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ASSESSMENT OF SECONDARY SCHOOL PRINCIPALS' FINANCIAL MANAGEMENT PRACTICES IN IMO STATE OF NIGERIA: *FOCUS ON BUDGETING PRACTICES*

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ABSTRACT

The purpose of the study was to assess the financial management practices of principals in Imo State with special emphasis on assessing extent principals apply the Imo State financial instructions in budget practices. One research question guided the study and one null hypothesis were tested at 0.05 level of significance. The descriptive survey research design was adopted for this study. The area of this study is Imo State. The state has its capital in Owerri which is the largest city in the state. The population for this study comprised 790 respondents made up of 395 principals and 395 bursars in the 395 secondary schools in the three education zones in Imo State. The entire respondents were studied because the population size was manageable. Instrument for data collection was a questionnaire developed by the researchers based on the Imo State financial instructions. Two lecturers in the Department of Educational Management and Policy and the other is a lecturer of educational measurement and evaluation in the Department of Educational Foundations; all in the Faculty of Education, Nnamdi Azikiwe University validated the instrument. The reliability of the instrument was determined by administering copies of the questionnaire on 30 respondents made up of 15 principals and 15 bursars in secondary schools in Anambra state. The data obtained from the respondents were analyzed using Cronbach Alpha which yielded a reliability coefficient of 0.70 for the instrument. The researchers administered the instruments directly to the respondents with the help of three research assistants. The research assistants are teachers in secondary schools in the state. The researcher and one research assistant covered one education zone. The distribution and collection of the questionnaire lasted for two weeks. Mean and standard deviation were used to answer the research question while t-test was used in testing the hypothesis at the 0.05 level of significance. Findings indicated that principals to a great extent apply the financial instructions in budgeting practices in secondary schools in Imo State. Accordingly, the researchers recommended among others that the principals should continue to upgrade themselves through regular training to enhance their financial management and budgetary practices.

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Keywords: Financial Management Practice; Principals; Assessment; Application; Financial Instruction; and Budget Practices.

Introduction

Secondary education is the level of education that comes after primary education and before tertiary education. The broad objectives of secondary education in Nigeria are the preparation of students for useful living within the society and for higher education (Federal Republic of Nigeria, FRN, 2013). These broad objectives cannot be achieved without principals who are the key players in the realization of the objectives of secondary education.

One of the responsibilities of the secondary school principal is financial management. The principal is expected to source for funds for running of the school, he is expected to expand the sources of the school income from school magazines, school workshops, school canteens, students arts and crafts, school poultry and farms rather than over dependence on government grants.

Beyond sourcing for funds, the principal has the responsibility of managing the available cash in the school to avoid waste and displacement of priorities in attending to school needs. Financial management is the application of conventional principles in prudent spending of organizational funds with the aim of achieving institutional plans and aspirations. Pandey (2015) defined financial management as activity which is concerned with the planning and controlling of an organisation's financial resources. According to Ogbonnaya (2005), financial management implies liability to be called upon to account for or answer for funds entrusted to one's care.

The importance of financial management practices cannot be over emphasized; it is on this note that the Imo State Government documented the financial management practices of public officers in the Imo State Financial Instructions (1998). In chapter three of the financial instructions, the financial responsibilities of government officers (secondary school principals inclusive) as follows:

> Submit the annual budget (budgeting practices) and financial statement of the office to the appropriate office of the state for onward transmission to the Ministry of Finance (Imo State Government, 1998: 26).

From this provision, it could be understood that it is the responsibility of the principal to prepare the school budget. In school management, budget is a means of control. The concept of budget has been viewed differently by different people.

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Ekpenyong (2014) defined budgeting as a process which plans of institutions are translated into itemized, authorized and expressed in monetary terms for a given period usually one fiscal year. Budgeting is defined by the researcher as the estimation or planning of expected income and expenditure of the school for a given period usually one fiscal year. There are essential budgeting practices that are fundamental to the estimation of expected income and expenditure in the school. Budgeting practices are budget planning, defence, approval and adoption as well as implementation (Oboegbulem & Kalu, 2013). Budget planning is concerned with setting of school goals based on the estimation of income and expenditure. The proposed budget is defended by the school principal and approved by relevant authorities for implementation. The implemented budget is evaluated by the principals in order to compare actual and planned financial performance of the school in given fiscal for corrective actions in the case of any deviation. However, in secondary schools in South-East zone of Nigeria (Imo State inclusive), many principals have been accused of poor budgeting practices by supervisors, teachers and parents (Oboegbulem & Kalu, 2013). Notwithstanding, principals' ability to ensure adequate accounting plays significant roles during evaluation of the school budget.

The problem of inadequate instructional facilities in secondary schools in Imo State do not exclusively rest on funding as often depicted, rather the problems are most likely made complex due to poor financial management by the principals. Some of the principals are accused of lacking the necessary training required of financial managers while others are accused of imposing illegal levies on the students, neglecting budgetary plans, delaying disbursement of funds for fraudulent purposes. This situation apparently crates a turbulent atmosphere for the success of teaching-learning process.

Accordingly, the financial management practices of principals in Imo State has become a sensitive issue over the years because of the growing public and government interest in the provision of funds for the implementation of school programmes. The public expects the school administrators to ensure prudent management of school funds but on the contrary there are speculations and accusations of financial mismanagement by principals such as lack of initiative by principals to create other sources of funding the school, neglect of budgetary plans in financing school programmes, poor disbursement of funds, lack of trained personnel such as the bursars and cashier, lack of training in financial management by some principals, illegal levies imposed on students, incompletion of projects already approved and paid for by the government, abuse of P.T.A. funds, poor record keeping and poor auditing and accounting system. It is against this background, that this study is designed to assess the financial management

practices of secondary school principals in Imo State. At this juncture, it would be very vital to present reviewed works on budgeting practices in the school system.

Oboegbulem and Kalu (2013) conducted a study on budgeting practices of secondary schools in South East geo-political zone of Nigeria. The study was guided by four research questions and four hypotheses were tested at 0.05 level of significance. The study adopted a descriptive survey design. The population of the study comprised 1,093 principals and 79 account supervisors. Simple random sampling technique was used to sample 689 principals and 51 account supervisors. Questionnaire, check list and document were used as the instrument for data collection. Mean and standard deviation were used to answer the research questions and t-test was used in to test the hypotheses. The findings of the study among others revealed that principals adhere to a budget practices to a very great extent in planning and implementation of budget. It also found out that there was no significant difference in the mean ratings of principals and bursars (school account supervisors) on the extent principals are guided by budget practices in planning and implementation of the school budget.

Junge, Bosire and Kamau (2014) assessed the effect of budgetary practices on performance of public secondary schools in Nakurue Municipality. Three research questions guided the study. The study adopted a descriptive survey design. The population of the study comprised 22 principals of public secondary schools in Nukuru Municipality and all were used for the study. The instrument for data collection was questionnaire. Percentage was used to answer research questions 1 and 2, while regression analysis was used to answer research question 3. The findings of the study among others revealed that stakeholders' involvement in budgeting process is highly valued by secondary schools principals. It also revealed that budgetary allocation and implementation are adequately done by the school principals.

Mohamad and Mohamad (2013) carried out a study on good budgeting practices in Malaysian public universities. The study was guided by nine research questions. Descriptive survey design was adopted for the study. The population of the study comprised all bursaries and HODs in 8 public universities in Peninsular, Malaysia. 237 respondents were drawn for the study using simple random sampling technique. The instrument for data collection was questionnaire. Mean was used in answering the research questions. The findings of the study among others revealed that comparing costs and benefit, allocating resources rationally and realistically, and considering all factors among others are budget resource allocation practices adopted by universities. It was recommended among others that there is need to establish a clear definition of responsibility, role and authority from top management and operational levels.

Elbert and Diskman (2008) conducted a study on budgeting practices of listed companies in the Netherlands. Twelve research questions guided the study. The

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study adopted a descriptive survey design. The study population consisted of 134 managers of companies listed on the Amsterdam stock exchange and all were used for the study. Questionnaire and interview schedule were used as the instruments for data collection. Percentage was used in answering the research questions. The findings of the study among others revealed that budgeting practices supports firm's strategic plan to a very great extent.

Statement of the Problem

Personal observation of the researchers seemed to suggest that there are many uncompleted buildings, insufficient equipment and furniture in secondary schools in the State as a result of misappropriation and embezzlement of funds mapped out for the execution of these tasks. The budgetary practices of secondary school principals in in Imo State has attracted criticism from parents and the general public and need to be reviewed. This study therefore assessed the financial management practices of principals in Imo State with special emphasis on assessing extent principals apply the Imo State financial instructions in budget practices.

Research Question: To what extent do principals in Imo State apply the State financial instructions in their budget practices?

Hypothesis: There is no significant difference in the mean ratings of principals and bursars on the extent principals apply the Imo State financial instructions in their budget practices.

Research Method

The descriptive survey research design was adopted for this study. The area of this study is Imo State. The state has its capital in Owerri which is the largest city in the state. The population for this study comprised 790 respondents made up of 395 principals and 395 bursars in the 395 secondary schools in the three education zones in Imo State. They include: 122 principals and 122 bursars in Okigwe, 126 principals and 126 bursars in Orlu and 147 principals and 147 bursars in Owerri educational zones. The entire respondents were studied because the population size was manageable. Instrument for data collection was a questionnaire developed by the researchers based on the Imo State financial instructions. Two lecturers in the Department of Educational Management and Policy and the other is a lecturer of educational measurement and evaluation in the Department of Educational Foundations; all in the Faculty of Education, Nnamdi Azikiwe University validated the instrument. The reliability of the instrument was determined by administering copies of the questionnaire on 30 respondents made up of 15 principals and 15 bursars in secondary schools in Anambra state using single administration method. The data obtained from the respondents were analyzed using Cronbach Alpha which yielded a reliability coefficient of 0.70 for the instrument. The researchers administered the instruments directly to the respondents with the help of three research assistants. The research assistants are teachers in secondary schools

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in the state. The researcher and one research assistant covered one education zone. The distribution and collection of the questionnaire lasted for two weeks. All the instruments were properly completed, retrieved and used for data analysis. Mean and standard deviation were used to answer the research question while t-test was used in testing the hypothesis at the 0.05 level of significance.

Presentation of Results

Research Question: To what extent do principals in Imo State apply the State financial instructions in their budget practices?

Table 1: *Mean ratings and standard deviation scores of principals and bursars on the extent of principals' application of the financial instructions in their budget practices*

S/N	ITEMS	Principals (N = 395)			Bursars (N =395)		
		Mean	SD	Decision	Mean	SD	Decision
1	Use budget to regulate financial disbursement.	2.76	1.09	Great Extent	2.56	1.08	Great Extent
2	Ensure that funds not contained in the annual budget receive approval before they are disbursed.	2.57	1.16	Great Extent	2.55	1.10	Great Extent
3	Use supplementary budget to provide for expenses not captured in the annual budget.	2.55	1.10	Great Extent	2.53	1.01	Great Extent
4	Use virement to take care of urgent expenses that were not foreseen in the annual budget.	2.89	1.02	Great Extent	2.89	1.10	Great Extent
5	Submit SEMB budget proposals to Chief Accountant for perusal.	2.65	1.06	Great Extent	2.34	1.11	Low Extent
6	Wait for State Ministry of Finance to allocate the approved fund to SEMB before implementing SEMB annual budget.	2.33	1.11	Low Extent	2.34	1.09	Low Extent
7	Make provisions to ensure that the expenditures of the Board are controlled through check and balances.	2.90	1.05	Great Extent	3.02	1.13	Great Extent
8	Ensure that budget preparation in SEMB follows due process.	2.60	1.29	Great Extent	2.69	1.21	Great Extent
9	Submit SEMB budget proposal to an auditor outside the Board Account Department.	3.05	1.14	Great Extent	3.12	1.31	Great Extent
10	Engage in budgetary padding to ensure that more money is allocated to the Board.	3.39	1.18	Great Extent	3.31	1.28	Great Extent
	Mean of Means	**2.77**	**1.06**	**Great Extent**	**2.74**	**1.04**	**Great Extent**

Results of data analysis as shown on Table 1 revealed that the mean ratings of both principals and bursars indicated that there was great extent of principals' application of

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financial instructions in their budgeting practices for all items except item 6. This is shown by their mean ratings which fall between the range of 2.50-3.49 in both principals and bursars columns. Although, principals' mean rating in item 5 which is 2.65 indicated great extent of their application of financial instructions in their budgeting practice with respect to the item, while that of bursars which is 2.34 indicated low extent of principals' application of financial instructions in their budgeting practice with respect to the item.

The pooled standard deviation scores for principals and bursars which stand at 1.06 and 1.04 respectively indicate convergence of their responses and thus their responses are close to the mean scores. The mean of means' scores of 2.77 and 2.74 for principals and bursars respectively which falls within the range of 2.50-3.49 indicated that there was great extent of principals' application of financial instructions in their budgeting practices.

Null Hypothesis: There is no significant difference in the mean ratings of principals and bursars on the extent principals apply the Imo State financial instructions in their budget practices.

Table 2: *t-test of the mean ratings of principals and bursars on the extent of principals' application of financial instructions in budgeting practices.*

Variables	N	$\bar{X}$	SD	t-cal.	t-crit.	Df	∞	Decision
Principals	395	2.77	1.06	0.27	1.96	788	0.05	Not Significant
Bursars	395	2.74	1.04					

Data presented on Table 2 revealed that the t-calculated value of 0.27 is less than t-critical value of 1.96 at 0.05 level of significance and 788 degree of freedom. Thus, the null hypothesis is not significant. Therefore, there is no significant difference in the mean ratings of principals and bursars on the extent of principals' application of financial instructions in their budget practices in secondary schools in Imo State.

Discussion of Findings

Budget is a control measure in school management. In this study, it was found that there was great extent of principals' application of financial instructions in their budgeting practices. It was also found that principals and bursars did not differ in their mean ratings on the extent principals apply the financial instructions in their budget practices in secondary schools in Imo State. The findings are very educative. The principals understand the roles of budget in the management of secondary schools. The findings also indicated that the principals comply with the state financial instructions with regards to budgeting. Proper budgeting and adherence to laid down budgetary

procedures are very necessary for effective management of school finance.

This is in agreement with the finding of Oboegbulem and Kalu (2013) which revealed that principals adhere to a budget practices to a very great extent in planning and implementation of budget. The agreement in the findings could be as a result of the fact that the two studies were conducted in south-east, Nigeria and most of the school principals in the zone seem to apply similar budgeting practices. This is also supported by the finding of Junge, Bosire and Kamau (2014) which revealed that budgetary allocation and implementation are adequately done by the school principals. This implies that principals to a great extent consider the inputs of every unit in budget preparation, forecasting income in the school, constitute committee for monitoring the school budget implementation and ensuring adherence to school estimate in spending among others. These practices not only help to ensure accurate estimate of expected income and expenditure in the school but enhance prudence in spending the school funds. However, this contradicts the finding of Okon and Akpan (2011) which reported that the principals have not adequately adopted budgeting practices for the control of school finances. This contradiction could be as a result of difference in location and time span.

There is no significant difference in the mean ratings of principals and bursars on the extent of principals' application of budgeting practices in Imo State. This is supported by finding of Oboegbulem and Kalu (2013) which indicated that there was no significant difference in the mean ratings of principals and bursars (school account supervisors) on the extent principals are guided by budget practices in planning and implementation of the school budget. The similarity in the two findings could be as a result of the fact that the both studies were conducted in south-east, Nigeria and most of the school principals in the zone seem to apply similar budgeting practices.

Conclusion

Based on the findings of this study, it is concluded that principals to a great extent apply the financial instructions in budgeting practices in secondary schools in Imo State. This implies that most principals adequately apply financial management practices as outlined in chapter three of the Imo State Financial Instructions of 1998.

Recommendations

Based on the findings of the study, the following recommendations are made:

1. Secondary school principals in Imo State should continue to comply with the provisions of the state financial instructions. This will continue make them prudent in managing public funds.
2. The principals should continue to upgrade themselves through regular training to enhance their financial management and budgetary practices.
3. Secondary school principals should continue to work closely with the bursars to ensure compliance with established financial instructions in the state.

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