

SCHOOL FINANCE CONTROL STRATEGIES AND PRINCIPALS' RESOURCE UTILIZATION IN SECONDARY SCHOOLS, IN OBANLIKU LOCAL GOVERNMENT AREA OF CROSS RIVER STATE

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Abstract

Finance is very important in the management of schools. The efficient utilization of school finance in meeting the basic needs of the system is one key aspect of principals' administrative responsibilities. This paper examines school finance control strategies and principals' resource utilization in secondary schools in Obanliku Local Government Area of Cross River State. To achieve research objectives, three research questions were poised and three hypotheses were formulated for testing. The survey research design was adopted while a well-validated questionnaire tagged 'School Finance Control Strategies and Principals' Resources Utilization Questionnaire (FCSPRUQ)' with a Cronbach co-efficient of 0.92 was used to collect data from a random sample of 168 out of 286 staff from 18 public secondary schools in the area. Three basic areas of finance control strategies were studied (record keeping, budgeting and auditing). Data collated were analysed using mean and standard deviation for research questions and the Pearson Product Moment Correlation, r , was used to test the hypotheses. The results showed significant positive relationship between principals' finance record keeping strategy ($r=0.238$, $p<.05$); budgeting strategy ($r=0.518$, $p<.05$), auditing strategy ($r=0.463$, $p<.05$) and principals' resource utilization. It was recommended amongst others that trained and retrained on record keeping and the necessary books of account that they are compulsorily required to keep.

Key words: Principals, resource, utilization, finance, control, strategies.

Introduction

Education is very expensive in Nigeria because of its importance and the population explosion of students. This position probably underscores the current huge financial investment in education, both at the Federal and State government levels. This is evidenced by the rising annual budget allocation. Federal Government of Nigeria (2004) maintained that the success of any system of education is hinged on proper planning, effective administration and adequate financing. Providing fund adequately is one thing while using it to address that which the money is meant for is another thing. It has been a common practice among heads of organizations in Nigeria to divert funds for purposes that will either give them political advantage or enrich them personally. Principals of public schools are not different in this maxim and, therefore, there is the need to

understudy their efficient utilization of financial resources, generated or allocated to them, in meeting the needs of their system.

Mgbodile (2004) stated that most schools heads mismanage funds entrusted to their care. More so, he stated that some secondary school principals embezzle school fees and parent teachers' association levies in their schools to the extent that some of them have been indicted by audit report. There have been several cases in which the Cross River State Government demoted, suspended and even terminated some principals' appointments on the basis of fraudulent or inappropriate behaviour when monies were involved. Principals in the Northern part of the state including those in schools in Obanliku Local Government Areas were also affected. So, the problem here is not in the administration of the human capital but more with

proper and effective management of school finances at their disposal.

Finance has been defined variously by many authorities in the field of financial management. Hornby (2001) defined finance as the issue of management of money, especially public money. Ogbonnaya (2003) stated that finance refers to the science of controlling money and not money as many people erroneously think. The management of school finance can be one of the most challenging tasks of principals' responsibilities, because for many, it is an area in which they have little or no training. It is also likely that, in some cases where Governing Councils are appointed, the members of the (school) governing body may be equally ill-equipped for the task of financial management (Clark, 2008).

Jones (2000) noted that ultimate responsibility is for the accuracy of the books (of account) of the school principal even if he or she does not have the task of maintaining the books on a regular basis. Keeping records and of course, accurate records show high level of integrity. This is the expectation of every principal. The management of the school finance is however a primary function of the school governing body and that delegated on the principal as the chief accounting officer. It is important to state that most public schools in Cross River do not have supervening governing board other than the State Education Management Board which is situated in Calabar, the State capital and therefore may not be within immediate reach for monitoring of schools in rural and far away areas.

According to (Clarke 2008), there are overlapping responsibilities between the principal and other officers of the school that need to be minimized. These are essentially in the following areas of responsibilities:

- (i) Management of the financial process which is essentially an operational role, normally delegated to the finance officer or bursar.
- (ii) Financial management (of income and expenditure and assets and liabilities) which are normally the responsibilities of the school principal.
- (iii) Oversight functions- ensuring that policies and procedures are in place to control the school's finance. This is the responsibility of the school governing body and its

financial commitment. The state must fund public secondary schools from public revenue on an equitable basis in order to ensure the proper exercise of the right of learners to education and the readiness of equalities in educational provision.

Ndawa and Peasugh (2000), opined that schools are viewed as cost centres and funds allocated are to cater for recurrent costs which include the procurement of text books, stationeries, maintenance, essential daily services, and so on. These monies are paid into the current banking accounts of school and where the school is located far away from town, as cash imp rest receivable at the nearest government treasury. Sometimes, these monies are given monthly or quarterly depending on the system and the onus thus lies on the principal to be judicious and accountable for what was given to him/her.

Financial management policy according to Ogbonnaya (2005) should have the following four specifications: specify the functions of the heads of the institution, the bursar or finance officer in the managements of funds; specify the different source from which educational institution should procure funds for the management of their institution; specify the procedure for the utilization of fund within the education organization or institution and outline how the administrators and finance officers should give account of funds within their organization or to other organizations. If this mechanism or standard are adopted by public schools in their management of finances in Obanliku Local Government Area, then the issue of 'no money' to meet essential services in schools, fraud and violation of financial regulations should not exist. This shows that there is a problem for which research needs to address and of course no work of this nature has been carried by collecting data directly from public schools in the area in recent times. Therefore, a vacuum exists and it is against this backdrop that these researchers undertake to assess the school finance control strategies and principals' efficient resources utilization in public secondary schools in Obanliku Local Government Area of Cross River State.

The importance of financial management in our educational institution cannot be over emphasized. Financial management is a crucial aspect of school

business management. According to Ogbonnaya (2005), education is the bedrock of all development and the major social service which the government, communities, parents and philanthropic organizations give to their children. It is not uncommon nowadays to parents and guardians depriving their selves heavily to rise sufficient fund with which to provide their school with basic infrastructures such as classrooms, dormitories, science and laboratory equipment and so on and so. Equally government raises money through grants and aids and other services to fund our schools.

All these efforts by government, individuals, institutions and organizations are in a bid to ensure sound and qualitative education for our youths and for the achievements of objectives of education. The financial resources invested in education by stake holders are quite enormous and those who made the investment according to Mgbodile (2004) need judicious and accountability of funds so invested. The growing demand for accountability on huge, scarce and financial expenditure on education then calls for knowledge of financial management as a tool for effective and efficient accountability in the system.

The researcher then sees the need of assessing the school finance control strategies and principals' efficient resources utilization in public secondary schools in Obanliku Local Government Area of Cross River State in line with financial regulations/instructions so as to advance recommendations or solution to some of the teething problems associated with the financial management in public secondary schools. However, no work of this nature exists on the formal activities of public secondary school principals especially in Obanliku Local Government Area. Therefore, a vacuum exist that needs to be filled. It is for this reason that the researchers undertake to carry out this study.

Purposes of the study

The purpose of this study was to assess school finance control strategies and principals' efficient resources utilization in public secondary schools in Obanliku Local Government Area of Cross River State. Specifically, the study sought to:

1. Examine the relationship between financial record keeping strategy and principals efficient resource utilization in public

secondary schools

2. Ascertain the relationship between budgeting practices strategy and principals efficient resource utilization in public secondary schools
3. Find out the relationship between auditing strategy and investigation and principals efficient resource utilization in public secondary schools.

Research questions

The following research questions were formulated to guide the study:

1. How does financial records keeping strategy relate with principals' efficient resource utilization in public secondary schools?
2. How does school budgeting strategy relate with principals' efficient resource utilization in public secondary schools?
3. How does auditing strategy relate with principals' efficient resource utilization in public secondary schools?

Research hypotheses

The following hypotheses were tested at 0.5 level of significance.

1. There is no significant relationship between financial record keeping strategy and principals' efficient resource utilization in public secondary schools.
2. There is no significant relationship between school budgeting strategy and principals efficient resource utilization in public secondary schools.
3. There is no significant relationship between auditing strategy and investigation and principals' efficient resource utilization in public secondary schools.

Methodology

The study adopted a descriptive survey design. The study area is Obanliku local government area of Cross River State with headquarters at Sankwala. It is located at latitude 6° 31'N, 9° 20.14'E and 6° 32'N longitude 9° 20.24'E (Google, 2025). The population of the study was made up of all the principals, bursars and teaching and non-teaching staff in public secondary schools in the area, as at the time this study. There are 18 public secondary schools. The population of the study therefore

consisted of 286 staff in the public secondary schools in Obanliku LGA, Cross River State. The sample for this study was made up 172 staff (principals, bursars, teaching and non-teaching staff) of public secondary schools in Obanliku Local Government Areas selected from the 18 secondary schools using a multi-stage sampling technique consisting of the simple random and stratified random sampling techniques to achieve research objectives.

The instrument for data collection was a 21-item questionnaire designed by the researchers, validated and having a Cronbach alpha index of 0.92 entitled 'School Finance Control Strategies and Principals' Resources Utilization Questionnaire (FCSPRUQ)'. The questionnaire was divided into Sections A, B and C. Section A was used to obtain the demographic data of respondents and section B was used to gather information on Finance Control Strategies from respondents. Section B was further sub-divided in to Parts I-IV which contained items that were used in measuring the sub-variables of the independent

variable. Section C had items developed and used to measure the dependent variable (Principals' Resource Utilization). The response options for sections B and C were structured on a 4-point rating scale of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). The instrument was administered *insitu* and achieved one hundred percent recall rate. It took two weeks to administer the instrument because of the terrain. Data obtained were coded and analysed using the SPSS version 26.0. The mean, standard deviation and the Pearson Product Moment Correlation statistic were used to answer research questions and test hypotheses.

Results and Discussion

Research question one:

How does keeping of financial records keeping strategy relate with principals' efficient resource utilization in public secondary schools?

The means and standard deviations of the seven items used to elicit responses on financial records keeping strategy were computed using the SPSS version 26.0. The results are presented on Table 1.

Table 1:
Summary of means and standard deviations of items measuring financial record keeping strategy of principals in Obanliku Local Government Area (N=168)

S/n	Items	Mean	Sd
1.	My school keeps records of every money received	3.31	0.70
2.	Records of expenses incurred are diligently kept	3.26	0.74
3.	Records of income generated are also kept	2.90	0.73
4.	Staff are informed of monies received & spent	1.99	0.81
5.	No body accounts for any money in this school	2.42	0.96
6.	Receipts are issued when students pay their fees	3.45	0.61
7.	Some levies paid by students are not receipted for	3.33	0.62
	Grand	2.95	0.74

From Table 1, the Grand mean was 2.95 (Sd=0.74) showing that principals in Obanliku local government area, Cross River State have above average record keeping strategy as they keep records of receivables, expenditures and issue receipts to students for fee payments and so on. This has implications on their level of accountability and efficient resource utilization too.

Research question two:

How does school budgeting strategy relate with principals' efficient resource utilization in public secondary schools?

Again, the means and standard deviations of the items used to elicit data on principals' school budgeting strategy were used. The results are presented on Table 2.

Table 2: Summary of means and standard deviations of items measuring principals' school budgeting strategy in Obanliku Local Government Area (N=168)

S/n	Items	Mean	Sd
1.	Purchases are based on budgetary provisions	2.35	0.88
2.	My school prepares a budget each year	2.40	0.97
3.	Expenses are carried out based on the most pressing needs other than those in the budget	2.95	1.00
4.	My school budget does give priority to target projects	3.36	0.72
5.	My management spend as they like without budget	3.45	0.68
6.	My school budget makes provision for unforeseen expenditures	2.17	0.91
7.	My school budget makes provision for target income and expenditures	3.08	0.94
	Grand Mean	2.82	0.87

From Table 2, Principals purchases are not based on budgetary provisions as most of them carry out purchases based on most pressing needs and hardly prepare budget for the year. However, the overall rating of the principals on budgeting strategy showed above average (mean=2.82; Sd=0.87); which has implications in their efficient utilization of school resources.

Research question three:

How does auditing strategy relate with principals' efficient resource utilization in public secondary schools?

Again, the means and standard deviations of the items used to answer this research question are presented on Table 3.

Table 3 Summary of means and standard deviations of items measuring auditing strategy in secondary schools in Obanliku Local Government Area (N=168)

S/N	Items	Mean	Sd
1.	My school has an internal auditor that checks income and Expenditure	2.25	0.98
2.	Most of the expenditures in this school go through control processes	2.43	0.99
3.	Each expenditure incurred by any staff is retired promptly	3.35	0.56
4.	Government money can't be taken away as you like in this school	3.43	0.60
5.	External auditors usually visit our school to check records	3.33	0.68
6.	The report of our financial activities is usually sent to the School Board	3.31	0.69
7.	In this school, no one checks whatever you do here	3.56	0.67
	Grand Mean	3.09	0.75

On Table 3, the mean and standard deviation of the items showed an average of 3.09 and 0.75 respectively on the auditing strategy in secondary schools; which is above average. Whereas the schools are audited by external auditors; however, the internal control mechanisms are not adequately in place and these have implications in the efficient utilization of schools' resources by principals.

Hypothesis One:

There is no significant relationship between financial record keeping strategy and principals' efficient resource utilization in public secondary schools. The dependent variable, principals' efficient resource utilization in public secondary schools, was measured continuously using ten (10) items on Section C of the Questionnaire. Data elicited were continuous. More so, the independent

variable, principals' financial record keeping strategy, was a continuous variable measured using items 1-7 on Part 1 of Section B of the Questionnaire used. Hence both variables in this hypothesis were continuous. Thus, since the interest was to examine the nature of the

relationship between these two sets of continuous variables, the Pearson product moment correlation co-efficient, r , was the statistic used and the test was at .05 level of significance. The results of the analysis is presented on Table 4.

Table 4: Summary of Pearson Correlation co-efficient of the relationship between Principals' financial record keeping strategy and principals' efficient resource utilization in public secondary schools (n=168).

S/n	Variable	Mean	Sd	Sum	r _{cal}
1.	Financial record keeping strategy (x)	20.67	2.44	$x^2 = 997.33$ $xy = 312.00$	0.238*
2.	Utilization of resources (y)	28.61	3.21	$y^2 = 1718.07$	

• Significant, $p < .05$; critical $r = 0.153$, $\alpha = .05$

From Table 4, the mean and standard deviation of the variables have been presented. The calculated r-statistic from the test showed a value of 0.238 which is weak, positive correlation but higher than the critical r-value of 0.153 (n=168, $\alpha = .05$). Thus, the null hypothesis was rejected and the test was significant. Therefore, there was a weak positive but significant relationship between principals' financial record keeping strategy and principals' efficient resource utilization in public secondary schools in Obanliku Local Government Area of Cross River State.

Hypothesis two

There is no significant relationship between school budgeting strategy and principals' efficient

resource utilization in public secondary schools. To test this hypothesis, the Pearson Correlation, r , statistic was used. This was because both the independent variable, school budgeting strategy, and the dependent variable (principals' efficient resource utilization in public secondary schools) were continuous variables and relationship was being explored between them. The independent variable was measured using items 1-7 on Part II of Section B of the instrument used. Data obtained thereof were continuous. Also, as stated earlier, the dependent variable was measured using items 1-10 on Section C of the instrument. Data obtained also from this variable were continuous; hence the test. The result of the analysis is presented on Table 5.

Table 5: Summary of Pearson correlation co-efficient of the relationship between Principals' budgeting strategy and principals' efficient resource utilization in public secondary schools (n=168).

S/n	Variable	Mean	Sd	Sum	r _{cal}
1.	Budgeting Strategy (x)	27.60	3.25	$x^2 = 1764.28$ $xy = 901.68$	0.518*
2.	Utilization of resources (y)	28.61	3.21	$y^2 = 1718.07$	

• Significant, $p < .05$; critical $r = 0.153$, $\alpha = .05$

From Table 5, the calculated r-value of the test statistic was 0.518; strong and positive. This calculated value ($r = 0.518$) was greater than the critical r-value of 0.153 (n=168, $\alpha = .05$). Therefore, the test was statistically significant and the null hypothesis was rejected. To this end, the conclusion was that there is a significant

relationship between school budgeting strategy and principals' efficient resource utilization in public secondary schools.

Hypothesis three

There is no significant relationship between auditing strategy and investigation and principals'

efficient resource utilization in public secondary schools. To test this hypothesis, seven (7) items on Part III of Section B were used to measure the independent variable-auditing strategy of schools, while ten (10) items were used to measure the dependent variable-principals' efficient resource utilization in public secondary schools. All items

were defined on the four-point interval scale; hence data elicited were continuous data. Since the interest of the hypothesis was to examine relationships between these variables, the Pearson Correlation statistic, r , was used to test the hypothesis at .05 level of significance. The result is presented on Table 6.

Table 6: Summary of Pearson correlation co-efficient of the relationship between auditing strategy and principals' efficient resource utilization in public secondary schools (n=168).

S/n	Variable	Mean	Sd	Sum	r _{cal}
1.	Auditing Strategy (x)	27.28	3.63	$x^2 = 2203.85$ $xy = 900.46$	0.463*
2.	Utilization of resources (y)	28.61	3.21	$y^2 = 1718.07$	

● Significant, $p < .05$; critical $r = 0.153$, $\alpha = .05$

On Table 9, the calculated value of the test statistic, $r = 0.463$. This value is fairly strong and positive but greater than the critical r - value of 0.153 ($\alpha = .05$, $n = 168$). Therefore, the test was significant and the null hypothesis was rejected. To this end, it was concluded that there is a significant positive relationship between auditing strategy and principals' efficient resource utilization in public secondary schools in Obanliku Local Government Area of Cross River State.

Discussion

The results of hypotheses one, two and three showed significant positive correlation between principals' record keeping strategy, budgeting strategy, auditing strategy and efficient resource utilization in public schools in Obanliku Local Government Area of Cross River State respectively. Thus, showing that school finance control strategies and principals' efficient resources utilization in public secondary schools in Obanliku Local Government Area of Cross River State were positively and significantly correlated. These findings are not far fetched from other previous works. For instance, Mgbodile (2003), asserted that the fact that various governments cannot adequately fund the schools in the country implies that school heads must look for sources of revenue for financing and manage such revenue efficiently. Thus, it behoves on the principals as a rule to use the little resources available to them to achieve organizational goals. The positive correlation is an implication on the proper use of the funds in meeting the needs of the schools. On Table 1, Principals are seen to be keeping records as

best as they can and issuing receipts to students on payment of fees and on Table 2, they are seen to be spending not based on budget but on priority needs making sure that expenditures are flexible to meet the basic needs of the schools. These findings are not different from the study of Okorji and Wode (2023) who investigated principals' application of budgetary practices for effective decision -making in public secondary schools in Ebonyi State, Nigeria. That showed that revenue and expenditure practices were applied equally by male and female principals. Principals spend money most-needed facilities in their schools such as hiring of manual labours, replaced damaged school furniture, carry out minor maintenance, procure stationeries and purchase instructional materials, amongst others as part of the utilization of the finances of the school which may not necessarily be captured in the routine budget but as the need arise; some being exigencies.

Also, the findings aligned with the study of Okeze, Okpe and Ngwakwe (2018) who studied the financial management practices of secondary schools in Abia State, Nigeria. And concluded that there was a high level of record keeping practices and low extent of auditing practices amongst the schools. The study concluded that there was a good financial record keeping practices whereas the auditing practices were not too good. This work has shown above-average level of record keeping practices by principals in the study area, even when they are not certified accountants, thus keeping the basic elements of records and also it has shown that external auditors visit the schools and hold people

accountable for public funds. These all have implications on the efficient utilization of schools' resources.

Also, the findings of the studied is in line with Ukpong (2019), who studied the ways management of internally generated funds enhanced secondary school financing for sustainable national development. The study used the survey research design with a sample of 539 respondents with data analysed using the Pearson Product Moment Correlation to test the hypotheses. The results showed a significant positive relationship between: (i) budgetary practices by principals and effective management of school funds ($r=.33$, $p<.05$); (ii) auditing practice and effective management of school internal funds ($r=.43$, $p<.05$) and (iii) financial records keeping and effective management of school funds ($r=.41$, $p<.05$). The study therefore concluded that budgetary practices, auditing practices and proper financial record keeping are significant and key to efficient management of secondary education finance for sustainable development. The results of this present study also showed significant positive correlates of the efficient utilization of school resources as record

keeping, budgeting and auditing similar to that of Ukpong (2019).

Conclusion

Based on the findings of this study, evidences exist that the management of school finances has positive implications on the efficient utilization of school resources. Principals who keep record, engage in good budgetary practices and are open to audit show efficient utilization of school funds and vice versa.

Recommendations

Based on the findings of this study, the following recommendations were made:

- (i) Principals should be trained and retrained on the appropriate way of keeping school records and also should be taught how to keep proper financial records
- (ii) Principals should be taught and required to prepare and adhere to school budgets as a means of spending based on plans(iii) There should be provision for financial regulations and internal control mechanism to check abuse of financial regulations in secondary schools in the study area.

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