



## PRINCIPALS' APPLICATION OF FINANCIAL POLICY FOR EFFECTIVE SECONDARY SCHOOL ADMINISTRATION IN ANAMBRA STATE, NIGERIA

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### Abstract

The study examined application of finance policy by secondary school principals for effective school administration in Anambra State. Descriptive design was used for the study. Two research questions and one hypothesis guided the study. The population of the study was 263 principals and 170 bursars from the 263 public secondary schools in the six education zones in Anambra State. The sample size used for the study was 170 respondents comprising 120 principals and 50 bursars, drawn through the use of simple random sampling technique. The instrument for data collection was the researcher's structured questionnaire titled "Financial Policy for Effective School Administration Questionnaire (FPESAQ)". It was a 4 point rating scale questionnaire with face and content validity ascertained by three experts, one from Measurement and Evaluation and two from Educational Management, Faculty of Education, Chukwuemeka Odumegwu Ojukwu University, Igbariam Anambra State. To ascertain the internal consistency of the instrument, the Cranach's Alpha method was used to compute the reliability index which yielded over all coefficient of 0.83 which made the instrument reliable. The research questions were answered using mean and standard derivation, while the hypothesis was tested with t-test. The findings of the study revealed among others that principals do not apply quality control mechanism most times for effective secondary school administration. Based on the findings it was recommended among others that principals should ensure organization of financial seminars, workshops and training periodically for bursars and workers in accounts department to reduce finance mismanagement.

**Keywords:** Principal, administration, financial policy, effective administration, application.

### Introduction

The role of education in the attainment of social, economic and political development cannot be over emphasized. If education plays such an important role, attention therefore must be turned towards the effective administration of education, especially the secondary education. Education is a tool or a necessary weapon that is needed by every human being in order to effectively navigate his complex world (Aguba, 2009). Education is seen as the effective tool for social improvement, political growth, academic achievement and effective national development of a country. From the above definitions, education is important and its system at any level must therefore be improved for the achievement of its goals.

Secondary education is a very important level of education as it prepares students for tertiary education and skill acquisition. FRN (2013) sees secondary education as an

education given to a child after his primary education and before tertiary education. Secondary education is a special level in education because it's a link between primary and tertiary education. Hence, it has a strategic position in the national education. The goals of secondary education according to FRN (2013) are preparation of individuals for useful living within the society and highest education. It is the duty of the school administrator to achieve these goals by practicing effective administration.

Administration of secondary school is paramount because without an effective administration, the educational goals cannot be achieved. The success of any educational systems depends on the proper planning and effective administration of day-to-day activities of the school. Alramdhan (2022) saw school administration as the process of planning, organizing, managing and supervising the activities of an educational



institution through use of human resources and educational materials to achieve the teaching function efficiently and effectively. The author included that smart school administration includes conducting educational or school operations to provide a safe learning environment, as well as managing the school budget. The researcher sees school administration as the process of planning, organizing, directing, controlling, and coordinating the school human material and financial resources for the achievement of educational goals. It also means supervision and taking care of the day to day activities of the school by the principal for a better educational achievement. Aguba (2009) recognized the school principals as the major components of school administration on whose ability and skill, personality, professional and administrative competencies will largely determine the tone and efficiency of the school. The school principals plan carefully the different programs and activities of the school by integrating the suitable human material and financial resources available to them effectively for the purpose of achieving the expected educational goals.

School principal does this effectively with the cooperation from teachers, bursar, other staffs, parents and students. In fact, everything in the school, the plant, the staff, the finance, the curriculum activities, human relationship affects the principals' mode of administration. The school principal as the general overseer of the school is responsible for allocating funds and keeping accurate record or documents related to any expenditure.

Availability of fund is very necessary in a school for its success. Fund is a sum of money saved or made available for a particular purpose. School fund is seen as the money provided by a government or raised by private organization, grants, endowed fund, fees, services, PTA and donations, to finance the running of a school. Ogbonnaya (2005) noted that fund takes any of the following forms; physical cash, credit facilities, allowance, different taxes; rate, bills and so on. There are internal and external sources of funds in schools, internal sources of fund in school are the ones available in the school, like; PTA fund, school fees, levies, rent and so on while

external sources are those outside the school, like: endowment fund, grants, loans , taxes, government fund and so on. Nigerian government provided financial policy that should guide the school principals in the dispensing these funds.

Financial policy is the set of guidelines, practices a procedures put into practice to manage financial resources with accurate accountability. Financial policies are the rules that govern the financial activities within an organization (Purvis, 2020). It should be written with every clarity so that it will be understandable by the school administrators and the stakeholders. Financial policies create expectations for government operations, provide a foundation for making financial decision and help ensure good financial management (McCarthy, 2021). Implementation of financial policy helps the school principal to handle the financial challenges he might encounter effectively like the challenge of having limited resources, inflation and others. The school bursar is also needed in the implementation of the financial policy as he is directly answerable to the principal on the financial issues and the finance officer of the school. The bursar and the school principal need to achieve the financial policy to strengthen the financial management practices of the school. McCarthy (2021) stated that there are some important financial policies in schools and other organization which aid effective administration, they include; budget planning, disbursement and internal control policy, cash management investing/revenue generation, expenditure control, debt management and control asset management. The present study centered on disbursement and internal control mechanism and internal revenue generation mechanism. Secondary schools in Anambra state appear to have challenges in these two areas, which justified the choice to study them.

Disbursement and internal control mechanism ensures adequate distribution of financial resources to different parts and departments in the school. Such as staff training, extracurricular activities, infrastructures, instructional materials, and so on. Internal control entails prevention of fraud and fund mismanagement. It encourages



enough checks and balances in other to guarantee accurate financial records. Kenton (2023) noted that internal control mechanisms are rules and procedures implemented by a company or school to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Disbursement means paying out money from a fund (Anderson, 2023). For the purpose of this study, disbursement means paying out of money by the school principals and efficient distributors of financial resources to different department and purpose in the school. It describes how fair and just the school principal is in disbursing the fund and what necessitates the disbursement.

Internal revenue generation implies the school principal exploring every necessary avenues to raise money for the school apart from government this could be through PTA, rent, grants, endowment, school levies, alumni support, private organization (NGO's) organizing fund raising program and so on. This will go a long way in relieving the school of fund problem. Internal revenue generation is seen as all efforts made by school managers to generate financial and non-financial resources from their non-governmental sources to improve the organization under their control Beam (2020). Examples according to Asodike (2014) are PTA levies, proceed from sales of agricultural produce, poultry, drama clubs, renting of school facilities among others.

Unfortunately, this seems not to have been achieved in Anambra state secondary schools especially, where most principals tend to depend only on government fund which is not adequate to manage their schools. This is because it appears that most principals fail to plan adequately towards their school financial policy. This was observed by Ukpung (2019) when he noted that many school principals fail in their statutory functions in management of school finance especially the internal school funds to supplement government fund. Oboegbulem and Kalu (2013) stressed that principals do not defend budget with their bursars. When these acts are left unchecked, it will affect the standard of education and quality of school administration in Anambra state secondary schools. Hence, creating need

for more studies on this topical issue which sought to analyze principals' application of financial policy for effective secondary school administration in Anambra state, Nigeria.

### **Statement of the Problem**

Application of principals' financial policy in Anambra secondary schools seems not to have been achieved. There are speculations and accusations that some principals lack the capabilities to search for other sources of funding for the school, apply rent out school facilities income appropriately, provide functional ICT facilities for accurate financial record keeping in schools, while some fail to engage their accounts staff in seminar, trainings and workshops periodically. This most times results to financial mismanagement in terms of financial record keeping, procurement of adequate teaching materials, accountability and building and maintaining of school infrastructure. All these appear to affect the students' academic performance and the smooth running of the school administration. It is on this background that this study is carried out to investigate the extent principals apply financial policy for effective secondary school administration in Anambra state.

### **Research Question**

The following research questions guided the study.

- (1) To what extent do principals apply internal control mechanism for effective secondary school administration in Anambra state?
- (2) To what extent do principals apply internal revenue generation mechanism for effective secondary school administration in Anambra state?

### **Hypothesis**

There is no significant difference in the mean rating of principals and bursars in Anambra state on the extent principals apply internal control mechanism for effective school administration.

### **Methodology**

The study adopted the descriptive survey design. The study was carried out in Anambra state, Nigeria. The population of this study comprised of all the 263 principals and 170 bursars in Anambra state. Bursars are



involved because they are the major stakeholders in the implementation of financial policies within the school environment while the principals are the school managers that manage all the affairs of the school, finance inclusive. The sample size of the study was a total of 120 principals 50 bursars. Simple random sampling technique was used in drawing four educational zones out of the six educational zones (Onitsha, Aguata, Ogidi, Awka, Nnewi and Otuocha) in Anambra state and also in drawing the sample size from a total of 263 principals and 170 bursars. Self-structured questionnaire titled “Financial Policy for Effective School Administration Questionnaire (FPESAQ)” was used for data collection. The instrument was structured into sections A and B. Section A contained respondent’s personal information and bio-data while section B had two clusters eliciting information from the research questions. A modified 4 points scale of Very High Extent

(VHE) = 4 point, High Extent (GE) = 3 points, Low Extent (LE) = 2 points and Very Low Extent (VLE) = 1 point was used. The instrument was face and content validated by three experts, two experts from Educational Management and one expert from Measurement and Evaluation in the faculty of Education, Chukwuemeka Odumegwu Ojukwu University, Anambra State. The instrument was trial tested in Enugu State with 20 principals. The reliability of the instrument was determined using Cranach Alpha with reliability index of 0.83. A total of 170 copies of the questionnaire were administered to the respondents and 155 copies were well completed and retrieved at a 91% rate of return. The decision for the researcher was to consider as great extent when the mean score was 2.5 and above, and low extent when it was less than 2.50. The null hypothesis was either rejected if t –calculated is more than t-Critical and vice versa.

## Results

**Research Question One:** To what extent do principals apply internal control mechanism for effective secondary school administration in Anambra State?

**Table 1:** Mean ratings on the responses of principals and bursars on the extent principals apply internal control mechanism for effective secondary school administration in Anambra State.

S/N	Item Statement	N = 110 Principals			N = 45 Bursars		
		Mean	SD	Remarks	Mean	SD	Remarks
1.	Principals defending school budget with bursar.	2.26	0.71	LE	2.33	0.93	LE
2.	Principals carry out checks and balances regularly to safeguard school assets.	2.63	0.51	HE	1.24	0.84	LE
3.	They ensure accuracy of financial records.	2.81	0.87	HE	3.12	0.74	HE
4.	They insist on spending what is in the school budget for the year.	2.24	0.90	LE	1.59	0.99	LE
5.	They provide ICT facilities for efficient financial delivery.	2.26	0.93	LE	2.48	0.81	LE
6.	They organize periodic financial seminars for bursars and workers in accounts department.	2.21	0.75	LE	1.58	0.90	LE
Cluster mean		2.40	0.77	LE	2.05	0.86	LE

Table 1 above showed the mean responses of principals and school bursars on the extent of principals’ application of internal control mechanism for effective secondary school administration in Anambra State. The application of internal control mechanism as reflected in items 1,4,5,6, were rated low, while item 3 was rated high above 2.50 which is the cutoff point, by both bursars and principals and item 2 was rated high by principals low by bursars. The grand mean of 2.40 for principals and 2.05 for bursars show that the application of internal control mechanism in secondary schools is yet to be achieved.

**Research Question Two:** To what extent do principals apply internal revenue generation mechanism for effective secondary school administration in Anambra State?





**Table 2:** Mean ratings on the responses of principals and bursars on the extent principals apply internal revenue generation mechanism for effective secondary school administration in Anambra State.

S/N	Item Statement	N = 110 Principals			N = 45 Bursars		
		Mean	SD	Dec	Mean	SD	Dec
7.	Principals apply rented out school facilities income appropriately	3.25	0.89	HE	2.35	0.87	LE
8.	They seek company and individual sponsors for staff development seminars	2.00	0.79	LE	2.05	0.86	LE
9.	They encourage parents to sponsor school projects.	3.00	0.95	HE	2.56	0.81	HE
10.	Principals reach out to host communities for financial help.	2.80	0.99	HE	2.26	0.93	LE
11.	They organize fund raising events in the school regularly.	2.95	0.92	HE	2.50	0.91	HE
12.	They apply funds from canteen services appropriately.	2.61	0.88	HE	2.12	0.85	LE
	Cluster Mean	2.77	0.90	HE	2.30	0.87	LE

Table 2 above presents the mean responses of principals and bursars on the extent principals apply internal revenue generation mechanism for effective secondary school administration in Anambra State. The application of internal revenue generation mechanism as reflected in items 7, 9, 10, 11, 12 received a high extent while item 8 received a low extent for principals, item 9 and 11 received a high extent and items 7,8,10,12 received a low extent score below 2.50 for bursars. The grand mean of 2.77 for principals show that principals apply internal generated revenue mechanism whereas the grand mean of bursars which is 2.30 indicates that principals application of internal generated revenue is to a low extent.

### Hypothesis

There is no significant difference between the mean ratings of principals and bursars on the application of internal control mechanism by principals for effective secondary school administration in Anambra State.

**Table 3:** t-test for significant difference between principals and bursars on application of internal control in school.

Variable	N	Mean	SD	Std Error mean	df	P-value	Remark
Principals	110	2.40	0.77	.40			Not
					198	0.96	Significant
Bursars 45	2.05	0.86	.40				

The result on table 3 reveal  $P = 0.96$  at  $df$  of 198 where  $P > \alpha$  set value of 0.05. This implies that the null hypothesis that state that there is no significant difference in the mean response of principals and bursars on the application of internal control mechanism by principal for effective administration of secondary schools in Anambra state is not statistically significant, therefore, it is accepted.

### Discussion of Findings

The result in table I showed that the principals and bursars were of the option that application of principals defending school budget with bursars, insisting on spending what is in the school budget, providing ICT facilities for efficient delivery and organizing periodic financial seminars for bursars and

staff in account department are to a low extent, while ensuring accuracy of financial records was to a high extent by the respondents. The finding is in agreement with Ogboegbulem and Kalu (2013) who stated that principals in secondary schools in South East, Nigeria follow budget guideline specifications in planning and implementation budget but do



not defend budget with their bursars. In addition, the findings are not in line with Oboegbulem and Kalu (2013) who revealed that principals in some secondary schools carry out adequate financial management process in the discharge of their duties. The disagreement in the finding could be a result of location as their study covered the whole of South East. Again principals agree to high extent that they carry out checks and balances regularly to safeguard school assets while bursars were of the opinion that it is to low extent. This disparity in their opinions could be as a result of their different positions in the school. The hypothesis tested on table 3 showed that there was no significant difference between the mean scores of principal and bursars on the extent of application of internal control mechanism for effective secondary school administration by principals.

The findings in table 2 showed that principals agree to a high extent that principal use rent out facilities income appropriately, they encourage parents to sponsor school projects, they reach out to host communities for financial help, they organize fund raising events to support the school and they apply funds from canteen services judiciously. The finding is not in conformity with Ukpong (2019) who observed that many school principals fail in their statutory functions in management of school finance especially the internal school funds to supplement government funding. The finding further showed that bursars' opinions on principals' use of rented out school facilities income appropriately, principals seek company and individual sponsors for staff development seminars, principals reach out to host communities for financial help, they apply funds from canteen services appropriately are to low extent. The finding is in conformity with Ukpong (2019) who stated that some school administrators divert funds meant for education to other channels especially because of selfish interest. The author also noted that some secondary school principals embezzle school fund, and mismanage, internally generated funds. The finding agrees with Amphina Academy (2013) who stated that there are speculations and accusations of

financial mismanagement by principals such as neglect of budgetary plan in financing school programmes, lack of trained personnel such as bursars / cashiers, abuse of PTA funds, poor record keeping as well as poor auditing and accounting system. It was again found in the study that bursars agree to high extent that principals encourage parents to sponsor school project, and that principals organize fund raising events periodically to support school, while principals are of the opinion that they seek company and individual sponsors for staff development seminars to a low extent. The implication of the finding is that it adversely effects the administration of the school because financial policy determines to a large extent the effectiveness of the school administration.

### **Conclusion**

The study was on application of financial policy by principals for effective secondary school administration in Anambra State. From the study, it appears that most principals don't apply financial policy accordingly at times in their administration. It is therefore concluded that it affects the administration of the secondary schools because where the principal does not apply financial policy effectively. It mars the efficiency and effectiveness of the school administration. It is on this note that the following recommendations were proffered.

### **Recommendations**

Based on the finding of the study, the following recommendations were made:

1. Principals should start applying internal control mechanism in making use of school fund to reduce drastically financial mismanagement and embezzlement and improve school administration effectiveness.
2. Principals with the help of school bursars should give accurate account of internally generated revenue and apply them appropriately for achieving educational goals and improving school administration.
3. Principals to seek company and individual sponsorship for bursars and account officers seminar, workshops and training to boost the school



administration and reduce finance mismanagement.

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