



Financial Management Practices of Principals and Implementation of Education Laws in Secondary Schools in Nasarawa State

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Abstract

This study examined the financial management practices of principals and implementation of education laws of secondary schools in Nasarawa State. Three (3) research questions and three (3) hypotheses were formulated and tested for the study. It adopted descriptive survey design. The Population sample of the study was Teachers and students representing 12% of the total Population were sampled from three southern districts using stratified random sampling. The structured questionnaire developed by the researchers was used to collect data for the study. The instrument used for the data collection of the study was a modified four point-Likert type questionnaire of Strongly Agreed (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). Frequency count and percentage were used to analyze the three research questions, while Chi-square test was used to test the three hypotheses at 0.05 level of significance. The findings revealed that use of education law has a significant impact on principals procurement fund of secondary schools in Nasarawa state and use of education law has influence on principals utilization of funds for national cohesion and education laws has significant impact on principals financial record keeping practices of secondary schools in Nasarawa State. Based on the

findings of the study, it was recommended that government should allocate sufficient funds for the management of school. Also there should be sanction of school administrators involves in the acts for national cohesion.

Keywords: *Financial Management Practices, Implementation, Education Law, National Cohesion.*

Introduction

The importance of education to national growth and development cannot be overemphasized. Education is a tool for transmission of knowledge and culture for national development (Affa, 2019). The importance attached to education in Nigeria has made its provision and management a national discourse at all levels of government, local, state and federal government. The parameter designed to manage education system in Nigeria are formulated to guide the conduct of operators of the education. The Education Act, 1971 provides a statutory framework on financial management for Nigeria education at secondary schools level. The Act sets out broad objectives and principles underpinning education provision in secondary schools and it clarifies the roles and the responsibilities of the Principals and Teachers in the Ministry of Education, Science and Technology on financial handling matters. Section 18 of the Act states

that the principals shall keep all proper and usual accounts and records of all monies received by it or expenditure of such monies incurred by it and shall ensure that in such year all such accounts are properly audited or certified in accordance with best accounting practice. Accounts kept in pursuance of this section shall be made available by the school concerned for inspection by the Ministry and by parents of students in the school provided in accordance are fulfilled to ensure that the annual school accounts are prepared, audited and approved. The Act serves an important purpose in providing transparency and clarity as regards the rights and responsibilities of each of the stakeholders, and in facilitating best practice, quality outcomes and the effective and efficient financial resource management. Pandy (2019) says that it has been a common practice among heads of organizations to divert funds for purposes that will

either give them political advantage or enrich them personally. Most school heads in an attempt to enrich themselves and mismanage funds entrusted into their care (Akangbou, 2019). Ojo (2019) observed that some secondary school principals embezzle school equipment, fees and Parent Teacher Association levies in their schools to the extent that some of them are indicted by audit report.

Financial management refers to the procurement, allocation, expenditure and giving account of funds by an organization and individual (Ogbonaya, 2019). The essence of financial management is to ensure the growth and stability of organization, individual and enterprise. Secondary education is the education received after primary school and before tertiary education. This is the type of educations that prepare youth for useful living and give them opportunity for advancement guided by law. Law is needed in secondary school in the area of staff recruitment, disengagement, promotion, and staff development, finances, and management of records and staff personnel services. Ezra (2019) defined finance as a body of facts, principles and theories dealing with the raising and using of funds by individuals, firms, educational institutions and government. FGN (2012) described finance as an issue that involves the management of money, especially public money. According to Odo (2019) financial management is the administration of fund under the control of a body of knowledge and a well-organized method of proceedings. Eze (2019) in his own contribution said that financial management deals with the securing of funds, their efficient uses and maximization of costs or losses for the greater profitability of the business in secondary schools to enhanced welfare of students and staff. Obi and Ogbozor (2019) described financial management as ensuring that funds in an organization are effectively and efficiently utilized through proper planning and control of available fund. Onuche (2019) opined that financial management is the ability to raise funds and ensuring that the funds so mobilized are utilized effectively and efficiently. Financial management has to do with decisions on how to procure, expend and give accounts of funds provided for an organization for the implementation of its programmes, decision- making on the proper use of available fund and accountability in an organization as a custody and disbursement of resources needed for the conduct of public and/or government establishments. It becomes necessary that the principal, bursar and account clerks should be called upon from time to time to account or answer for fund entrusted to their care. Financial

record keeping makes auditing work easy for the auditors (internal and external). It involves the examination of all school financial records to determine the extent of judicious spending of school fund (Eya, 2019). Odengene (2019) asserts that some of the secondary school principals and their account clerks have left the system due to misappropriation of funds. Proper auditing practices of secondary schools will help to ascertain all financial transactions in the school and detect all fraudulent practices in the disbursement of funds and establish public confidence in the school management.

School financial management practices is one of the crucial functions of secondary school principals. The government, communities, parents and philanthropic organization that sponsor education need to be given statement of account of how funds provided for education are spent. The law of prudence calls for accountability by the controllers of financial resources meant for education. In view of the scarce financial resources for education, efforts should be made by the managers of funds in secondary schools (principals, bursars and account clerks) to ensure maximum and prudent utilization of available funds. The principal as the chief accounting officer in secondary school is accountable to the government or the school authorities for the use and management of school finances. Principals should therefore be well vested with financial management policies which are tools for effective and efficient management of funds in an institution. Mgbodile (2019) warned that school principals should eschew the temptation of embezzlement of school funds as well as misuse or mismanagement of school funds as this not only work against progress of the school but could attract unpleasant consequences to the school head and the school in general. He further maintained that school heads are expected to strengthen the general school administration by making sure that there is compliance to rules and regulations regarding financial management policies and principles. Judicious financial management ensures availability of funds for procuring teaching materials and for promoting educational objectives. Effective financial management is instrumental to full utilization of resources available and it ultimately leads to successful achievement of the organizational goals. Today most school system has failed to achieve its stated objectives due to lack of effective and efficient financial management as a result of poor record keeping of some of these school heads. Alu (2019) observed that accounting officers in our secondary schools lack professional competences and integrities for the performance of their job. He stated that accounting records are not

properly kept in our secondary schools and even where these records are kept, they are manipulated.

Chikadibia (2019) defined management as the guidance of or direction of human and material resources for the attainment of organizational goals. Modebelu (2019) defined management as the coordination of all the process of planning, organizing, directing and controlling in order to attain organizational goals. Financial Management Practices is one of the major tasks of a school head because the success of any school programme depends on the way the financial inputs are managed which however affects the overall performance of the school. School head, bursar and finance officer should therefore as a matter of important have adequate knowledge of finance in order to be effective financial managers. Without good financial management practices, the programmes of educational institutions will not be properly implemented. He further outlined some of these practices to include, auditing practices, financial record keeping practices, procurement, allocations to incur expenditure and budgeting practices. Ogene (2019) opined that sound financial management practices involve the maintenance of a reliable system of internal control to ensure proper utilization of funds. The basic accounting procedures involves the preparation of financial statements such as income and expenditure statement, balance sheets, reconciliation statement and receipts used to pay are in harmony and judiciously implemented

Implementation of education laws will help secondary school staff, students and management to do the right thing at the right time. Secondary schools education in Nigeria are facing with problems of increasing students enrolment, unsuitable patterns of education, expenditure, declining, quality of education, unequal access to education, over-reliance by government on foreign loan, inflation, trends, polarizations of education, mismanagement of the resources meant for secondary schools and cost of educational materials. Financial management practices is the scientific tools for harvesting resources for socio-economic, political and technological development of schools through management control process and techniques mechanism for revitalization of school aims and objectives. There is a need to orient our mind for national economy in Nigeria secondary education for the transition of knowledge and information in the society (Usman, 2019). Schools income and expenditures needs proper accountability and transparency for positive transformation of nation education and economy that requires vision and mission of a manager. But most principals

of secondary schools lack financial management ideology and effective and efficient principles of record keeping practices, thereby mismanage schools finances. It is on this background that this study anchored on financial management practices of principals and its impact on implementation of education laws of secondary schools in Nasarawa State.

Purpose of the Study

The purpose of the study was to find out financial management practices of principals and implementation of education laws of secondary schools in Nasarawa State. Specifically, the study sought to:

1. Find out principals procurement funds of secondary schools in Nasarawa State?
2. Find out principals utilization of funds of secondary schools in Nasarawa State?
3. Find out principals financial record keeping practices of secondary schools in Nasarawa State?

Research Questions

The following research questions guided the study.

1. To what extent do education laws guide school principals in the procurement funds of secondary schools in Nasarawa State for national cohesion?
2. To what extent do education laws guide the principals in the utilization of funds of secondary schools in Nasarawa State for national cohesion?
3. To what extent do education laws guide the principals' financial record keeping practices of secondary schools in Nasarawa State for national cohesion?

Hypotheses

- H₀₁** There is no significance differences between education laws and principals procurement Fund of secondary schools in Nasarawa State.
- H₀₂** There is no significance difference between education laws and principals utilization of Fund of secondary schools in Nasarawa State.
- H₀₃** There is no significance differences between education laws and principals record keeping of secondary schools in Nasarawa State.

Methodology

The descriptive survey design was used for the study. The population of this study consisted of Four hundred and twenty (420) students and thirty (30) teachers from Nasarawa State secondary schools. The instrument for data collections was structure questionnaire developed by the researchers. The questionnaires have only one section. This was designed to find out respondents views on financial management practices of principals and implementation of education laws of secondary school in southern district of Nasarawa State. Modified Likert rating scale with response mode of Strongly Agree (SA) Agree (A) Disagree (D) and Strongly Disagree (SD) were used to provide responses to the study. Questionnaire items were developed by the researchers based on the research topic financial management practices of principals and implementation of education laws of secondary schools for national cohesion (FMPPIEL). The instrument was validated by three experts. One of whom is from educational administration and planning and two others from educational measurement and evaluation all of Nasarawa State University Keffi. It yielded a cumulative value of 0.81% showing that the items are reliable. Their observations and recommendation were taken into consideration in the notification, and development of valid instrument. The questionnaire for the study was administered to the students and teachers in secondary school in southern district of Nasarawa State. Enough time was given for administration and collection. The researchers personally visited all the students and teachers and retrieved the questionnaire administered to the respondents. Data collected for the study were coded and analyzed using statistical package for social science (SPSS). Mean and standard deviation statistics were used for the data analysis. Mean scores above 2.50 is considered accepted and below 2.50 rejected.

Table 1: Mean rating of response and standard deviation of Financial Management of Principals on Procurement of Funds

S/N	Year	Recurrent		Capital		DECISION
		X	SD	X	SD	
1	2010	3.8	0.86	3.8	0.86	Accepted
2	2011	3.5	0.83	3.2	0.82	Accepted
3	2012	3.6	0.84	3.1	0.80	Accepted

4	2013	3.8	0.86	3.00	0.79	Accepted
5	2014	3.9	0.87	3.00	0.79	Accepted
6	2015	3.20	0.99	3.2	0.81	Accepted
7	2016	3.1	0.80	3.4	0.82	Accepted
8	2017	3.7	0.85	3.5	0.85	Accepted
	Mean	3.6	0.86	3.28	0.82	Accepted

Source:Field work 2019

Table 1 show the mean rating of the respondents for items 1 to 8 recurrent are 3.8, 3.5, 3.6, 3.8, 3.9, 3.20, 3.1 and 3.7 and capital are 3.8, 3.2, 3.1, 3.00, 3.00, 3.2, 3.4 and 3.5 with the corresponding standard deviation of recurrent as 0.86, 0.83, 0.84, 0.86, 0.87, 0.99, 0.80 and 0.85 and capital are 0.86, 0.82, 0.80, 0.79, 0.79, 0.81, 0.82 and 0.85 respectively. This indicates that procurement of fund of principals of secondary schools is guided by education law in Nasarawa State for national cohesion. The cluster mean of 3.6 and 0.86 recurrent and 3.28 and 0.82 standard deviation also were accepted as rated above cut off point which shows that principals' financial management has impact on procurement funds of secondary schools in Nasarawa State.

Table 2: Mean rating of response and standard deviation of Utilization of Funds by Principals

		Recurrent		Capital		
S/N	Year	X	SD	X	SD	DECISION
9	2010	3.9	0.87	3.1	0.80	Accepted
10	2011	3.1	0.80	3.8	0.86	Accepted
11	2012	3.8	0.86	3.6	0.84	Accepted
12	2013	3.8	0.86	3.8	0.86	Accepted
13	2014	3.6	0.84	3.3	0.82	Accepted
14	2015	3.5	0.83	3.5	0.83	Accepted
15	2016	3.1	0.80	3.9	0.87	Accepted
16	2017	3.3	0.82	3.8	0.86	Accepted
	Mean	3.5	0.86	3.6	0.82	Accepted

Source:Field work 2019

Table 2 show the mean rating of the respondents for items 9 to 16 recurrent are 3.9, 3.1, 3.8, 3.8, 3.6, 3.5, 3.1 and 3.3 and capital are 3.1, 3.8, 3.6, 3.8, 3.3, 3.5,

3.9 and 3.8 with the corresponding standard deviation of recurrent as 0.87, 0.80, 0.86, 0.86, 0.84, 0.83, 0.80 and 0.82 and capital are 0.80, 0.86, 0.84, 0.86, 0.82, 0.83, 0.87 and 0.86 respectively. This indicates that utilization of fund of principals of secondary schools is guided by education law in Nasarawa State for national cohesion. The cluster mean of 3.5 and 0.86 recurrent and 3.6 and 0.82 standard deviation also were accepted as rated above cut off point which shows that principals' guidance of laws has influence on utilization of funds of secondary schools in Nasarawa State.

Table 3 Mean ratings of response on Principals' Financial Record Keeping.

S/N	Year	Recurrent		Capital		DECISION
		X	SD	X	SD	
1	2010	3.5	0.83	3.1	0.81	Accepted
2	2011	3.9	0.87	3.7	0.85	Accepted
3	2012	3.7	0.85	3.20	0.99	Accepted
4	2013	3.8	0.86	3.8	0.86	Accepted
5	2014	3.6	0.84	3.9	0.87	Accepted
6	2015	3.20	0.99	3.5	0.83	Accepted
7	2016	3.1	0.80	3.6	0.84	Accepted
8	2017	3.8	0.86	3.8	0.86	Accepted
	Mean	3.6	0.86	3.6	0.86	Accepted

Source:Field work 2019.

Table 3 show the mean rating of the respondents for items 17to 24 recurrent are 3.5, 3.9, 3.7, 3.8, 3.6, 3.20, 3.1and 3.8 and capital are 3.1, 3.7, 3.20, 3.8, 3.9, 3.5, 3.6 and 3.8 with the corresponding standard deviation of recurrent as 0.83, 0.87, 0.85, 0.86, 0.84, 0.99, 0.80 and 0.86 and capital are 0.81, 0.85, 0.99, 0.86, 0.87, 0.83, 0.84 and 0.86 respectively. This indicates that principal's record keeping of income and expenditure is guided by education law of secondary schools in Nasarawa State for national cohesion. The cluster mean of 3.6 and 0.86 recurrent and 3.6 and 0.86 standard deviation also were accepted as rated above cut off point which shows that principals financial practices has a significant impact on record keeping of secondary schools in Nasarawa State.

Table 4: Chi-square test of Financial Management of Principals on Procurement of Funds

	Observed Frequency	Expected Frequency	df	Level of Sign	X ² -cal	X ² -tab	Decision
Teachers	30 (6.7%)	420(93.3%)	21	0.05	2.18	.11	Ho
Students	420(93.3%)	30(6.7%)					Rejected Null.

Value in parentheses are percentages (X²=2.18, df=21, P=0.05>0.0000)

Table 4 shows descriptive statistics of percentage and inferential statistics of Chi-square test computed to examine the impact of principals' financial management laws on procurement funds allocated of secondary schools in Nasarawa State for national cohesion.

Chi-square calculated value of 2.18 was greater than the chi-square table value of 11 checked at 0.05 level of significance and at 1 degree of freedom. The null hypothesis was therefore rejected. This connotes that there is significant relationship between the principals financial management of funds on procurement practices for national cohesion of secondary schools in Nasarawa State.

Table 5. Chi-square test of Principals on Utilization of Fund

	Observed Frequency	Expected Frequency	df	Level of Sign	X ² -cal	X ² -tab	Decision
Teachers	30 (6.7%)	420(93.3%)	21	0.05	2.08	.10	Ho
Students	420(93.3%)	30(6.7%)					Rejected Null.

Value in parentheses are percentages (X²=2.08, df=21, P=0.05>0.0000)

Table 5 shows descriptive statistics of percentages and inferential statistics of Chi-square test computer to examine the influence of utilization of funds by principals on school administration of secondary schools in Nasarawa State for national cohesion.

Chi-square calculated value of 2.08 was greater than the chi-square table value of 10 checked at 0.05 level of significance and at 1 degree of freedom. The null hypothesis was therefore rejected. This connotes that there is significant relationship between principals utilization of funds for national cohesion of secondary schools in Nasarawa State.

Table 6: Chi-square test of Principals on Record keeping practices.

	Observed Frequency	Expected Frequency	df	Level of Sign	X²-cal	X²-tab	Decision
Teachers	30 (6.7%)	420(93.3%)	21	0.05	2.09	.8	Ho
Students	420(93.3%)	30(6.7%)					Rejected Null.

Value in parentheses are percentages (X²=2.09, df=21, P=0.05>0.0000)

Table 6 shows descriptive statistics of percentage and inferential statistics of Chi-square test computed to examine the principals' financial guide on record keeping of secondary schools in Nasarawa State.

Chi-square calculated value of 2.09 was greater than the chi-square table value of .8 checked at 0.05 level of significance and at 1 degree of freedom. The null hypothesis was therefore rejected. This connotes that there is significant relationship between the principals financial management guide on record keeping practices of secondary schools in Nasarawa State.

Discussion

The findings of the study revealed that the extent at which fund use on procurement of education has impact on the financial management laws for national cohesion of secondary schools in Nasarawa State. Results showed that the respondents agreed that the recurrent expenditure was 3.6 while capital was 3.28 with the standard deviation of 0.86 and 0.82 respectively. The finding is in harmony with Usman (2019) who say's that school administrators should use fund allocated for capital project and not for recurrent, because when the marginal propensity to consume is more than the marginal propensity to save the school may likely collapse.

Findings also revealed that utilization of funds by principals has a negative influence on education laws for national cohesion in school administration of secondary schools in Nasarawa State. Results showed that respondents held strongly the view that recurrent expenditure was 3.5 while capital was 3.6 with the standard deviation of 0.86 and 0.82 respectively. The finding is in agreement with Eze (2019) which says that the ability and capability of how school principals managed equipment, finances, building structures and materials increases the productivity and manpower needs for the development of school goals. Finding further revealed that principals have impact on financial record keeping practices of secondary schools in Nasarawa State. Result obtained showed that respondent held strongly the view that recurrent expenditure was 3.6 while capital was 3.6 with the standard deviation of 0.86 and 0.86 respectively. The finding was in agreement with the Education Edict of (1971) that listed register of attendance and fees, school cash book and farm records as financial records to be kept in schools for transparency and accountability.

Conclusion

A financial management practice of principals is essential for productivity of educational system. School administrators needs prudent and accountability of finances for overall national interest for goal attainment in school and community as it enshrined in the education law.

Recommendations

1. Government should allocate sufficient funds to principals for procurement of school materials for effective management of schools
2. School principals should utilizes resources judiciously for the attainment of goals .Stakeholders on education should devise a measure for monitoring how school resources are being handling and spent by school, thereby meted any school administrators who involves in such dubious acts for national development.
3. The principals should keep proper record of all financial transaction such as income and expenditures of resources of recurrent and capital finances.

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