JOURNAL OF ASSOCIATION OF EDUCATIONAL MANAGEMENT AND POLICY PRACTITIONERS

(JAEMPP)
https://journals.aemapp.org/
Volume 2 Issue 1, 2024

INNOVATIVE STRATEGIES FOR FINANCIAL MANAGEMENT IN PUBLIC SECONDARY SCHOOL IN NIGERIA

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Abstract

Despite the existence of various innovative education financing options and the feasibility of their application in Nigeria, their awareness and exploration has been very limited in the country, education is the cornerstone of a nation's culture and an absolute necessity for economic prosperity and development. There is hardly any household in this country that is not concerned about the state of our education system particularly the secondary system. This paper title on an Rethinking Strategies for financial management in public secondary school in Nigeria. After the introduction, conceptualization of financial management were discussed and strategic ways for financial management were discussed such strategies like Alternative models, Secondary School management board, management control, strategic-planning, NGOs and community participation, money market, and capital market due process mechanism, adoption of modern management techniques among others are the innovative strategies that a school manger will use in managing financial resources in the schools. This paper also was able to identified some constraints financial management, such as inadequate allocations of fund none involvement of subordinate budget making, unstable cost of materials, corruption, and quark school administrators, also the paper make some suggestion, such as Government should provide adequate funding, Zero tolerance to corruption, accurate data bank, appointment of competent school administrators among others.

Keywords: Rethinking Strategy, Financial Management, Budgeting

Introduction

Innovative financing for education is the global initiative for mobilizing funding for educational expenditure from unconventional sources. This appears necessary as the funding gap grows wider and unmatchable by the conventional funding sources of government and donors. In 2010, EFA Global Monitoring Report estimates the financing gap to meet the EFA goals in low-income countries at around 16 billion dollars annually, with the Sub-Saharan Africa alone accounting for 11 billion dollars of this gap. This substantial financial gap could hardly be filled by the conventional sources; it could not be sufficiently met through the Official Development Assistance (ODA), as the traditional donors may not possibly increase their funding to education.. Hence, funding from unconventional sources is required. However, with the adoption of innovative financing for education, the objective is not only to mobilize more funding to bridge the financial gap for education, but also to provide a means of raising the profile of education; improving the effectiveness, efficiency and equity of educational spending; supporting conflict-affected countries; and promoting innovation in education (Burnett & Birmingham, 2010). And with the convincing outcomes of innovative financing in health sector, it is believed that innovative financing for education at all levels and for basic education in particular would enhance achievement of the global targets for education.

Despite the existence of various innovative education financing options and the feasibility of their application in Nigeria, their awareness and exploration has been very limited in the country. Financing options such as Education Venture Fund (EdVF), Equity-Focused Impact Investing, and Public Private Partnerships which are essentially feasible, can be harnessed to increase funding to basic education in Nigeria. However, the effective utilization of these innovative approaches depends on the ability of the government to support their implementation by the private sector.

In the face of insufficient funding for education, innovative financing sources have been identified as possible avenues with potentials to augment the traditional sources of education finance. Burnett and Birmingham (2010) showed that success in other fields coupled with financing shortfalls in education has led to considerable interest in innovative finance in education. The idea of innovative financing for education was introduced by the Leading Group on Innovating Financing for Development in 2010, and it involves generating funds from both domestic and international non-government sources. In the report submitted by the Writing Committee commissioned by the Task Force on Innovative Financing for Education created by the Leading Group, nine innovative financing mechanisms were identified and broadly categorized as fund raising bases, and high-profile and awareness-raising levies. The broad fund raising bases include: Tax on international financial transactions, Local currency education bonds, Education venture fund, Diaspora bonds, Voluntary contribution from migrants, and Debt-for-education swaps. On the other hand, the high-profile and awareness-raising levies include: sport levy, public-private partnership, and micro-donations from individual bank transactions.

To varying degrees, secondary education in Nigeria faces the problems of increasing students' enrolment, consultable patterns of education expenditure, declining quality of education, equal access to education, over reliance by government of foreign loans, inflationary trends polarization of education, mismanagement of education, mismanagement of the resources of the nation and escalation of cost of educational material. Education Trust Fund (2006) emphasized that some institution were unable to draw from the E.T.F accruals because of their failure to account funds allocated to various institutions, totaling trillion of Naira in some state. The inability of the institutions to render timely account of the money received and spent portrayed the authorities of schools as incompetence, if not corrupt.

Akangbou (1987) listed the various factors influencing revenue allocation to education as growth rate of national economy, world market condition, sources of revenue, nation's policy on education and competition of other sectors of the economy. To survive and be successful, therefore, the need for urgent and be successful, therefore, the need for urgent action in revamping secondary education, which requires a manager with vision and mission. This paper, therefore, focuses on rethinking strategies for financial management in Nigerian public secondary schools.

Conceptualization

Finance: Several definition of finance by difference authorities According to Hornby (1974) defined finance as "the issue of management of money, especially public money. A more comprehensive definition of finance has been provided by Ezra (1969) who saw finance as, "a body of facts, principles and theories dealing with the raising and using of fund by individuals business firms educational institution and government.

Education finance: Has been described as the process by which tax revenues and other resources are derived for the establishment and operation of educational institutions as well as the process by which these resources are allocated to institution in different geographical areas (Ogbonnaya, 2005).
Financial management: Several definitions of financial management abound in the literature Campell (1971) saw financial management as a operation area of administration. According to Oliobi (1990), financial management deals with the sources of funds, their efficient uses and maximization of cost or cost for the greater profitability of the business, and in ministerial department, post primary institutions for enhanced welfare of student and staff. Pandey (1995) conceptualized it as "what management activity which is concerned with the planning and controls of an organization's financial resources".
Financial Accounting: Financial accounting has been acknowledged by Ezcocha (1990) as one of the essential features of school business, management. The basic function of financial accounting is to account for cash entrusted to the enterprise organization of educational institutions. Its educational administrators and finance officer to keep a record of their stewardship in financial matters for the benefit of the government or the proprietors whose interest they represent.
Financial Control: Financial control is defined by financial Training courses (1998:264) as "branch of management which enables expenditure to be kept on check under the will and direction of the controlling body, and the inflow of revenue to be constantly under review and which enable the controlling body to know whether its intentions have been carried out". Auditing: In educational parlance, auditing means the verification of records kept in an accounting system of an educational institution. Importance lies in the fact that no financial management would be complete without and audit (Ogbonnaya, 2005).
School Auditing: Is process of very careful examination. Of both the financial transaction and usage of materials and equipment of a particular school for a particular period by train auditors to ensure and funds and materials have been judiciously and appropriately used (Ogbonnaya, 2005).
Recurrent and capital Expenditure: According to Ogbonaya (2005), recurrent expenditure can be simple describe as expenditure incurred on personal in the organization, consumable supplies, repairs and maintenance and refurbishing during the financial year. It is sometime referred to as operating cost. While capital expenditure is an expenditure on assets which last for more than one year and are expenditure on capital project such as purchase and development of land, school buildings, classrooms laboratories, hostels, fixed equipment and machinery (Ogbonnaya, 2005).

Strategies for financial management in Nigerian secondary schools

The most significant change expected in this country is the transition from goods producing society to information-and knowledge-based society. There is, therefore, the need to orientate our minds and national psyche and expand our world views, so that the Nigerian secondary education would return to not only its lost international reputation, but also the main relevance had been in the vanguard of socio-economic political and technological development of the country.

According to Sofoluwe (1990). Innovative strategies for financial management Involve the following:
(1) Alternative model
(2) Management control
(3) Strategic planning
(4) Non-governmental organizations
(5) Money market and capital market
(6) Due process mechanism
(7) Adoption modern management techniques

(8) Secondary schools management

(a) **Alternative model**:

1. Model 'A'- Quinquential or block grant from the government. This will enable the institution to plan a five-year period;
2. Model B-Secondary school management shout adopt the sharing formula and components of the 2% consolidated revenue fund of U.B.E (Universal Basic Education) Act 2004 as:

(a) 70% of UBE fund be shared to the state and F.C.T as matching grant on equality basis;

(b) 14% shared to state to correct educational, imbalances

(c) 5% to state that are doing very well in the complementation of the UBE programme as incentive

(d) 5% dedicated to school feeding and health programme?

(c) 2% issue of special needs education specifically to physical and mentally challenged;

(f) 2% monitoring the implementation of the programme.

(g) 2% Use commission's implementation fund. The total percentage is 100%

On the criteria for accessing and utilizing use matching grant of the federal government as: Expenditure by components of USE programme is as follow:

1. Pre-primary education is 5%
2. Primary Education is 60% and
3. Junior Secondary School level is 35% the total is 100%. Furthermore the fund allocated should be utilized as follows:

1. Infrastructural development is 70%
2. Provision of instructional materials is 15% and

3. Teacher professional development is 15% the total is 100% F.R.N (Federal Republic of Nigeria 2005).

(b) Management Control

Effective management control is strongly recommended. This is a way of monitoring progress to determine whether the objective of the organization is being achieved. Control completes the cycle of managerial activities. The whole purpose of control is to improve the performance. Basic element for management control system include planning what is desired, establishing standard of performance, monitoring actual performance, comparing actual achievement against the planned target and taking corrective action. Mulins (2000, PP.230). Depicted the five element of management control as

Management control structure

1. Planning
2. Establishment
3. Monitoring

(c) Strategic Planning

Desired aim

Standard performance

Actual performance

Deviation Computing

Corrective action

Rectifying

(c) Strategic Planning

Management of secondary school should adopt strategic planning for the successful implementation of the education policies. Strategic planning, according to Ojowu (1998), should by systematic and comprehensive analytical process that sees the internal and External environment of an institution and provide viable alternative to funding of education. Uvah (2004) identified the functionality of strategic planning as the economy and prudent management, survival competition, national development funding opportunities environment changes and financial autonomy. The requirement of strategic planning for consideration of sources of fund for plan implementation encourages an institution to reposition itself to diversity. The sources of funding and general more revenue for its operation. It also encourages the institution to be more cost conscious, focused and efficient. It is recommended, therefore, that each of the three tiers of government should establish a directorate of strategic planning. In order to increase access, maintain standard of educational quality and ensure institutional stability, secondary education must diversity its financial base, particularly through cost-recovery for non-academic services.

The increasing costs of education could be met by introducing or increasing users' changes, such as fees at the tertiary level of education. Table "1" reveals compulsory fees for private institution while Table (2) show a typical bill for public secondary school. School principal require greater autonomy from government, particularly in financial administration, if they are to become more entrepreneurial and provide the incentives necessary to encourage quality performance and management efficiency.

Table1

School Bill for 2007/2008 Session Typical Private Secondary School

SM	Description	fees (#)
1	Tuition fees	250,000
2	Registration fees	2, 500
3	Examination fees for others	5,000
4	Endowment	20,000
5	Caution deposit refundable	50,000
6	Student's ID. Card	1,500
7.	Hand book	2,500
8	Medical treatment	25,000
9	Laboratory basic programme	10,000
10	Sport fees	5,000
11	Acceptance fees	2,500
12	Transportation	10,000
13	Utility	15,000
14	Application form	1,500
15	Library registration	25,000
Total =		425,500

Note: Source: A bill from a typical private secondary institution in Nigeria

(d) **Non-governmental organizations and Community participation**

The FRN (2004) at section 11(109) declared that the financing of Education is a joint responsibility of the federal, state and local government and the private sectors. In this connection, government welcomes and encourages the participation of local communities, individuals and the organizations. Community participation promote the ability to control and manage resources, so as to meet the social, cultural and economic need of the populace. It is a tool for community empowerment and as an instrument for the preparation of the citizen. Community participation musts entail academic integrity. Academic integrity requires that academic community should;

i) Advance the quest for the truth and knowledge;

2. Foster a climate of mutual trust

3. Seek to ensure fairness in institutional standards, practice and procedure
4. Promote respect among students, staff and other educational stakeholders; and
5. Uphold high standards of conduct in learning and teaching.

Government should organize a forum for all potential partners in education-aid agencies, private sectors, the media, principals, NGOs, philanthropist and P.T.As, to meet periodically, discuss and plan for cooperation and assistance in education, private organizations should be encouraged to go into equity participation or joint venture in secondary education in various business ventures. This would bring efficiency, profitability and direct management. A bill aimed at improving academic integrity in education should be presented to the National Assembly. The Act should recognize the five fundamental principles of value as honesty, fairness, respect, responsibility and trust.

(e) Money market and capital market

Stakeholders in education should be encouraged to get short term funds through the Nigerian money market. A money market is a market for short-term securities, typically up to 13 months. In the money market, households, financial institution and government land to and borrow are another capital market is a market for securities, where companies and government can raise long term funds. It consists of the primary and secondary markets. Primary market is where new issues are raised and subscribed to by investors; whereas secondary market is where existing securities are traded. Capital markets 'include equities market and the bonds market. The capital market can be contrasted with other financial markets, such as the money market which deals in short-term liquid assets and derivative contracts. Money market instruments include current account/passbook balances, term deposits, secured/insecure papers treasury bills and certificates. While capital market instrument include equity stock and debts, i.e quoted and unquoted; assets backed securities. i.e unit trusts, REIT (Real Estate Investment Trust) and derivatives; and government stock and bond and FGN development stocks. (Sofuluwe, 1999).

Strategically, investing in federal bonds by the educational institutions will provides services that are essential to modem economy, the FGN bonds regulators are the C.B.N (central bank of Nigeria), S.E.C (securities and Exchange commission), the N.S.E (Nigerian stock Exchange) and D.M.O (Debt management office). The D.M.O is help government fund its deficits in a way consistent with macro-cconomic stability and fiscal prudence as well as subjects it to the disciplines of the market. It is saddle with the management of both external and domestic debts, thereby, minimizing cost and maximizing returns with an acceptable risk profile. Today, authorities should bring down interest rate to levels. adjudged consistent with the achievement of macro-economic objectives of the nation (Sofuluwe, 1999)..

(f) Due Process Mechanism

Secondary education is face with declining academic performance, increasing drop-out rate, inadequate preparation for the workplace, the subversion fo due process, manipulation to existing laws and reputation, examination malpractice and cultism. The persistence of this unfortunate crisis made the nation appears as a failed nation. Joseph (2006) reported that Nigeria harbors the fifth largest number in the world of Olutola (1983). Emphasized that most scholars are currently littered with uncompleted capital project whose cost continue to rise. It was in this situation that in the budget, the president Obasanjo (2005) prescribed BMPIU (Budget monitoring and price intelligence unit) to manage what is known as due process mechanism. With the introduction of the process mechanism, the government initiated a massive review of all aspects of this public expenditure. There is, therefore, an urgent meet to entrench BMPIU (due process) into this management of secondary education for proper accountability and effective management of the country's available resources.

(g) Adoption of modern management Techniques

Goal-setting strategies should be tried in Nigeria secondary schools. Among the more popular and tested goals setting procedures which enhance consensus and better understanding of organizational effectiveness are the Delphi technique, management by objective, PERT (programme Evaluation and Review Technique), C.P.M (Critical path method) and PPB5 (programme planning Budgets system). The goals of Secondary education as contained in the N.P.C (National policy on Education) (2013), should be redefined restated, prioritized and re-circulated among the various constituencies of each institution. The transformation manager is recommended for the institutions environment, because it hastens the type of organizational change that needed in academic context. The transformation managed articulates realistic visions of the future that can be shared stimulate subordinates intellectually and pay attention to the differences among subordinates. More professional management at all levels through staff training, strategic hiring and computerized management information system is the best short-term strategy for treeing resources (through improved efficiency) to meet education needs. Education must invest in these, if they are to remain viable centers of learning. This mean that principal must provide yearly budget collection for education materials, library acquisitions, staff development and the maintenance of building and equipment.

(h) Secondary school management

There should be a central body at the national level to manage, supervise, finance and monitor secondary, school in Nigeria. Similar bodies should be put in place at the state and local government levels. The N.D.E (National Disaster Education Coalition) SPEB (State primary Education Board) L.G.E.A (Local Government Education Authority) structure could be adopted or adapted as NSCE (National Secondary Education Commission) S.S.EB (State Secondary Education Board) LGS-E.A (Local Government Secondary Education Authority). The constitutional roles of the federal, state and local Government on mater relating to education should be respected.

Problems of financial management in Nigeria public secondary school

This paper is able to identify some problems militating against financial management in Nigerian public secondary schools:

(1) Inadequate allocation of funds, Obinna (1985) had stated that management problems arises as a result of inadequacy of funds, there are many areas of need in public secondary schools such as staff welfares, instructional materials, provision of science equipment, seminars and workshop etc all need adequate funding

(2) Non involvement of subordinate in budget making and preparation. Rather the prepare budget single-handedly or as if it is their own private affairs.

(3) School administrators also encounter such problems as unstable cost of material due to inflationary trends, that may not meet up with the actual money budgeted.

(4) Lack of reliable data Ogbonnaya (2000) noted that wrong information and argues make it difficult to planning effectively much less provide funds for education.

(5) One other problems of financial management in our public secondary schools is that most financial officers do not possess financial management skills, some administrators lack of competence in the preinstartors lack of competence in the preparation of the school budget and Corruption and discipline among others

Conclusions

The central license of this paper was the Rethinking strategies for financial management in Nigerian public secondary schools. The nation has come up with plans for technological education which, if primary implemented, will transform the great nation from one that is economically dependent on developed nations. To this ends, secondary school managers should buy shares equities in companies and industrial to generate supplementary fund. Strategic planning management control, accountability and responsibility must be vigorously pursued. The recommendation made can move the nation to a level of adequate manpower, disciplined citizenry, national integration and modern development-society that is prosperous, just equitable and united.

Suggestions

1) Government should provide adequate funding to education sector generally in other to achieve set objective of education institution.

2) School managers should adopt an open climate leadership style and carry every one alone in the management of funds in our public secondary schools.

3) School administrators should appropriately and adequately plan in their budgetary preparations.

4) Government should provide a data bank for educational planners through the ministry of statistic in country.

5) Only competent and professional educational managers should be appointed as schools principals and Zero tolerance on corruption and indiscipline should be intensified in all government merit institution and establishment.

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