

PRINCIPALS 'MANAGEMENT OF INTERNALLY GENERATED FUNDS TO ENHANCE PUBLIC SECONDARY SCHOOLS' FINANCING FOR SUSTAINABLE NATIONAL DEVELOPMENT

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ABSTRACT: *This study aimed at investigating the ways management of internally generated funds enhanced secondary school financing for sustainable national development. The study adopted a survey research design. The population of the study comprised all public secondary schools principals/vice principals. A study sample of 539 respondents was used to generate data for the study. Three null hypotheses were formulated to be tested in the study. A 24 item questionnaire titled "Principals' Management of Internally Generated Funds for Improved School Financing Questionnaire" (PMIGFISFQ) was used for data collection. The instrument was validated, and its reliability established at 0.89. Data collected were subjected to statistical analysis using Pearson Product Moment Correlation analysis. The null hypotheses testing revealed significant relationship between management of school internally generated funds and schools financing improvement for sustainable national development. It was found out that principals' management skills in budgeting, auditing and keeping financial records significantly relate to school financing improvement. Based on the findings, it was recommended among others that Government through Ministry of Education and secondary Education Board should organized seminar and workshops for school principals to sharpen their skills in financial management of internally generated revenue as a strategy for improved secondary schools' financing for sustainable national development.*

KEYWORDS: Management, Internally generated funds, school financing and National development.

BACKGROUND TO THE STUDY

Education, in general is expensive because it demands both material and human resources for the attainment of goals/objectives. Secondary education financing in Nigeria had serious challenges that many researchers had proffered some remedies. Money is the obvious and important element in the success of the educational venture. Large sums of money are allocated to the educational sector by the Federal, State and Local Governments, because Nigerian government has adopted education as an instrument par excellence for achieving national development. However, it is a common observation to note that Government funding to all levels of education had always remain inadequate due to its dwindling financial conditions.

There is a great move today for the secondary school administrator, staff and students to generate funds from within the school to boost the financial standing of the school. The question of generating or sourcing funds internally within the school is one thing, but the management of fund generated to serve as alternative financial source for the school is another which is the main focus of this study. Secondary school heads are ultimately responsible for

the proper accounting of what can easily be hundreds of thousands of naira of internal accounts as well as their funds specified for the school use. Often times, school principals are vulnerable if an effective system for managing fiscal resources is not in place, even if the school managers may not be knowledgeable in this critical area of managing fiscal resources. Hence the focus of this paper is on managing internally generated revenue as alternative strategy for improved secondary school financing for sustainable national development.

The management of fiscal resources is one of the many functions of school heads that cannot be ignored, because education is a big business today. Sound fiscal management procedure used by the school head provides the picture of internal financial matters that involves maintaining proper financial records, auditing and budgeting practices (Okorie,2001). Ogbonnaya (2000) asserted that the main purpose of financial management is the raising of funds and ensuring that the funds realized are utilized in the most effective and efficient manner. The argument is that funds or resources are scarce and that all efforts should be made by educational administrators and planners to ensure optimal utilization of fund. However, financial management is the fundamental element on which the success of any organization depends.

Bua and Adzongo (2014:105) posited that poor management of finance in schools, results in; financial misappropriation, embezzlement, diversion of finance to personal issue use and negligence in school finance matters, especially issues on mismanagement of internally raised funds impacted on school financial base negatively. So generating money internally and managing same efficiently by the school head can result in improved finance for the school. On the contrary, Mgbodile in Bua et al (2014:215) summarized factors that lead to mismanagement of school funds to include: delay in government release of funds to schools, mismanagement of funds by government officials, diversion of funds to other sectors of the economy, lack of training of heads of educational institutions in issues of finance, corrupt account clerks/ bursars, appointment of untrained administrators by Government through the influence of politicians as principals and poor attitudes of some teachers in remitting fees collected to principals due to nonpayment of salaries. School finances are used for the day- to -day running of the organization for the attainment of school goals and objectives. And it is important to note that every school manager or principal needs to plan and manage school finances to achieve school objectives. Also, it is solely the responsibility of the school administrator to manage the necessary funds mostly generated internally as a source of boosting the financial status of the school. The availability of such funds and proper management of same will go a long way to enhance qualitative learning and teaching for attainment of secondary education goals of: preparing individual for useful living within the society; and higher education as factor of sustainable national development(FGN 2013:13) Sustainable development according to Brundtland in Nyong (2015) is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Education for sustainable development is more pragmatic, its means incorporating key sustainable development issues into teaching and learning. For example management of school finance by the school administrator motivates and empowers teachers and learners for school goals' attainment. Education for sustainable development promotes competence like strategic planning and prudential management of resources in education. In the context of exploring alternative strategies of financing secondary education for sustainable national development, this study therefore, examined the relationship of effective management of internally generated school funds and improved secondary school financing.

However, the educational system in Nigeria generally, and secondary education system particularly is caught in the web of inefficiency. Inadequate funding and poor management of school finances, the absence of accountability of some school principals played down school financing in secondary education system in Nigeria.

Effective educational management in terms of financial management is a pre-requisite for sustainable development (Ominyi and Opa, 2008). This, of course implies that no nation can obtain developmental stability in the context of a frustrated educational financial system. Education is the instrument of social change that is why the Federal Republic of Nigeria (FGN, 2013) takes cognizance of this fact when it states: education shall continue to be highly rated in national development plans because education is the most important instrument of change.

Educational management and sustainable development are inseparable. Educational management is the process of relating resources to objectives. It is the process through which available manpower, funds and instructional materials are harnessed for attainment of educational goals. To back up this argument, Akumu in Ominyi & Opa (2008) posited that, this is an era when management of schools has become so sophisticated and teaching technical, therefore, the task of education managers becomes more sophisticated and challenging especially in the area of financial management.

Secondary education is that level of education which children receive after primary education and before tertiary level. Oyewole (2006) noted that the principal is the chief executive officer in the Nigeria secondary school. The principal performs a good number of administrative functions in his/her effort to achieve goals and objectives which the school is primarily meant to achieve especially in finance. Financial management function of the school principal involves managing budget for his school, securing adequate revenue from government through other sources and managing expenditure. The financial management tasks of school principal according to Eziuzo (2014) include preparation of budget, securing revenue for the school and use of the fund at his disposal judiciously.

Internally generated funds, according to Asodike (2014:428) are the revenue raised by the school internally to supplement grant allocation from government, but the scope of fund raising varies from one school to another, such internal sources of school funds include: enlisting help of local community, Parent Teachers Association (PTA) levies, proceeds:- from drama club; cultural dance groups; from sales of agricultural produce; from poultry/pig keeping; from sales of crafts/arts and from renting of school facilities. The money realized from internal sources constitute large sum which demand the financial expertise of school principal to manage in order to boost the school financial base.

School income refers to how the amount of money to be used in the school is raised, but financial management therefore covers the administration of financial resources and how to generate it. It also has to do with funds allocation practices which involve the procedure in which the acquired funds are allocated to different sectors of the school to achieve the stated goals and objectives of the school. In the context of this study, the school principal manages the internally generated revenue through budgeting, auditing and keeping of financial records. The management of school income involves the process of revenue collection from various sources, spending the money judiciously and keeping proper accounting system as well as

placing controls over the spending pattern (Ebong, 2013). Financial management refers to the process of fund mobilization, allocation and judicious utilization for the achievement of defined educational goals. Secondary schools generate funds externally and internally but the focus of this study is on how the internally generated funds are managed effectively for improved secondary school financing in the study area. Financing is the foundation for growth, which shows that if the financial system is not properly organized or managed, no development could be sustained. Indeed, management of schools concentrates on transforming the schools and providing services which are on the long –run beneficial to the society. Financial support of school in Nigeria is derived from many sources among which are grant, school fees, external aids, funds from alumni, local authorities and school activities, Parent Teacher Association levy, school development levy, caution fees and entertainment. The burden of school finance rests squarely on the government, but the cry of inadequate funding of education is in every state of Nigeria. Government funding is not enough for equipping and maintaining facilities in the schools, therefore, school heads are to source funds internally and manage same to improve the financial strength of their schools.

Statement of the problem

Corrupt leadership appears to be one of the greatest challenges facing Nigeria generally, and school administration particularly. Public office holders and school administrators hardly discharge their duties with integrity and accountability. Some of them divert funds meant for education to other channels especially because of selfish interest. Some secondary school principals embezzle school fund, mismanage internally generated funds, collects illegal fees from students and contractors.

It has been observed that many school principals fail in their statutory functions in management of school finance especially the internal school funds to supplement government funding. For instance, condition of secondary schools in the study area had worsened, so much that teaching and learning have been affected negatively. Many schools are in a dilapidated state because of poor management of school finances by principals, and this is of great concern to the researcher.

Purpose of the study

The purposes of the study include:

1. To examine the extent at which budgetary practice, auditing and financial records keeping as effective management strategies of internally generated funds relate to improved secondary schools financing.

Hypotheses:

To achieve the stated aim, the following null hypotheses were developed for the study, tested at 0.05 level of significant:

Ho₁: Budgetary practice by principals does not significantly relate to effective management of internally generated school funds.

Ho₂: Auditing practice by principals does not significantly relate to effective management of internally generated school funds.

Ho₃: Financial record keeping does not significantly relate to effective management of internally generated schools funds

METHODOLOGY

The design adopted for this study was correlation design. The population of the study consisted of five hundred and thirty-nine (539) principals/vice principals from all public secondary schools in the study area. The research area was Calabar Education Zone of Cross River State, Nigeria. The main instrument adopted for data collection was a 24 – item researcher’s developed questionnaire.

The questionnaire was validated by two experts of educational management in the Department of Educational Administration and Planning and two experts in Test and measurement from the Department of Educational Foundations, Faculty of Education, University of Calabar. The reliability of the instrument indicated high internal consistency. The questionnaire was administered on the subjects, and the data were analyzed using Pearson Product Moment Correlation statistical technique at .05 level of significance.

RESULTS

Hypothesis One:

Budgetary practice by principals does not significantly relate to effective management of internally generated schools funds. The result of data analysis is presented in Table 1.

Table 1

Pearson’s Product Moment Correlation between Budgetary practice by principals and effective management of internal school funds

Variables	Σx	Σx^2	Σxy	r-value
	Σy	Σy^2		
Budgetary practice(x)	1943	19493	18914	0.33*
Management of Internal school funds(y)	1663	1872		

Significant at 0.05, df = 537, critical r-value .088

The result in Table 1 showed r-value of 0.33* which was found to be greater than critical r-value of .088. This result led to rejection of the null hypothesis which implies that there is a significant relationship between budgetary practice by principals and effective management of internally generated school funds.

Hypothesis Two:

There is no significant relationship between principals auditing practice and effective management of internally generated school funds. The result of the data analysis is presented in Table 2.

Table 2: Pearson's Product Moment Correlation between auditing practice and effective management of schools' internal funds

N= 539			
Variables	Σx	Σx^2	r-value
	Σy	Σy^2	Σxy
Auditing practice(x)	2101	24884	
			20621 0.43*
Management of Internal School funds(y)	1663	18772	

Significant at 0.05, df = 537, critical r-value = .088

The analysis revealed that calculated r-value of 0.43 is greater than the critical r-value of .088 as tested at 0.05 level of significant with 537 degree of freedom. Therefore, the null hypothesis was rejected, showing that a significant relationship existed between principals' use of auditing practice and effective management of internal school funds.

Hypothesis Three:

Financial records keeping by principals does not significantly relates to effective management of schools' internal funds. The result of the data analysis is presented in Table 3.

The results in Table 3 revealed that the calculated r-value of 0.41* is higher than the critical r-value of .088 at 0.05 level of significance with 537 degree of freedom. With this result the null hypothesis was rejected, which means that keeping of financial records by principals had significant relationship with effective management of internal school funds.

Table 3: Pearson's Product Moment Correlation between financial records keeping and effective management of internal schools funds

N= 539			
Variables	Σx	Σx^2	r-value
	Σy	Σy^2	Σxy
Financial record keeping(x)	2122	27677	
			22371 0,41*
Management of internal school funds(y)	1663	18772	

Significant at 0.05, df = 537, critical r-value .088

DISCUSSION OF FINDINGS

The first finding of this study revealed a significant relationship between principals' budgetary practice and effective management of internal generated school funds which could enhance secondary school financing for sustainable national development. This finding is in

agreement with the view of Ebong (2013) who asserted that the school budgeting by principals enables them to succeed in financial management of their schools.

The finding of testing of hypothesis two, showed a significant relationship between principals' auditing practice and effective management of internally generated school revenue to enhance secondary school financing for sustainable national development. This finding was in consonance with Eziuzo (2014) and Bema (2014) who posited that auditing of financial records checks excesses of educational managers.

The finding on the third hypothesis testing revealed that there is a significant relationship between principals proper financial records keeping and effective management of internally generated school funds to boost secondary schools' financing for sustainable national development. The finding agrees with views of Okorie (2001) who suggested that principals need to be tactful in generating revenue from other sources and keeping proper records of same to meet financial need of their schools. This will supplement government efforts in providing education for all the citizens.

CONCLUSION

Based on the findings of this study it has been concluded that budgetary, auditing practices and proper financial records keeping by principals enables them to manage internally generated revenues effectively to enhance secondary education financing for sustainable national development.

Recommendations: It was also recommended that:

- (1) Principals of secondary in the study area should be encouraged by the secondary Education Board through seminars workshops and conference attendance to use budgetary, auditing practices and proper financial records keeping as effective means of managing internally generated funds in their schools.

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