

Innovative Strategies for Improving Principals Financial Management in School in Nigeria

A. Onele Adali

Department of Educational Foundations, Ebonyi State University, Abakaliki, Ebonyi State, Nigeria

Abstract: The study focused on innovative strategies for improving principals' management of schools. The syndrome of inadequate funds, poor organization and management has been perpetual cankerworm to school management. Management of financial resources of the school is an essential duty of the school principal. The significance of financial management, the role of the school principal in managing financial resources and poor government budgetary allocation form the focus of this paper. Particular attention is paid to Innovative Strategies requires of Principals in Financial Management of schools were centrally highlighted to include among others retaining a percentage of school charges under a school management board. The need for this study is to strategize ways of ensuring that principals' financial management is enhanced amidst inadequate funding in schools.

Key words: Innovative Strategies • Principals • Financial Management and Nigeria

INTRODUCTION

At present there is no comprehensive information on public educational spending in Nigeria; the research studies in this area are very limited [1]. Even the National Policy on Education [1], does not articulate any formula for funding education at all levels. It however indicates that efforts at funding education shall be directed at: strengthening governance framework and the skills of administrators at all levels in order to entrench and promote a culture of accountability, effectiveness and efficiency in the management of public investment in education [2].

Funding of public secondary schools in Cross River State is the sole responsibility of the state government. According to [3] the State government expenditure on Education amounted to 28.4 billion out of 350 billion in 2015 (8.1%), 23.3 billion out of 303 billion in 2016 (8%), 25.2 billion out of 301 billion in 2017(8.5%) and 52.8 billion out of 1.3trillion in 2018 (4%). In real terms, however, public expenditure on education in Cross River State has decreased over the years resulting to serious underfunding.

Financial management in school according to [4] connotes the ways and means usually employed to provide the financial resources involved in running educational institution. It is one of the major tasks and

functions of the school head. The fundamental principle in financial management in schools is not just how much money is allocated to the school system, but how well the available funds are judiciously put to use to achieve effective educational goals. Financial management generally is performed by the process of planning and controlling the utilization of financial resources in school. Planning involves forecasting a particular action or a set of actions intended to assist the achievement of predetermined objectives, while controlling is the power to make decisions about the implementation of the plan to achieve the desire results. Control can be internal or external, and is usually enforced through legislature and/or administrative means.

Sensitization and mobilization of school principals to ensuring cohesion, strategic involvement and balance are veritable mechanism for effective financial management [5]. Moreso, the quality, functionality and responsiveness of school principals in the secondary school sub-sector is vital in repositioning secondary education to effectively play its role to enhance performance and facilitate quality assurance for development. Similarly, no matter the human, material and financial resources allotted to a school, significant impact would not be achieved without effectiveness by those saddled with the responsibility of leading the schools. This is a clear indication that principals are

paramount, vital human resources and formidable bridges between the public and school.

The main thrust of this paper is to elaborately discuss strategies for improving and managing secondary school finances with other attendant issues.

The Concept of Financial Management: Financial management is one of the essential factors in school management. This is so because virtually, the functioning of everything in the school more or less depends on it. It has one way or the other constituted itself as a critical element in determining the well-being of the school. [6] in [7] noted that educational institutions exist to render service and not for profit making purpose. Financial management should therefore be properly oriented towards the purpose of rendering services. This is important at all levels of the education business.

In the view of [8] in [9], handling and management of finances is an important issue in the school system. Thus, the leadership needs to be well oriented in economics, politics and budgeting in order to manage the financial resources effectively. As rightly pointed out by [10], “in economics, because they have to understand economics and fiscal indices; in politics, because they are many contending interests in the society which want a share of the material revenue; and in budgeting because, whatever is allocated has to be properly distributed among various departments and units”.

The problematic nature of financial management in schools has dwarfed the actualization of the goals and objectives of schooling. This problem has attracted the attention of many researchers such as [11] in [12] who observed that “while education is an economically and socially productive investment serving as an important instrument for the improvement of a nation, the actualization of these benefits. According to him is constrained by budgeting austerity which tightens the public purse-strings. At the same time, the increasing school population stretches these dwelling resources along with other social and economic factors which equally prevent compelling competitions for the same funds.

Onekerhoroye and Nwoye, [13] put financial management as the supervision, utilization and distribution of finances among various units. [14] explained that financial management has to do with school finance structure through adequate and equity. Adequate is concerned with cost per pupil and teachers, while equity is the fairness and satisfaction of students and teachers needs.

Significance of Financial Management in Schools:

The volume of cost in goods and services in the school is a demonstration of emphasis placed in school finances. The number of staff (teaching and non-teaching) buildings, equipment and supplies put in use in the school justifies the use and need for financial management. As such, principals have to be conversant with accounting, principals of financial resources allocation and utilization.

Verspoor [15] posited that financial management helps in training educational administrators to develop knowledge and skills in financial resources, generation, management and control; to have the technical know-how in budgeting and auditing; and to develop good personal qualities and features of honesty, dynamism, transparency, commitment, goal orientation, responsibility, responsiveness and accountability. In the same vein, [11] maintained that financial management in school is in consonance with Henri Fayol Fundamental Principles of Responsibility, Democracy, Prudentiality, Sound Economy and Checks and Balances.

From the microeconomic point of view, education is both a producer and a consumer. It draws heavily from the nation's economy and contributes enormously to it. Thus, education can be considered as an investment. Hence, sustained efforts must be put up to ensure that educational gains justify the huge financial investments. Consequently, the provisions and expenditure of funds have become the focal and critical point in financial management. Funds that schools generate must be utilized judiciously and justifiably. The essence of school financial management therefore, is not determining how much money goes into the school system, but how well the available funds have effectively been put to use [9].

With nothing being given to principals excepts imprest from school fees, the government of Cross River State has financial regulations which guide the operations of school finance. It is therefore, expected of the principal to avail themselves of these regulations so as to manage school finances properly and effectively.

The Roles of Principals in Financial Management:

A school principal is the institutional manager in the education sector. Based on the peculiar nature of the school as a social organization, the principal has many roles to play in order to ensure efficient and effective financial management in the school system. These roles according to [8] include:

- Planning the financial strategies of the school, that is; decoding how much funds will be required and for what in running the school.
- Planning and sourcing the sources of finance to run the school
- Planning and controlling the use of funds and outside the school for recurrent and working capital
- Allocating funds between current and fixed assets
- Performing routine financial functions such as monitoring and supervision of cash, school accounts, disbursement, custody and safety-keeping of school assets, record keeping and reporting.
- Developing appropriate feedback system on the financial management of the school.

[5] identified the roles of the principals in financial management to include in relation to students, teachers, parents, doctors and the government.

In Relation to Students:

- The Principal owes the students a responsibility of ensuring that schools charges are paid on at when due
- Ensuring the proper receipting of payment made by the students. This is done by making available receipts and issuing such receipts to students as evidence of payment.
- Communicating to the students the number of school charges to make payment for as well as the amount required for each charge.
- Keeping proper record of the payments made by the students and communicate such to the appropriate quarters within an outside the school
- The principal owes the students a responsibility of ensuring that the payments made is relation to school charges are judiciously spent according to laid down procedures.
- Providing conducive environment for the payment of the school charges, and ensuring that the payments made by the students are properly secured. Ensuring that the accounting, personnel's do not extort the school.

In Relation to the Teachers:

- Assigning duties with regards to school charges collection to teachers of integrity. This is necessary because collection of charges is not a responsibility for every teacher. It is meant for teachers with proven

integrity who can ensure that whatever amount collected is properly accounted for.

- Reconciling between instructional activities and fee payment issues. That is the principal ensures that the time or instructional activities are no spent on school charges collection and as well making sure that the time for the collection of school charges are not used for something else; indicating the spirit of orderliness in financial management.
- Putting up machinery for the daily remittance of charges collected by the teachers and reconciliation of such accounts.

In Relation to Parents:

- Giving early intimation to parents about charges orally and in printed form.
- Communicating to parents the method to be adopted in making payment to the school. This saves the parents the problem of making payments into wrong hands or accounts.
- Handling parents complaints concerning school charges. Ensuring that complains brought by parents are properly resolved, thereby clearing any ambiguity that may give room to suspicious and dissatisfaction to the parents bothering on school charges.
- Providing enabling environment for the publications of the schools balance sheets regularly to the PTA and enabling the parents to make adequate preparation towards the payment of funds charges.

In Relation to Donors:

- Summoning meeting of donors intimating them about the needs and projects to be executed with the donations.
- Accepting donations for a specific purpose-having correspondence files and ledger to this effect.
- Ensuring that he sends a receipt and a letter of appreciation to the donor.

In Relation to Government

- Keeping proper accounts in relevant accounting books and rendering such to government when the need arises.
- Making regular remittance of payment made by the students to the appropriate government quarters. This enables the government to have first hand

information about the amount generated from the school system at any given period of time.

- Making accounting books available for auditing purposes upon request.

Innovative Strategies for Financial Management:

Innovative connotes new things or a new method of doing things, while a strategy is a general plan or a set of plans intended to achieve something, especially over a period of time (Oxford Advanced Learner's Dictionary of the English Language) innovative Strategies for financial management by principals in schools, therefore, refer to new plans or methods of determining, mobilizing, acquiring and utilizing financial resources in schools to achieve educational goals. This should not be confused with strategic management which entails managerial choices among alternatives and ways of operating an organization. [6]

[4] in [3] suggested that the school financial manager should consider the following, among others, as possible innovative strategies for financial management of their schools.

- Seeking bids and comparing pricing for all purchases
- Paying all bills promptly especially if discounts are involved.
- Developing partnership with local organizations or communities for funding educational programmes, projects or materials.
- Using local personnel to provide various services to the schools, including volunteers and students employees.
- Co-operating with other schools within the school community to access specialized personnel, material and other resources.

[3] put the following as innovative strategies for financial management.

- Formation of a school-based management board which offers a way to promote improvement by decentralizing control from the secondary school board to individual schools. It allows the principals and the school financial autonomy through budgeting, fund raising, income and expenditure, implementation and auditing of school account. [1] in [2] maintained that "studies of effective public schools agree that a strong central leader, like the principal is the key to successful school financial management.

- Movement of most of the financial management to the school, that is, a percentage of the generated sums from the school charges should be retained within the school under the care and accountability of the school-based management board. This of course, implies that the current practice of relearning paltry imprest per child should attract a higher percentage. The paucity of funds within the individual school system has left facilities in a dilapidating state. Because of the long protocol and bottle-neck to takes to draw government attention to problems of this nature as opposed to the quick attention private schools receive institutions like this.
- Provision of adequate based-level of funding in schools. This initiative for sinking or dumping fund by government and interested members of the public solely for improving fiscal liquidity in schools, particularly those of rural nature. This articulation is argued along the lines of existing systems like Education Trust Fund.
- Increasing public support through intensive awareness campaign not only by principal, but the government, NGOs, C with the aim of mobilizing financial support for the public schools.
- Preparation of School Budget Annually. As a way of checking financial management in secondary school, principals should take budget preparation as a priority. In fact, this has to be done before the beginning of any school year and submitted to the school-based management board for inputs and ratification.
- Formation of Local Education Foundations. This system can be adopted through slight increase on the current taxes on property. The variations are entrusted to a foundation in the school for the purpose of festering educational innovations, supplying schools with funds, equipment and sciences. This will not only generate more funds to the schools, but also enable the principals to direct expenditure to priority areas.
- Organization of Workshops, conferences and seminars on financial management. As an initiative for improving financial management in schools, workshops, seminars should be mounted for principals bothering and exposing them to the techniques and skills for effective financial management. This will enhance their knowledge of financial applications and prudent spending.

- Formation of school-based club. Principals should encourage the formation of school-based club whose primary functions should focus on forming booster-clubs, school business partnership, soliciting business or volunteers for in kind donations, selling and leasing services and facilities, generating investment incomes, collecting users fees to fund sports and co-curricular activities and sponsoring school wide fund raising events [6]. This initiative will generate more funds which can be channeled towards reactivating those facilities which dearth of funds has put out of use.

[13] highlighted the following as good strategies for financial management in schools.

- School -Community relationship to promote synergy for community complementary financing.
- Proper collaboration with parents via systematization and streamlining of Parents/Teachers Association (PTA) in the schools.
- Indulging in agricultural, craft and transportation activities
- Involving Alumni in fund generation and management.
- Decentralization and delegation of the different sources of school finance.

To develop strategies for effective financial management of school funds, [14] suggested the following at other level of education, but which could be considered relevant to secondary school operations.:

- Ensuring competent, experienced and reliable leadership.
- Ensuring participatory management.
- Establishing sound and reliable accounting system.
- Ensuring efficient internal and external auditing system.
- Budgeting and budgetary control.
- Computerizing of administrative process.
- Providing continuity in the school's accounting system.

CONCLUSION

There is no direct finding of public secondary school in Cross River State. Principals as accounting officers, must be guided by the basic framework and mechanisms

of financial management through formal training. It is to this end that this paper has highlighted essential issues which are relevant in financial management, but more or less disregarded.

It also delved into school-based management which emphasized on decentralization of management from the apron strings of the government to the principals via school-based management board. This placed the principals in a position to take decision on financial issues, amongst others.

Finally, it proposed strategies or initiatives for improving financial management in public secondary schools in Cross River State. It is hoped that these strategies of implemented will help solve the problems of financial management in schools and the erroneous belief that "Corruption is a Nigeria".

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