionnaire titled Financial Management Questionnaire (FMQ) was developed by the researcher to elicit information from the respondents. The questionnaire has two sections; Section 'A' dwells on personal data/demographic information of the respondents while Section 'B' handles the items bordering on sources

and disbursement of funds in secondary schools in Benue State.

The 27 positively-scored items in the questionnaire were put into clusters as follows: Cluster 'A' involved information on sources of funding secondary schools in Benue State which has items 1 – 12; Cluster 'B' bordered on how funds are disbursed/managed in secondary schools with items 13 – 27 respectively. The items were on a four-point rating scale of: Strongly Agree (4); Agree (3); Disagree (2); and Strongly Disagree (1).

The methods of data collection were the direct delivery and retrieval method was used in the administration of the instrument to ensure high rate of return. The services of three (3) trained research assistants were employed in administering the instrument to

the respondents. This enabled the researcher to cover all the Local Government Areas used for the study.

Mean and Standard Deviation (SD) were used to analyze the research questions, and t-test to test formulated hypotheses. For the research questions, 2.50 was used as the criterion mean. Any item that attains a response mean score of 2.50 and above failed to be rejected otherwise it was rejected.

Results

Research Question 1: What are the sources of funding secondary schools in Benue State?

Data collected in respect of the research question 1 were answered descriptively and the findings reported in Table 1.

Table 1: Mean and Standard Deviation Ratings of Senior and Junior Secondary School Principals on Sources of Funds

S/N	Sources of Funds	Senior Principals			Junior Principals		
		\bar{X}	SD	Rmk	\bar{X}	SD	Rmk
1	International support from agencies like UNICEF and UNESCO.	1.99	0.7	Disagree	3.91	0.98	Agree
2	Government grants in form of aids, recurrent and capital grants.	3.44	0.92	Agree	3.43	0.92	Agree
3	Funds from school farms (poultry, fish pond, etc).	1.99	0.7	Disagree	1.95	0.69	Disagree
4	Funds from school canteen.	2.06	0.71	Disagree	2.06	0.71	Disagree
5	Funds from school magazine.	2.79	0.83	Agree	2.92	0.85	Agree
6	Funds from school speech & prize giving day.	2.66	0.81	Agree	2.76	0.83	Agree
7	Funds from end-of-year/graduation parties.	1.96	0.7	Disagree	2.88	0.84	Agree
8	Funds from Board of Governors.	2.06	0.71	Disagree	2.06	0.71	Disagree
9	Parents/Teachers Association levies.	3.35	0.91	Agree	2.59	0.8	Agree
10	Funds from school fees.	3.3	0.9	Agree	3.31	0.9	Agree
11	Financial support from old boys/students' association.	2.62	0.8	Agree	1.95	0.69	Disagree
12	Funds from school workshops (like carpentry & metal workshops).	1.95	0.69	Disagree	1.95	0.69	Disagree

Table 1 revealed that, the major sources of funds in Senior Secondary Schools in Benue State includes: Parent-Teachers Association (PTA) levies, school fees,

government grants, funds generated from school magazine, funds from school speech, prize giving day, and financial support from old boys/students' association. However,

international support from agencies such as UNICEF and UNESCO, funds generated from end-of-year/graduation parties, school workshops (like carpentry and metal workshops), funds from school poultry, farm, and funds from Board of Governors, etc.

were insignificant.

Research Question 2: How are funds disbursed or managed by the Secondary School Principals in Benue State?

Table 2: Mean and Standard Deviation Ratings of Principals on how Funds are Disbursed and Managed in Senior and Junior Secondary Schools in Benue State

S/N	How funds are disbursed/managed in Secondary Schools	Senior Principals			Junior Principals		
		\bar{X}	SD	Rmk	\bar{X}	SD	Rmk
13	There is no strict adherence to budget plans in the school.	2.77	0.83	Agree	2.79	0.86	Agree
14	Quarterly account of income and expenditure is kept by the Principal.	2.8	0.83	Agree	2.54	0.79	Agree
15	There is annual financial statement of accounts from the Bursary Department.	2.79	0.86	Agree	3.56	0.94	Agree
16	The Ministry of Education specifies funds meant for capital and recurrent expenditure.	2.57	0.8	Agree	3.98	0.99	Agree
17	The Principal is the sole signatory to the school account.	3.03	0.86	Agree	3.82	0.97	Agree
18	Funds are disbursed only for the purpose for which they have been budgeted.	1.99	0.7	Disagree	1.95	0.69	Disagree
19	Priority is given to areas of school need that is most pressing.	3.01	0.86	Agree	3.42	0.92	Agree
20	Disbursement of fund to school departments is never delayed.	1.95	0.69	Disagree	1.99	0.7	Disagree
21	Heads of Department give account of fund disbursed to their office.	3.03	0.86	Agree	2.96	0.86	Agree
22	Records of receipts/voucher of all moneys expended are kept.	1.99	0.7	Disagree	1.95	0.69	Disagree
23	All payments are made with approval from the Principal.	2.99	0.86	Agree	2.92	0.85	Agree
24	Principals, as the chief accounting officers do not render any financial report of their expenditures to the State Ministry of Education.	2.89	0.84	Agree	3.95	0.98	Agree
25	Surplus moneys are returned to the bursary department after expenditure.	1.99	0.7	Disagree	3.91	0.98	Agree
26	The provisions for unforeseen expenditures in the budget are not respected.	3.01	0.86	Agree	3.42	0.92	Agree
27	Generally, it can be concluded that, funds are mismanaged by the Principals.	2.89	0.84	Agree	3.05	0.87	Agree

Table 2 revealed that, the SSS Principals agreed that; the Principal is the sole signatory to the school account, heads of department give account of fund disbursed to

their office, priority is given to areas of school need that is most pressing, provisions for unforeseen expenditures in the budget are not respected, all payments are made with

approval from the Principal, Principals, as the chief accounting officers do not render any financial report of their expenditures to the State MOE, generally, it can be concluded that, funds are mismanaged by the Principals.

Testing of the Hypotheses

The three hypotheses were analyzed.

Hypotheses 1: There is no significant difference between the sources of funding of junior and senior secondary schools in Benue State.

Table 3: t-test Analysis of the Responses of Senior and Junior Secondary School Principals on Sources of Funds for Secondary Schools

S/N	Item	No	\bar{X}	SD	DF	t-Value Calculated	t-Value Tabulated	Dec
1	Senior principals	312	2.80	0.82	622	0.51	1.96	Not significant
2	Junior principals	312	3.04	0.86				

Table 3 showed the calculated t-value of 0.51 at 622 degree of freedom and at 0.05 level of significance. Since the calculated t-value of 0.51 is less than the tabulated t-value of 1.96, the null hypothesis was not rejected as hypothesized. Therefore, there is no significant difference in the mean ratings of Senior Secondary School Principals and

Junior Secondary School Principals on the sources of funding Secondary Schools in Benue State.

Hypothesis 2: There is no significant difference between how funds are disbursed or managed by the Principals of junior and senior secondary schools in Benue State.

Table 4: t-test Analysis of the Responses of Senior and Junior Secondary School Principals on how Funds are Disbursed or Managed in Secondary Schools in Benue State

S/N	Item	No	\bar{X}	SD	DF	t-Value Calculated	t-Value Tabulated	Dec
1	SSS principals	312	3.56	0.93	622	0.52	1.06	Not significant
2	JSS principals	312	2.92	0.84				

Table 4 revealed the calculated t-value is 0.52 at 622 degree of freedom and at 0.05 level of significance. Since the calculated t-value of 0.52 is less than the tabulated value of 1.06, the null hypothesis of this study is not rejected. Hence, there is no significant

difference in the mean ratings of senior and junior secondary school Principals on how funds are disbursed or managed in Secondary Schools in Benue State.

Discussion of Findings

Findings indicated that, the major sources of funds in Junior Secondary Schools (JSSs) in Benue State includes: international support from agencies like UNICEF and UNESCO, government grants in form of aids, recurrent and capital grants, school fees, funds from school magazine, funds from the School's end-of-year/graduation parties, funds from school speech/prize giving days as well as PTA levies. On the other hand, financial support from old boys/students' association and funds from school carpentry and metal workshops were also insignificant among public JSSs in Benue State.

Finding further revealed that, quarterly account of income and expenditure is kept by the principals, there is annual financial statement of accounts from the bursary department, there is no strict adherence to budget plans in the school, and that, the Ministry of Education (MOE) specifies funds meant for capital and recurrent expenditure.

Nevertheless, the Senior Secondary Schools (SSS) principals disagreed that; the Ministry of Education (MOE) specifies funds meant for capital and recurrent expenditure, as the chief accounting officers, principals do not render any financial report of their expenditures to the State MOE and that surplus moneys are returned to the bursary department after expenditure, funds are disbursed only for the purpose for which they have been budgeted. SSSs principals also disagreed that records of receipts/voucher of all moneys expended are kept and that disbursement of funds to school departments is delayed.

For the JSS Principals, the result also revealed that, the Principal is the sole signatory to the school account, there is no strict adherence to budget plans in the school, priority is given to areas of school need that is most pressing, all payments are made with approval from the Principal, surplus moneys are returned to the bursary department after expenditure, and the provisions for unforeseen expenditures in the budget are not respected. Also, the JSS Principals agreed

that, quarterly account of income and expenditure is kept by the principals, heads of department give account of fund disbursed to their office and there is annual financial statement of accounts from the bursary department.

Yet, the JSS Principals disagreed that, funds are disbursed only for the purpose for which they have been budgeted, disbursement of fund to school departments is delayed, and that records of receipts/voucher of all moneys expended are kept. Generally, Principals of both SSS and JSS agreed that, funds are mismanaged by the Principals.

Conclusion

The quality of secondary education made accessible for the public would depend largely on the pattern of resource management in the schools. This implies that there is a direct relationship between the sources of funding secondary schools and the managerial practices employed by school administrators in Benue State. The problem of shortage of qualified teachers and lack of instructional facilities do not exclusively rest on funding as often depicted, rather, the problems are made complex due to poor management or misappropriation of funds. Hence, the schools Principals are expected to complement government's effort by diversifying their income bases and utilizing the available funds judiciously for the attainment of their organizational goals.

Recommendations

On the basis of the findings in this study, the following recommendations were made:

- (i) Secondary School Principals should harness the potentials of multi-sectoral partnerships of companies, banks, PTA, organizations/associations, and industries in funds generation;
- (ii) Principals should explore and maximize other supplementary sources of funds (such as canteen/cafés, workshops, magazines and end-of-year events) and limit reliance on taxing the

- school students;
- (iii) Government and NGOs should ensure timely release of funds allocated to schools, in order to avoid delay in disbursement of fund to the schools' departments/units; and
- (iv) The State Ministry of Education (MOE) should organize workshops and seminars for Principals that could enhance financial management practices.

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