

# Linking the Level of School Financial Management Among School Heads: A Case Study in Mandaue District, Cebu, Philippines

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**Abstract:-** This study ascertained financial practices of Mandaue District School. The focus of the discussion is to link the relationship between the level of understanding among ten (10) school heads based on gender, experience, level of education and courses attended in accounting and financial management of the school. A qualitative study was conducted in the district of Mandaue, Cebu Philippines. The main source of data was achieved through interviews and substantiated by observation and analysis. Qualitative data was analyzed manually based on in-depth interviews, supported by evidence recorded from the interview. The results showed that the experience of being a school head, level of education, and financial trainings attended are important factors in adjudging the level of knowledge in accounting and financial management of the school. However, gender, experience of being a teacher and experience as an assistant teacher do not contribute to the level of knowledge in accounting and financial management of the school. Most of the teachers and assistant teachers were not directly involved in financial matters in school. Thus, all financial matters related to school normally are viewed responsibility of school heads and accounting clerk.

**Keywords:** School Heads, Financial Management Teacher

## INTRODUCTION

Financial management in education is the most vital realm, the effective dealing of which ensures the promotion of education quality achieved by the provision of resources. Educational expenditures are considered as investment, which forms one of the tangible inputs. Cost-benefit analysis can be used to identify school effectiveness. Proper ratio of expenditures can be maintained by keeping a balance between spending on teachers and instructional processes as well as expenditures on management and pupils. Effective supervision of educational expenditures ensures control over both overspending and money lapsing. The financial category includes revenues, grants, expenditures and use of funds.

The financial aspect of schools also merits consideration as the allocation of funds and its proper utilization on students' learning enhance the internal efficiency of schools. But unfortunately, a meager amount

is allocated, annually, to schools and that is not adequate to help promote the efficiency of schools. According to Masood et al (2004:12) Government's spending on education shows how much priority is given by Government to the education sector.

On the other hand, Caldwell and Spinks in Mestry (2006; 27) explain school-based management as an approach to the management of public schools wherein there is a significant and consistent decentralization to the school level (giving the school the) authority and responsibility to make decisions related to the allocation of resources, in a system of education having centrally determined goals, priorities and frameworks for accountability.

The DepEd central office and its school heads remains involved in direct management and operations, including decisions in procurement, health and nutrition, project management, and building of physical facilities, when it should be performing a more directive role. DepEd continuously issues memos as the basis for action even for very local decisions, perpetuating a culture of compliance and reliance (PIDS, 2009).

This success is in large part thanks to significant increases in financial investment by the central government. A recent report from the World Bank shows that "between 2010 and 2015, public spending on basic education increased by 60 percent in real terms, and per student funding levels also increased considerably" (Al-Samarrai, 2016). This is due to an increase in education expenditures as a share of the national budget coupled with an expanding Philippine economy (David & Albert, 2015).

## PROBLEM STATEMENT

One of the problems arises in the appointment of school managers is that the appointment itself is not based on the training and expertise possessed by school heads, which in turns will cause the appointed school heads to manage in trial and error manner. The said school head will also be heavily dependent on the accounting clerk who is known to be more experienced in the school financial management. Therefore, this would cause problems in the financial management of the school due to the prevailing

fact that is lacking of knowledge and experience among school heads in preparing school expenditures. The Auditor General explained that one of the causes of the financial management weaknesses that were often raised is the Lack of interest among school heads in managing the accounts and finance of the school. This problem is almost certainly is due to lack of knowledge and experience, so as to the education failing to make supervision of the officers and staff involved in finance.

The appointment system of a principal or school head in Philippines is not purely based on expertise possessed by the individual in the school management as well as their training on leadership and management, instead most principals or school heads are appointed based on "seniority" or the length of service rendered. Therefore, school heads will have no choice but to manage the finance and accounts of their respective schools assisted by the financial clerk. This in due course, will cause the school heads to lose confidence in making decision in relation to the financial management of their schools. This inadequate situation will be made worse is Department of Education (DepEd) officials are not involved in monitoring and handing assistance to them.

The study found out that only 32.8% of the total numbers of principals were directly involved in the schools' financial management. The number showed a quite disturbing rate of the lack of involvement of school heads were directly involved in their schools' financial management. All school heads should participate actively in all aspects and stages of the financial management of the school this is to ensure the effectiveness and efficiency financial management of the school. With this, things happen because the school head have to give full confidence to the staff to manage the financial and accounts of the school, wherein the school head only have to put their signatures down on essential documents.

School heads as well fail to plan available resources in managing the school accounts proficiently. Accordingly, problems were arisen when expenditure is made without proper planning which will cause other impediments such as failure to use the school funds to achieve intended purposes. Additionally, several procurement procedures may also show incongruities such as purchases made without proper order forms which obtained in advance suppliers. Moreover, some payments might be made without using payment vouchers or supporting documents. Thus, if the school head does not have the same level of knowledge of the school financial management, this will lead to his/her failure plan, manage and control the school accounts effectively.

A delayed government fund received by the schools is an additional common issue involving school financial management in the Philippines. This causes limited financial resources of the schools and to overcome this issue, schools have to use another source of funding such the funding from the collection generated by the Parents and Teachers Association (PTA). Nevertheless, if the PTA account does not have sufficient financial resources, this will eventually lead to problems in carrying out school activities by the school administrations.

This study seeks to determine the level of understanding of the school heads in financial management and in ten secondary schools in Mandaue District, Cebu, Philippines. The comparison of the level of teachers' understanding of the financial management is based on gender, experience, educational attainment and finance trainings attended will be discussed in this study.

## LITERATURE REVIEW

Clarke (2008) describes financial management as follows: It is essential that the school principal makes sure that she / he has the knowledge and understanding of the basic processes involved in managing the schools accounts, the budgeting process and the systems and controls that are necessary to ensure that the schools' monies are not misappropriated.

With this, one of the weaknesses faced by the school heads in the financial management is that they don't know how to administer accounting issues in school. This be deficient of understanding in the accounting field results troubles in the school administration. The efficiency of the school heads in financial management is essential and should be given attention. Effective accounting management requires the school head to possess some theoretical knowledge in the field of accounting. This knowledge will help them in framing the actual situation to be faced in the financial administration of the school. It also helps the school head in providing supporting documents on how funding is acquired and spent.

Among the undertaking to be addressed by the school head are managing orders and dealing uncontrolled purchases in order to avoid the problems of excessive buying. Additionally, some school heads also fail to review the list of purchases made. There are also cases of teachers who have violated the procedure of purchasing good purchases.

This problem of the appointment of school heads and principals who are mostly without proper training and skills in financial management and have not attended any training before being appointed which eventually cause the newly appointed school heads having trial and error scheme in administering their respective schools. With this, make the school head to solely rely on the finance staff in dealing financial issues of the school. These problems are made worse if the school does not have financial staff.

## RESEARCH METHODOLOGY

Qualitative methods were used in this study using face-to-face interview with the selected school heads. The findings from these interviews are supported by the observation of further documents, files and records. This method required the researchers to go to schools to interview subjects. Structured questions were used in the interviews and all respondents were asked the same set of questions. Researchers also take down notes during interview. The selection of ten (10) school heads/principals was done randomly in ten schools in the different district. Method of in-depth interviews was conducted on each of the respondent to obtain complete information.

The interview used in the research consisted of two main parts. Part A is in relation to the background and experience of the school heads/principals, while questions used in Part B are designed to find out the school heads/principals' understanding of the financial management of the school. The content questions to the school heads during the interview relate to issues such as

the school financial system, procedure of receivable and collection, purchasing and payment, cash book management, school account management and auditing.

#### FINDING

Table 1 is a summary of background information on the respondents who were interviewed.

Table 1. Demographic Information of the Respondents

Respondents	Sex	Educational Attainment	Number of years Experience as Teacher	Number of years Experience as Admin.	Number of years Experience as School Head	Financial Training Attended
School Head 1	F	Doctorate Units	18	13	9	Yes
School Head 2	M	Master's Units	12	9	1	No
School Head 3	F	Master's Units	18	11	5	Yes
School Head 4	M	Bachelor's Degree	14	5	7	Yes
School Head 5	F	Master's Units	14	7	3	Yes
School Head 6	F	Bachelor's Degree	16	12	4	Yes
School Head 7	M	Bachelor's Degree	14	5	2	No
School Head 8	M	Master's Units	9	8	6	No
School Head 9	F	Doctorate Degree	12	14	8	Yes
School Head 10	F	Bachelor's Degree	14	7	4	Yes

Table 1 shows 4 male respondents and six female respondents who were randomly selected to be interviewed. The respondents also had different levels of education. In terms of teaching experience, three of the respondents had more than fifteen years of teaching experience, while three of the respondents had more than ten years of administrative teachers. Among ten respondents, only four had experienced being school heads for more than six years. The findings showed that all school heads had basic knowledge about the accounts in school and the details should be recorded in each account. However, only three of the respondents had not attended any training in relation financial management. School Head 1 and 9 had the highest academic qualifications compared to the other respondents and the study found that they could explain more efficiently about how to manage schools finance and accounting. They also understood clearly about cash book management and how reviews/evaluation should be made in the payment and receipts.

Research showed that the experience as teacher of the selected school heads had no effect on the level of understanding of school's financial management and accounting. Such as, School Head 1, 3 and 6 had more teaching experience than other school heads but they did not display high level of understanding of the school financial management and accounting compared to other respondents. Instead, School Heads 1, 4 and 9 who had more experience in years as a headmaster had higher level of understanding on school's financial management and accounting. The findings on the other hand, showed that gender had no effect on the level of understanding of the

accounting and financial management of the school. For example, School Heads 2 and 4 (male) had a lower level of understanding of accounting and finance schools, on the other hand, Headmaster 7 (male) was more dependent on the financial clerk in the financial management of the school.

The level of understanding of headmaster on school's financial management and accounting was not influenced by the experience as administrators or as senior assistant teachers. As such, 3, 6, and 8 were more experienced as senior assistants of their schools but did not display high level of understanding in school's financial management and accounting.

Thus, school heads who had attended courses on financial management were found to have better understanding of the school's finance and accounting. Although there were other factors that helped them in understanding the financial management of the school, such as the headmasters' own experiences and academic qualifications, these financial courses were also seen as helping the headmasters to better understand the schools' financial management.

#### CONCLUSION

The results presented that the experience of being school heads, education level, and financial courses attended are important factors in determining the school head's knowledge in accounting and financial management of the school. However, the gender, experience as teacher and senior assistant teacher does not contribute to knowledge in accounting and financial

management of the school. Most teachers and senior assistant teachers are not directly involved in school's financial management and accounting. Most of tasks related to financial management and accounting of the school usually become the responsibilities of the school managers and financial clerks. Hence, appointment as school managers should have a first degree and are obliged to follow course about the schools' financial management.

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