

Rethinking Strategies and Principles for Financial Management of Public Primary Schools in Nigeria

UMAR, ABUBAKAR

Department of Educational Foundations,
Faculty of Education and Extension Services,
Usmanu Danfodiyo University, Sokoto
E-mail: umarabubakar7@hotmail.com

SHAMSUDDEEN, SALISU

Department of Educational Foundations,
Faculty of Education and Extension Services,
Usmanu Danfodiyo University, Sokoto
E-mail: saleemdtm@gmail.com

ABDULRAHMAN, UMAR

Department of Educational Foundations,
Faculty of Education and Extension Services,
Usmanu Danfodiyo University, Sokoto
E-mail: abdurahman.umar@yahoo.com

Abstract

The paper rethinking strategies and principles for financial management of public primary schools provided some of the relevant definitions such as finance, financial management and budget among others. The paper examined the brief history of financing primary education in Nigeria. The paper also enumerate and discuss the strategies for financial management of public primary schools such as UBE building, alternative models, adoption of modern management techniques and primary school management among others. The paper highlighted some of the problems face for financial management of primary schools in Nigeria such as absence of competent and qualified personnel, inadequate funding of primary schools, lack of constant and regular supervision of financial resource in schools among others. The remedies is also be able to identified in the paper among others includes, adequate school funding, provision of competent and qualified personnel and constant and regular supervision of school financial resources.

Keyword: Rethinking, Strategy, Principles, Financial Management, Public Primary School

Introduction

There is no gainsaying the fact that education is very vital to the pace of social, political and economic development of any nation. This is why most nations of the world strive to devote a sizeable proportion of their Gross National Income to develop the educational sector. In Nigeria, between 7.6% and 9.9% of our annual expenditure is devoted to education. Management of primary education refers to the process of planning, organizing, directing, staffing, coordinating, budgeting for and reporting on primary education system (Dorosaro, 2001)

Primary education in Nigeria refers to the education which children receive from the age of 6 years to 11 years plus. It is the foundation level of the educational system which runs for six years, and it is aimed at developing basic literacy, numeracy, communication skills and transmission of the culture of the people to younger generations. Information gathered through the education data bank shows that as at 1998, there were 41,814 primary schools with an enrolment of 16,348,324 (13.75% of these were females) and 468,770 teachers (26.45% of these were non-qualified teachers). The teacher/pupil ratio at the level was 1:38 while the completion rate was 64.1 percent and the transition rate of products to Junior Secondary Education level was 39.1 percent. The structure of our population in Nigeria is such that about 45% of the people are within the age bracket of six to twelve years. According to the provisions of National Policy on Education, this is the corresponding age group for primary education. (Dorosaro, 2001)

Obviously, the enrolment pattern in the educational system follows the pyramidal structure of the nation's population distribution. The primary level has the largest enrolment, followed by the secondary level and then the tertiary level. This enrolment structure, no doubt, depicts the structure of our social demand for the various levels of education. The primary education level, being the bedrock of the child's basic education, is a very vital aspect of the nation's educational system that deserves to be handled with great care and caution. Any error committed in the organization and management of this level of education may reverberate on other levels and thus seriously mar the lives of the people and indeed the overall development of the nation. This is one good reason why all the stakeholders must show enough concern for those issues that concern the organizing and managing of our primary education system (Dorosaro, 2004).

This paper presents a humble attempt to highlight some strategies and principles for financial management of primary schools in Nigeria with a view to proffering possible remedies to them.

Definitions of Terms

Finance involves supervision of receipts and payment of money to an organisation or institute for a project or undertaking. Ogbannaya (2005) finance refers to the science of controlling money and not money itself as many people erroneously think.

Financial management is an operational area of administration. Ojelabi (1981) financial management deals with the sources of funds, their efficient uses and maximization of the cost or losses for the greater profitability of the business, and in ministerial department among others.

Budget: Roe (1961) has defined educational budget as: The translation of educational needs into a financial plan which is interpreted to the public in such a way that when formally adopted, it expresses the kind of educational programme, the community is willing to support financially and morally, for a one-year period. Morphel, Johns and Reller (1974) have on the other hand defined school budget as an educational plan with an estimate of the receipts and expenditures necessary to finance it for a definite period of time. Adesina (1982) had defined a school budget broadly as an outline of the plan for financing the school programme for a given period.

Development of Financing Primary Education in Nigeria

After Nigerians independence in 1960, many developments in financing primary education took place. It was a period of the massive expansion of schools. It was a period of attainment of self-government by the various regional governments. It was also a period when the Federal and Regional Governments had constitutional roles for educational development. Educational financing increased manifold especially with the takeover of schools by the new Federal and Regional Governments from the Missionaries and voluntary agencies. The First National Development Plan (1962-1966) which took place during this period made provision for the Federal Government to be responsible for education in the capital territory of Lagos and in some institutions of higher learning while the Regional governments had primary responsibility for education in their areas even though Federal Government still continued to assist in the funding of education in the Regions (Adeyemi, 2011). Federal government gave grants to the regions for primary education representing 19.1 percent of the total cost of primary education in the regions. During the Second National Development Plan period (1970-74), capital expenditure on education was £49.122 million. The third national development plan (1979) accorded education the pride of place by giving the highest capital allocation of 12.1 percent of the total investment of N25 billion in

the education sector. According to Adesina (1982), the federal government provided 99.64% of the capital cost to primary education in the third national development plan. The funding of primary education suffered a setback seriously for some years after this year because the extent to which each participant will perform or contribute was not stated or specified. Even the 1979 Constitution in its provision was not explicit as regards primary education financing. The responsibility of primary education was shifted to local government in 1979 Constitution and the implementation of the Okigbo revenue allocation formula which reduce the federal government share of the federal account from 71% to 55%, the federal government financial assistance to primary education came to dead (Ogbonnaya, 2005).

Strategies for Financial Management in Nigerian primary Schools

The Nigerian primary education would return to not only its lost international reputation, but also the main relevance had been in the vanguard of socio-economic, political and technological development of the country. Rethinking strategies for financial management involve: alternative models, UBE building management control, strategic planning, NGOs (non-governmental organization) and community participation, money market, adoption of modern management technique and primary school management.

Alternative Models

The following alternative models are suggested:

1. Model A—Quinquennial or triennial block grant from the government. This will enable the institutions to plan over a five-year period;
2. Model B—Secondary schools management should adopt the sharing formula and components of the 2% consolidated revenue fund of UBE (Universal Basic Education) Act 2004 as: (a) 70% of the UBE fund be shared to the states and FCT as matching grants on equality basis; (b) 14% shared to states to correct educational imbalance;(c) 5% to states that are doing very well in the implementation of the UBE programme as incentive; (d) 5% dedicated to school feeding and health programme; (e) 2% issue of special needs education, specifically to physically and mentally challenged; (f) 2% monitoring the implementation of the programme; and (g) 2% USE Commission’s implementation fund. The total percentage is 100%.

On the criteria for accessing and utilizing USE matching grant of the federal government as: Expenditure by components of USE programme is as follows:

1. Pre-primary education is 5%;
2. Primary education is 60%; and
3. Junior secondary school level is 35%, the total is 100%. Furthermore, the fund allocated should be utilized as follows: (i) Infrastructural development is 70%; (ii) provision of instructional material is 15%; and (iii) teacher professional development is 15%, the total is 100% (FRN (Federal Republic of Nigeria), 2005).

UBEC Building

This formula is significant in that it is the first time in the history of Nigeria that the federal government and state government have expressed their collective commitment to funding the basic education sub-sector in a systematic manner.

Strategic Planning

Management of primary schools should adopt strategic planning for the successful implementation of the education policies. Strategic planning, according to Ojowu (1998), should be a systematic and comprehensive analytical process that sees the internal and external environment of an institution and provides viable alternatives to funding of education. Uvah (2004) identified the functionality of strategic planning as the economy and prudent management, survival competition, national development, funding opportunities, environmental changes and financial autonomy. The requirement of strategic planning for consideration of sources of funds for plan implementation encourages an institution to reposition itself to diversify the sources of funding and generate more revenue for its operation. It also encourages the institution to be more cost conscious, focused and efficient. It is recommended (Sofuluwe, 2012).

NGOs and Community Participation

The FRN (2013) at Section 11 (109) declared that the financing of education is a joint responsibility of the federal, state and local governments and the private sectors. In this connection, government welcomes and encourages the participation of local communities, individuals and other organizations. Community participation promotes the ability to control and manage resources, so as to meet the social, cultural and economic needs of the populace. It is a tool for community empowerment and as an instrument for the preparation of the citizen. Community participation must entail academic integrity. Academic integrity requires that academic community should: (1) advance the quest for the truth and knowledge; (2) foster a climate of mutual trust; (3) seek to ensure fairness in institutional standards, practice and procedures; (4) promote respect among

students, staff and other educational stakeholders; and (5) uphold high standards of conduct in learning and teaching. Government should organize a forum for all potential partners in education—aid agencies, private sectors, the media, principals, NGOs, philanthropists and PTAs, to meet periodically, discuss and plan for cooperation and assistance in education. Private organizations should be encouraged to go into equity participation or joint venture in primary education in various business ventures. This would bring efficiency, profitability and direct management. A bill aimed at improving academic integrity in education should be presented to the National Assembly. The Act should recognize the five fundamental principles of value as honesty, fairness, respect, responsibility and trust. (Sofuluwe, 2012)

Money Market and Capital Market

Stakeholders in education should be encouraged to get short term funds through the Nigerian money market. A money market is a market for short-term securities, typically up to 13 months. In the money markets, households, financial institutions and government lend to and borrow from one another. Capital market is a market for securities, where companies and governments can raise long term funds. It consists of the primary and secondary markets. Primary market is where new issues are raised and subscribed to by investors; whereas secondary market is where existing securities are traded. Capital market includes equities market and the bonds market. The capital market can be contrasted with other financial markets, such as the money market which deals in short-term liquid assets and derivatives market which deals in derivative contracts. Money market instruments include current accounts/passbook balance, term deposits, secured/insecure papers, treasury bills and certificates. While capital market instruments include: equity stocks and debts, i.e, quoted and unquoted; assets-backed securities, i.e., unit trusts, REIT (real estate investment trust) and derivatives; and government stocks and bonds and FGN development stocks. Strategically, investing in federal bonds by the educational institutions will provide services that are essential to a modern economy. The FGN bonds regulators are the CBN (Central Bank of Nigeria), SEC(Securities and Exchange Commission), the NSE (Nigeria Stock Exchange) and DMO (Debt Management Office). The DMO is to help government fund its deficits in a way consistent with macro-economic stability and fiscal prudence as well as subject it to the disciplines of the market. It is saddled with the management of both external and domestic debts, thereby, minimizing cost and maximizing returns with an acceptable risk profile. Today, authorities should bring down interest rates to levels adjudged consistent with the achievement of the macro-economic objectives of the nation. (Sofuluwe, 2012).

Adoption of Modern Management Techniques

Goal-setting strategies should be tried in Nigerian primary schools. Among the more popular and tested goal setting procedures which enhance consensus and better understanding of organizational effectiveness are the Delphi technique, management by objective, PERT (Programme Evaluation and Review Technique), CPM(Critical Path Method) and PPBS (Programme Planning Budgets System). The goal of primary education as contained in the NPE (National Policy on Education) (2013) should be redefined, restated, prioritized and re-circulated among the various constituencies of each institution. The transformation manager is recommended for the institution's environment, because it hastens the type of organizational change that needed in academic context. The transformation manager articulates a realistic vision of the future that can be shared, stimulates subordinates intellectually and pays attention to the differences among subordinates. More professional management at all levels through staff training, strategic hiring and computerized management information system is the best short-term strategy for freeing resources (through improved efficiency) to meet education needs. Education must invest in these, if they are to remain viable centers of learning. This means that headmaster must provide yearly budget allocations for education materials, library acquisitions, staff development and the maintenance of buildings and equipment (Sofuluwe, 2012).

Primary Schools Management

There should be a central body at the national level to regularly manage, supervise, finance and monitor primary schools in Nigeria. Similar bodies should be put in place at the state and local government levels. The NDEC (National Disaster Education Coalition)/SPEB (State Primary Education Board)/LGEA (Local Government Education Authority) the constitutional roles of the federal, state and local governments on matters relating to education should be respected.

Management principles in primary schools

In discharging the management strategies highlighted above, the Local School Supervisors, Heads of Service and Education secretaries must adhere to some basic management principles. Such principles include:

Human Relation Principles

According to this principle, the school managers must view the staff and student of their schools as human beings and not machines. The manager here must always realize that human beings need kindness and friendliness. The school

manager must show respect for the worth and dignity of the individual. The manager, should show openness, sincerity, justice and be democratic in relating with the staff and students (Dorosaro, 2004)

Bureaucratic Principles

A school is a formal organization and as such it is a bureaucratic system. In a school system, the manager must use stipulated rules and regulations in his official dealings. There must also be division of labour based on specialization of the workers. In the school there must be hierarchy of authority. Bureaucratic principles also require employment and promotion of w based on technical expertise. The school manager must ensure some impersonality in dealing with official matters more emphasis should be placed on documentation of o matters (Dorosaro, 2004).

Fundamental Principle

There are some principles that are very fundament to management of an organization. These principles include those of responsibility, delegation of authority and communication. Under these principles, the managers and supervisors must be able to accept responsibility for actions taken in the school. They car be ignorant of any action taken by any staff member or stud The school managers cannot be everywhere but must be able to delegate some of the authority to other responsible teachers he must be able to communicate effectively with other workers the school. (Dorosaro, 2004)

Principle of Change

In management, there is the principle of change. The manager must realize that the world is changing rapidly and educational system and technology must also change. The school manager must ensure principle of change in line with contemporary world. The principle of change involves adaptability, that is, adapting practice to modern one, flexibility, that is, situationally combining both new and old technologies and stability that is, ensuring gradual change effort not to create sudden disequilibrium. The use of these management principles in our prime schools will greatly depend on the leadership ability of the local school supervisors, heads of service and education secretaries. Leadership style in primary schools the qualities of leaders and process of leadership in formal organization has long been considered an important field of study. From the beginning, social psychologists and researchers have repeatedly explored this area (Houghton, 1975).Leadership in a formal organization is regarded as an input into the organization intended to influence the behavior of the members in order to

attain the organizational objectives through initiating, motivating, directing and coordinating the functions of other members of the group. An individual is seen as a leader when he contributes to the formulation and attainment of group goals.

A good part of what any formal organization does is dependent upon the administrative leadership given to that organization. The headmaster, for instance has a key role in setting the tone, establishing the conditions, and providing stimulation for the kind of teaching and learning in his school (Campbell, 1974).

Leadership Styles

The success of any organization solely depends upon the way and manner in which the leader operates within the organization. The style adopted in leading the group will determine the type of a leader. Basically, there are three major styles of leadership, viz: Democratic leadership, Autocratic leadership and the Laissez faire leadership. Democratic leadership refers to the style of leadership where the leader carries the follower along in his decisions. The leader here is merely a coordinator and he allows members to make input into decision making process. He does not dictate or impose wishes on others. He merely sells ideas to members and allows them to buy it or reject. He is more likely to enjoy the cooperation of others because others view decisions as having been made by them and they ensure compliance. The Authoritarian or autocratic leader is the one who imposes decisions on others. He makes the decisions and simply dictates what others must do. He does not encourage input by others. He is a tough battler and a strict disciplinarian. Laissez faire leader is that one who shows care-free attitude to members of the group. He allows others to take decisions and he only moderates. He is mostly seen as a loose leader and usually being led by his followers. He is “friendly helper” to his follower. He might easily run into problem of loss of control of his group and may end up achieving less in some cases (Dorosaro, 2004).

How Head Teacher’s Manage Funds in Their Schools

The primary school head teacher is in the seat of accountability of his school. He is the administrative head of his school. He collects funds made available by the LGEA for running his school. He procures chalks, dusters, lesson notes, dairies and register. He also procures the imprest account book. He uses fund made available for him from LGEA, PTA and other sources also for mending of the pupil’s desk, teacher’s tables and chairs, cracked walls and other repairs activities.

Head teachers always refer difficult cases regarding to the procurement and use of fund to the LGEA. The secretary contacts the state UBE board when the case is

beyond him. When the state UBE gives go ahead other the head teachers then relate to their teachers who will in return collect the levy. When the levies are collected they are used by the head teachers to carry out the assignment or job for which they are collected (Ogbannaya, 2004).

Problems Faced the Financial Management in Primary Schools

There are many problems face the financial management in primary education among others include the following:

- i. Absences of competent and qualified personnel with managerial knowledge and skills in most of our primary schools. Its known to us that most of primary schools in Nigeria and other developing countries are confronting this kind of problem of unqualified personnel without the knowledge of budget, accounting auditing and other managerial activities. Some primary schools do not even have an account clerk and other financial officer in schools.
- ii. Over enrolment of school age pupils. Most of Nigerian primary schools are over-crowded by students with limited financial resources provided for the schools therefore; the issue of over-utilization of such financial resource come about.
- iii. Devaluation of Nigeria currency and lack of a standard price of school facilities in a stock market always gives a school head teacher a problem. He may prepare a budget or expenditure base on the items names and prices to purchase (“local purchase other” all the items schools agree to purchase are written together with their price on it.) the problem arise when there is inflation in a market stocks.
- iv. Inadequate funding of primary schools. The managerial problems arise as a result of inadequate funds, there are areas of needs in primary school such as provision of instructional materials, personnel welfares and training, seminars, workshops and conference among others that needs proper and adequate funding.
- v. Lack of managerial attitude of a head teachers this become a serious problem in our primary schools when head teachers doesn’t have management knowledge and skills such as preparation of school budget, (expenditure and revenue), Accountability, Taxation, internal school Auditing and other relevant management activities.
- vi. Lack of constant and regular supervision of schools financial resources some of the head teachers and others financial officers in most of our primary schools form the herbed of recklessness spending of funds made available for school uses and embezzlement of that fund. This is also a serious problem faces our financial management of primary schools.

Possible Remedies

- i. There is need for our government to provide and supply the primary schools with knowledgeable personnel that known's the management activities.
- ii. Nigeria has about over 1million school pupils with less than 10thousand constructed primary schools this lead to the over-crowding in the schools and over-utilization of limited financial recourses. The government should either construct larger or fewer schools or smaller and more schools in a country to beat out the challenge of over-utilization of resources.
- iii. The issue of devaluation of currency and inflation the federal government should control the prices of items and find the quality control of the materials.
- iv. Adequate funding should be supply to the schools through the right and appropriate channel for effective management and maintenance of schools facilities.
- v. The managerial knowledge and the skills should regularly be provided to the head teachers through workshops, seminar, and conferences among others.
- vi. Constant and regular supervision and school Audit need to put in place to avoid recklessness spending and embezzlement of school funds.

Conclusion

The paper tattle “rethinking strategies and principles for financial management of primary schools” looks to the direction of financial management in primary schools designed to overall the educational sector in Nigeria as a part of management reforms in education.

The paper looks at the conceptual framework of finance, financial management, and budget among others. The brief history of financing primary education in education which has it own genesis right from the introduction of western education in Nigeria by churches missionary up to the taken over of Nigerian schools and its financial management by regional government of the country.

The central theme of this paper was the rethinking strategies for financial management in Nigerian primary schools. The nation has come up with plans for technological education which, if primary implemented, will transform the great nation from one that is economically dependent on developed nations. To this end, primary school managers should buy shares, equities in companies and industries to generate supplementary funds. Strategic planning, management control, accountability and responsibility must be vigorously pursued. The remedies made

also can move the nation to level of adequate personnel, regular supervision of instruction, national integration and modern development-society that is prosperous, just equitable and united.

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