

**AN ASSESSMENT OF FINANCIAL MANAGEMENT PRACTICES AND ADMINISTRATIVE EFFECTIVENESS AMONG SECONDARY SCHOOL PRINCIPALS IN SOKOTO STATE****Smith, Jonathan Michael David**

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**Abstract**

Education is widely recognized as a fundamental instrument for social, cultural, political, and economic development. Effective education systems depend largely on competent school leadership, particularly secondary school principals who play a central role in mobilizing resources and ensuring school effectiveness, especially in enhancing students' academic performance. However, in many developing countries, principals are often appointed based on classroom teaching experience rather than demonstrated leadership or financial management competence, which may limit their administrative effectiveness.

Financial management is a critical component of school administration, as it involves the ability to plan, allocate, and control financial resources to achieve educational goals. Effective financial management ensures proper utilization of funds, transparency, accountability, and sustainable school development. Conversely, inadequate financial knowledge among school leaders can result in poor financial control, mismanagement of resources, and administrative inefficiencies. Many principals and members of school governing boards often face challenges due to limited financial management skills, which places them under pressure when addressing practical administrative and financial problems.

This study examines the financial management strategies adopted by secondary school principals and their relationship with administrative effectiveness in Sokoto State. It explores the extent to which principals' financial knowledge, planning skills, budgeting practices, and control mechanisms influence overall school administration and performance outcomes. The study also highlights the challenges faced by school administrators in managing school funds effectively and the implications for educational development.

Findings from this study are expected to provide valuable insights into improving financial management capacity among school leaders and strengthening administrative effectiveness in secondary schools. The study further emphasizes the need for targeted training and capacity-building programs for principals to enhance their financial management competencies and overall leadership effectiveness.

**Keywords:** Financial Management; Administrative Effectiveness; Secondary School Principals; School Leadership; Education Management

**Introduction**

Education is globally considered as a basic tool for social, cultural, political and economic development (Njeru & Orodho, 2003). Education through should lead to a person's intellectual, emotional, spiritual and physical abilities to mature, thus enabling him or her to fully participate in community affairs. Principals play the most crucial role in mobilizing and translating all these resources to school effectiveness in terms of improving their students' performance. However, in most of these developing countries, secondary school principals are usually appointed on the basis of their past teaching records rather than their leadership potentials (Nyamwea, 2006).

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Oplatka (2004), points out that although the teaching experience is necessary, it should not be the only factor for a teacher to be appointed to be a principal.

The knowledge about financial is very vital for any funds as it could assist the core concern to collect, plan for source of funds and keep records about the funds obtained. The money obtained is controlled by any selected teacher who has no basic knowledge of financial management and control. Controlling of funds is a very important area for an organization to grow. The study needed to find out if there were effective controls to manage the collected funds. There are many principals and school governing board member who lack the necessary financial knowledge and seek and are placed under incredible pressure, because they are incapable to find practical solution to practical problems.

### Statement of the Problem

Nigerian education has passed through a number of phases since pre-colonial, colonial to independence time. All of these eras have different experience in terms of source of funds for running schools, financial management and/or fund availability to manage the schools. This rises up the need to establish a study to see the effectiveness of fund management to the current situation. The guidelines show that at school level, the heads of schools are responsible for financial management (Federal Government of Nigeria (FGN), 2013). This responsibility by the side of principal appears to be weak as indicated by many researches especially on revenue generation. Hence, this study intends to examine the application of internally generated revenue as a financial management strategy in relation to principal effectiveness in Sokoto state secondary schools.

### Objectives of the Study

The objectives of this study are:

1. To find out the extent of application of internally generated revenue (IGR) strategy in financial management of secondary schools, Sokoto State.
2. To find out the level of administrative effectiveness in secondary schools in Sokoto
3. To find out the relationship between the application of internally generated revenue and administrative effectiveness in secondary school in Sokoto State

### Research Questions

In order to achieve the objectives of the study, the following questions were raised;

1. What is the extent of the application of internally generated revenue in financial management of secondary schools in Sokoto State?
2. What is the level of principal's effectiveness in secondary schools in Sokoto state?
3. What is the relationship between the application of internally generated revenue and principal's effectiveness in secondary school in Sokoto State?

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### Research Hypothesis

The following null hypotheses are generated to this study;

H0: There is no significant relationship between the application of internally generated revenue and principal effectiveness in secondary schools in Sokoto State.

### Literature Review

The principal has duty to make financial decisions. The school financial decisions and budgeting criteria are based on availability of funds most of which are from the government in the form of capitation grants. In addition, financial decisions are expected to involve various other stakeholders on the behalf of the parents and community around the school (Okumbe, 2008).

According to Okumbe (2008), the purpose of the school budget includes, first, estimating receipts (income) expenditure (costs). This enables the educational organization to obtain accurate estimates of the anticipated. Secondly, comprehensive and equitable view of all services a budget enables an educational organization to have a comprehensive view of all services regardless of their magnitude. The analytical look will provide equitable allocation of financial resources in all services of education organization. Thirdly, basis for accounting which is accounting for funds spent to achieve educational objectives it possible to ascertain whether funds have been spent efficiently. The budget plan should therefore help in stimulating confidence among parents, educational officials and the school community as a whole. Fourthly, it is determining the quantity of services.

Budgeting facilitates plan for evaluating the quality and quantity of services needed in an educational organization. The educational needs of a society must thus be constantly appraised in keeping with changing needs of the society. Fifthly, it is a plan for attaining purposes. A school budget is a plan for attaining the purposes of an institution. It is imperative that the purpose for which an organization is founded must be stated in clear terms. An effective manner desired by the society. Sixthly, conferment of authority involving a budget plan which has been approved by the responsible bodies provides an educational organization with the authority to change fees and other levies, and to spend the monies on the approved items. Educational organizations can only cullet monies as stipulated in the approved budget and spend such money as authorized in the budget plan. Finally, it is an economic administration of an education organization. A well planned and executed budget enables educational organizations to be management over estimates the costs of education and this in turn effects the overall provision of educational services. A budget plan ensures prudent financial management.

### Internally Generated Revenue in Secondary Schools

Worldwide, it is generally held that all stakeholders in education, including Governments, individuals and communities expect schools at all levels to produce educated persons for national and individual development. This expectation is higher at the University level which by its nature is expected to produce very high-level quality manpower both for its educating functions and meeting the needs of the society for effective growth and

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development of every sector of the economy. It is also acknowledged that apart from the human resources, among the several factors which contribute to the achievement of the goals and objectives, adequacy of funding has been identified as possibly the most crucial in maintaining and improving the quality of education.

Despite the identification of funding as the key factor in positive transformation of the education most African Governments including Nigeria, and in particular, those persons in charge of education have not given explicit attention to funding the education industry. Undoubtedly the financial challenge facing university education in Nigeria is gross under funding which could be linked to undue reliance on Government for funds by university managers (Cole and Kelly, 2015). Such inadequacy of funding could also be linked to the depression in the country's economy as well as the high level of corruption in the country. Hence, despite the obvious and enormous financial resources accruing to the country, the educational system is confronted with excessive inadequacy of infrastructure and facilities for teaching and research which have remained a clog in the wheel of effective administration of Nigerian Universities (Aina, 2002).

According to Agabi (2010) the purpose of internally generated revenue is to augment the often-inadequate financial allocation from government in the case of public schools; and to minimize the frequency of loans and the loss of fund, the payment of interest on loans, in the case of private schools. The ultimate aim is to ensure effective continuation of education programmes and the efficient achievement of school system goals. Management of revenue (funds) constitutes the crucial and central component in the administrative process of educational institutions.

Secondary schools utilize funds available to them in a number of ways such as paying salaries to teachers under Board of Governors (BOG) Payroll, and also payment of salaries to support staff. Money is also used in procurement of goods and services. The day to day operation of secondary schools require goods and services such as learning materials, textbooks, stationery and laboratory equipment, other purchases include foodstuffs, games equipment, procurement of educational materials, such as instructional materials like audio visual equipment, laboratory equipment and even standard textbooks, public address systems, interactive white boards and video conferencing facilities and computers (Ntoiti, 2006).

Secondary school funds are also used in sponsoring students to participate in various co-curricular activities, sourcing professional speakers to speak to students and payment of remedial classes. It is also used as staff motivation through welfare package, hire of adhoc teaching staff and for capacity building of teachers through financing of workshops, seminars and other meetings. Also, schools with successful IGR can use the money to organize tours for their staff and take students for benchmarking and motivate students and staff. During school holiday some schools arrange paid overseas tours for their teachers.

Income from IGR can enable schools to pay workers on time and even hire extra labour whenever it is required. This income can also be used in paying school creditors since fee payment may not prompt. Similarly, the

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installation of electricity and water systems and their maintenance is the responsibility of secondary school administrators. Money from the IGR can be used to supplement the recurrent expenditure in schools such as electricity bills. Money from the IGR can contribute in the purchase of school land, construction of classrooms, laboratories, staff houses, purchase of school bus. It can also ensure completion of unfinished projects, repayment of school bus loan, supplement school housing project and facilitates the institution's improvement as well as enhance learning materials, infrastructure and maintenance of high standards. It can also be used in repairing and maintaining school facilities such as school buildings, equipment, furniture, school vehicles and beautification of school premises.

Undoubtedly the financial challenge facing university education in Nigeria is gross under funding which could be linked to undue reliance on Government for funds by university managers (Ekpo, 2016). Such inadequacy of funding could also be linked to the depression in the country's economy as well as the high level of corruption in the country. Hence, despite the obvious and enormous financial resources accruing to the country, the educational system is confronted with excessive inadequacy of infrastructure and facilities for teaching and research which have remained a clog in the wheel of effective administration of Nigerian Universities (Aina, 2002). The situation put the management of universities under undue stress (Nwadiani & Ofoegbu, 2005) and as a result they are incapacitated in transforming the universities towards effective teaching, research and community services. Likewise, the management could hardly embark on capital or other palpable development of their institutions; a situation which in turn has adversely affected capacity building and total development. Indeed, most basic facilities such as public address systems; interactive boards and video conferencing facilities which are taken for granted in many more developed foreign institutions of learning are either unavailable or in short supply in Nigeria. Ogbogu (2011) stated in his study that the academic staff did not attend workshops and conferences regularly and that there was a drastic reduction in the award of research grants and fellowships all due to lack of funds.

### Research Methodology

The study employed a survey research of correlation type. This approach also facilitates the use of questionnaires for data collection from respondents (Fwange'le, 2015). The population 666 comprising 118 basic education board officials across the three zones of the state and 548 principals. Using the Research Advisors (2006) sampling technique, a sample size of 357 officials and principals was selected. A purposive sampling technique was applied to choose nine (9) local government areas from the three zones in Sokoto State, ensuring that the selected local government shared similar characteristics with the others. Proportional sampling was then used to select respondents within each selected school. The instruments of data collection were a structured questionnaire titled "Application of Internally Revenue Scale (AIRS) and Principal Effectiveness Questionnaire (PEQ) all designed on a five-point Likert scale: Very High (VH), High (H), Moderate

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(M), Low (L), and Very Low (VL). The instruments were validated through expert judgment and factor analysis. their reliability indices were established using the test-retest method, with Pearson's Product-Moment Correlation coefficient yielding a reliability indices of 0.82 and 0.76 for AIRS and PEQ respectively. Data were analyzed using descriptive statistics of mean and inferential statistics of Pearson's Product-Moment Correlation coefficient to test hypotheses regarding the relationship between variables. A critical mean of 2.50 was set as the benchmark for analysis. A mean score above 2.50 indicated high level while a score below 2.50 signified low level.

### Data Presentation and Analysis

In this section, the data is presented and analyzed.

#### Research Question One

RQ2: What is the extent of application of internally generated revenue (IGR) in financial management of secondary schools in Sokoto State?

This research question is presented in Table 1.

**Table 1: Application of Internally Generated Revenue (IGR) in financial management of Secondary Schools in Sokoto State**

S/N	Item Statement	VH	H	M	L	VL	$\bar{x}$
1.	School principals invest in provision stores to generate revenue.	72	143	72	70	0	2.60
2.	School principals organize extra moral lessons to general revenue.	76	140	69	72	0	2.61
3.	School principals rent out school halls for ceremonial activities to generate revenue.	72	146	71	68	0	2.62
4.	School principals charge PTA and educate levies to generate funds.	81	140	66	70	0	2.64
5.	School principals run school bus services in the community to generate revenue.	70	148	71	68	0	2.61
6.	School principals engage in school farm and poultry to generate revenue.	81	142	68	66	0	2.66
7.	–						<b>2.63</b>
	<b>N = 357 Grand Mean ( <math>\bar{x}</math> )</b>						

Source: Fieldwork, 2024

Table 1 illustrates the extent of application of internally generated revenue (IGR) in secondary schools in Sokoto State. The results show consistency among respondents on the application of IGR in various areas. Specifically,

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IGR is utilized for providing water supply and infrastructural facilities (mean score: 2.60), organizing and attending management workshops (mean score: 2.61), procuring adequate learning materials (mean score: 2.62), and ensuring electricity and infrastructure provision (mean score: 2.64). Additionally, respondents believed that IGR enhances teacher commitment and boosts student morale (mean score: 2.61) and is used for recruiting qualified personnel to elevate organizational standards (mean score: 2.66). All mean scores surpass the critical mean of 2.50, reflecting the perceived importance of IGR in enhancing school effectiveness. With a grand mean of 2.63, the analysis confirms that IGR is applied as part of financial management in secondary schools in Sokoto State.

### Research Question Two

RQ2: What is the level of principal's effectiveness in secondary schools in Sokoto State? This research question is presented in Table 2.

**Table 2: Level of Administrative Effectiveness in Secondary Schools in Sokoto**

S/N	Item Statement	VH	H	M	L	VL	$\bar{x}$
1.	School principals engage in various business activities to get internally generated revenue for the school	64	120	95	77	5	<b>3.4</b>
2.	School principals strictly ensure proper financial control of school money in order to avoid fraud and misappropriation	53	119	102	70	13	<b>3.1</b>
3.	School principals ensure regular budgeting of limited financial resources are correctly allocated to capital and recurrent expenditure	73	125	91	65	3	<b>3.5</b>
4.	School principals ensure accountability in the use of school funds entrusted to various departments and units in the school	81	120	80	70	6	<b>3.2</b>

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5.	School principals ensure transparency in financial dealings of schools by enforcing due process in procurements and school contracts awards.	58	140	89	64	6	3.6
6.	<b>N = 357</b> <b>Grand mean</b>						<b>3.3</b> <b>1</b>

### Source: Fieldwork, 2024

Table 2 highlights the level of principal's effectiveness in secondary schools in Sokoto. The findings demonstrate a strong consensus among respondents regarding the effectiveness of school principals in performing their administrative responsibilities. Specifically, principals engage in various business ventures to generate internal revenue for the school (mean score: 3.40), enforce strict financial control to prevent fraud and misappropriation (mean score: 3.1), and ensure regular budgeting for the proper allocation of limited financial resources to capital and recurrent expenditures (mean score: 3.50). Additionally, principals maintain accountability in managing school funds across departments and units (mean score: 3.20). Respondents further acknowledged that principals promote transparency by enforcing due process in procurements and awarding school contracts (mean score: 3.60). All mean scores exceed the critical threshold of 2.50, indicating the high level of principal's effectiveness perceived among secondary schools in Sokoto state.

### Hypotheses Testing

**H0<sub>1</sub>:** There is no relationship between the application of internally generated revenue (IGR) strategy and administrative effectiveness of principals in secondary schools in Sokoto State.

**Table 3: Relationship between the Application of Internally Generated Revenue (IGR) Strategy and Administrative Effectiveness in Secondary Schools in Sokoto State**

Variables	N	Mean	S.Deviation	r-Cal	p-Value	Decision
IGR	357	2.64	1.166	0.946	0.000	H0
School Effectiveness	357	2.64	1.171			Rejected

### Source: Fieldwork, 2024

From the result of table 3, Internally generated revenue and School Effectiveness were positively related and significant,  $r(357) = .946$ ,  $p < .05$ . This indicates significant relationship between the application of internally

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generated revenue (IGR) strategy and principal's effectiveness in secondary schools in Sokoto State because the  $p$ -value is less than the .05 level of significance. Therefore,  $H_{01}$  which states that there is no significant relationship between internally generated

### Summary of findings

The summary of finding shows that:

1. Internally Generated Revenue is applied as part of financial management in secondary schools in Sokoto State.
2. There is high level of principal's effectiveness in secondary schools in Sokoto state as perceived by respondents.
3. The use of internally generated revenue is related to principal's effectiveness in secondary schools in Sokoto State. This means that increase in IGR application improve principal's effectiveness in Sokot state.

### Discussion of Findings

Research question one examined the extent to which internally generated revenue (IGR) is applied in the financial management of secondary schools in Sokoto State. The study findings highlighted that IGR contributes significantly to various aspects of school management, including the provision of water and infrastructural facilities, organizing management workshops, procuring adequate learning materials, ensuring electricity supply, enhancing teacher commitment, boosting student morale, and recruiting qualified personnel to raise institutional standards. These findings align with the observations of Wangenge-Ouma and Cloete (2008) and Okojie (2013), who noted that some tertiary institutions have effectively utilized IGR to transform their operations and infrastructure, while others are yet to achieve similar progress. IGR refers to the revenue generated by state governments within their jurisdiction. Sources of IGR include taxes, fines and fees, licenses, earnings from sales, rent on government properties, and interests and dividends, among others. A state's ability to generate revenue internally is critical for its financial autonomy and functionality.

Research question two examined the level of principal's effectiveness of secondary schools in Sokoto State. The findings revealed that financial accountability significantly contributes to the proper documentation of financial transactions, prevention of embezzlement, effective execution of projects, judicious use of funds, increased transparency among administrators, and heightened commitment of administrators to their duties. These findings are consistent with the observations of Odden and Picus (2008), who emphasized that effective financial management in schools, involves the allocation and utilization of funds to provide quality educational services and improve student outcomes. School managers are tasked with ensuring efficient operation of financial resources. Similarly, the Education Development Plan of Malaysia 2013– 2025 highlights efficient financial management as a key focus, aiming to maximize returns on every unit of currency spent. The level of financial

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management efficiency can be accessed through audit reports, which categorize performance as very good, good, satisfactory, unsatisfactory, or unfavourable.

### Conclusion

Based on the findings of the study, it is concluded that internally generated revenue plays a crucial role in supporting secondary schools in Sokoto State. It facilitates the provision and maintenance of water and infrastructural facilities, organization of management workshops, procurement of adequate learning materials, provision of electricity, enhancement of teacher commitment, boosting of student morale, and recruitment of qualified personnel to improve institutional standards.

### Recommendations

Based on the findings of the study, the following recommendations were made;

1. Principals should sought modalities that will provide more internally generally revenue (IGR) in order to elevate organizational standard.
2. Government should provide more financial control measures to enable principals to be transparent in spending and it discourages misappropriate of funds.
3. Government should prioritize capacity-building programmes to enhance principal's effectiveness in resource generation, financial decision-making, and overall school financial management.

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