

Article

Financial Management Practices Towards Governance Model for Public Secondary High Schools In the Bono East Region of Ghana

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ABSTRACT

For the success of educational institutions to achieve its primary mission and goals, governance and financial management system are essential components on the same coin that play crucial role in the operation of the educational system. Therefore, this study aimed to investigate the financial management practices towards governance model for public secondary high schools in the Bono East Region of Ghana. The study employed descriptive survey design which falls under quantitative approach of data collection. A sample size of 120 respondents was used. The respondents were selected through both purposive and voluntary techniques from four Senior High Schools in the Bono East Region of the Ghana. Questionnaire was used as major tool for data collection. From the data, it was revealed that the most frequent causes of financial irregularities in the senior high schools in the Bono East Region were procurement irregularities, tax irregularities, unsupported payment with receipts, unjustified payments of suppliers and revenue not accounted for. It was also revealed that capital budgeting practices and auditing system practices were effectively practiced in the senior high schools with insufficient facilities, lack of compliance of financial management practice, inadequate financial support from institutional practices, and lack of capability in using data been the challenges the schools faced. In all it was found out that there is a positive correlation between school governance and financial irregularities and misappropriate funds in the senior high schools. It was recommended that school board of governance should established a robust financial controls and procedures to ensure proper management of funds, accurate record-keeping and prevention of fraud management system.

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Introduction

Financial management is one of management functional areas which are core to success with uncertainties often create serious problems in the organization (Derese & Prabhakara, 2012).

In order for preparation to be successful, goals and crucial contributions of the members must be focused on collective rational thinking of the financial management practices before what is to be done (Dunlosky, Rawson, Marsh, Nathan, & Willingham, 2013).

It has been realized that active school managers are positively connected to student achievements through the provision of orderly school climate, setting instructional strategies, supervising and supporting teachers, and is oriented towards the effectiveness of the school (Geleta, 2017). This explains why scholars have reiterated the fact that effective financial and human resource management practices assist employees to get the required and updated skills and knowledge through the organization of effective training (Aibieyi, 2019; Mahadevan & Yap, 2019); motivating employees to give off their best (Birgen, 2017; Eke, 2018; Laura & Oluwuo, 2018); engaging employees to get their ideas to set realistic goals and get them committed to the institution (Batista-Taran, Shuck, Gutierrez, & Baralt, 2017; Birgen, 2017; Brenyah & Darko, 2018); as well as relate effectively with their employees through effective supervision (Irvin, Ingram, Huffman, Mason, & Wills, 2018; Maina, 2016; Wachinga, 2019).

The three main financial management practices that dominate in the educational sector; financial practices and human resource management practices are the investment, assets management decisions. As a professional guide and help, school leaders in the management of educational sector is expected to take administrative action to rectify deficiencies, institute job training and development programs, assist employees in improving upon their professional performance, and thus maintain school effectiveness through financial models (Dayelle, 2013). Several scholars have noted the components of financial management practices as capital structure management, working capital management, financial reporting and analysis, capital budgeting and accounting information system (Chung & Chuang, 2010; Derese & Prabhakara, 2012).

It is, therefore, the duty of the school leaders involved in the school governance in the Senior High Schools to help employees to be resourceful and make the best use of available financial management practices model for the facilitation of the school effectiveness. Upon this

background the researcher intends to examine the financial management practices towards governance model for public senior high schools in the Bono East Region of Ghana.

This study aimed to investigate the financial management practices towards governance model for public secondary high schools in the Bono East Region of Ghana. The purpose of the study was achieved through the following specific objectives :

1. To determine the causes of financial irregularities and misappropriation of funds in the senior high schools in the Bono East Region
2. To examine the financial management practices (capital management, accounting information system, financial reporting and analysis and capital budgeting) that mostly lead to financial irregularities in the public senior high school in the Bono East Region of Ghana
3. To examine the challenges of financial management practices in regards to capital management, accounting information system, financial reporting and analysis and capital budgeting in the public senior high school in the Bono East Region of Ghana
4. To examine the effects of the school governance model on the financial management practices of the public senior high schools in the Bono East Region of Ghana.

Statement of the Problem

Based on the objective stated the following research questions were formulated:

1. What are the causes of financial irregularities and misappropriation of funds in the senior high schools in the Bono East Region?
2. What component of the financial management practices mostly leads to financial irregularities in the public senior high school in the Bono East Region of Ghana?
3. What are the challenges of financial management practices in the public senior high school in the Bono East Region of Ghana?
4. Is there an effect of the school governance model on the financial management practices of the public senior high schools in the Bono East Region of Ghana?

The study shall focus on school governance and financial management practice within Senior High Schools in the Bono East Region. Specifically, the study targets financial management accountants, Bursars of some selected

public senior high schools. A structured self-administered research instrument will be used to collect the data. The study will be anchored on the explanatory research design. Concerning the content, this research will seek to examine the contribution of financial management practices to the effectiveness of Senior High School Management.

Although the study will provide sufficient insights into the studied dimensions of financial management practices and school governance, there is a possibility of conventional methods variance given the fact that all the variables were taken from the same source. Thus, longitudinal studies are likely to provide a better insight into the study.

Secondly, the researcher believes that different cultural and international contexts may limit the results. It is unclear whether the findings may have the same implications for another cultural environment as the values of the participants in this current study might not accurately represent the values of other regions. Comparative studies across professions, cultures, and Municipalities are needed to understand truly many of the constructs included in this study.

Methodology

The study employed an explanatory research design to achieve its goals, which aimed to understand and explain relationships between human resource management practices and school effectiveness. Explanatory research is valuable in providing insights into what happened, why it happened, and the relationships between different aspects of an event or phenomenon. In this case, it helps clarify the relationship between effective human resource management and school effectiveness.

The study focused on senior high schools in the Techiman Municipality, specifically four schools: Techiman Senior High, Mount Carmel Girls Senior High, Yeboah Asuamah Senior High, and Guakro Effah Senior High School. The research targeted both management and staff members of these schools, with a total sample size of 120 individuals. This sample included 30 management respondents and 90 staff members, selected through a combination of purposive and voluntary sampling methods.

Data collection was facilitated through structured questionnaires, developed with relevant questions derived from existing literature and designed in two sets: one for school staff and another for management. These questionnaires covered various aspects related to financial irregularities, financial management practices,

challenges, the school governance model's effects, and practices leading to financial irregularities in senior high schools.

To ensure the reliability of the research instrument, the study adopted the test-retest method. Initially, five questionnaires were distributed to Tuobodom Senior High School management, collected, and then redistributed to the same respondents after two weeks. The data collected from these questionnaires were analyzed using the Pearson correlation to assess the reliability of the research instrument.

In summary, the research utilized an explanatory design to examine the relationship between human resource management practices and school effectiveness. It targeted senior high schools in the Techiman Municipality, collected data through structured questionnaires, and employed the test-retest method to ensure the reliability of the research instrument.

Results and Discussion

The background of the respondents for this study covers sex, educational background, working departments and working experiences of the respondents. A total of 120 respondents were involved in this study. Concerning the sex of the respondents, out of the total 120 respondents, 73.3% (88) respondents were males while 26.7 % (32) respondents were females.

The respondents' educational background was on first degree 70.0 (84) and masters 30.0% (32). From Table 1, respondents were working at different departments. Out of 120 respondents, 8.3 % (10) of the respondents were Finance Officers and Accountants, 3.3 % (4) respondents were Internal Auditors. It was also revealed that the majority of respondents 62.5% (75) were teachers and 10.8% (13) respondents were Headmasters and Assistant Headmaster and Headmistress. It was also observed that 10.0 % (12) respondents were departmental heads while 5.0% (6) respondents were senior high school administrators. Table 4.1 represents the Background information of the respondents.

Table 2. Demographic characteristics of the Respondents

| Demographic Variables | Frequency (N=120) | Percentage (100%) |
|---|-------------------|-------------------|
| Sex | | |
| Male | 88 | 73.3 |
| Female | 32 | 26.7 |
| Educational background of respondent | | |
| Bachelor Degree | 84 | 70.0 |
| Master's Degree | 36 | 30.0 |
| Department | | |
| Finance Officers/Accountants | 10 | 8.3 |
| Internal Auditors | 4 | 3.3 |
| Teachers | 75 | 62.5 |
| Headmasters/Assistant Headmasters | 13 | 10.8 |
| Head of Departments | 12 | 10.0 |
| Administrators | 6 | 5.0 |
| Service Experience | | |
| 5 years and below | 12 | 10.0 |
| 6-10 year | 30 | 25.0 |
| 11-15 years | 37 | 30.8 |
| 16-20 years | 12 | 10.0 |
| Above 20 years | 29 | 24.2 |

The Practices of Financial Management

Finding out how the financial management system was practiced was one of the objectives to achieve the financial management practices towards governance model for public secondary high schools in the Bono East Region of Ghana. From the findings it was revealed that capital budgeting practices and auditing system practices were effectively practiced while capital management practice, financial reporting and analysis practices and accounting information system practices were not effectively practiced. It was also revealed that the financial management system was not effectively practiced with an overall total average mean score of 2.88 for all the five components. The senior high schools in the Bono East Region are not effectively practicing the financial management system.

Financial Management Practice Challenges

Every institution comes with its own challenges because of the complex interaction between the economic indicators and the external factors. To determine the challenges of financial management practices in the senior high schools was one of the objectives of the study. From the findings, some major challenges identified were insufficient facilities, lack of compliance of financial management practice, inadequate financial support from institutional practices, and lack of capability in using data. However, with a total average mean score of 2.80 of all the 11 items clearly suggested that the challenges in senior high schools were not a major one but classified as

minor challenges.

The Effect of the School Governance on the Financial Management Practices

The school governance structure has an impact on its financial management practices. Finding out the effects of the school governance structure on the financial management practices in the senior high schools was another important objective set to achieve the main purpose of the study. The findings revealed that the senior high school governance systems have poor control on the financial management practices with a total mean score of 2.15.

The finding also revealed that there is a positive correlation between school governance and financial irregularities and misappropriate funds in the senior high schools. Therefore, it was concluded that the ineffective practice of the financial management system is a result of the weak school governance system.

Conclusion

The study aimed to investigate financial management practices in the context of governance models in public secondary high schools in Ghana's Bono East Region. Financial management is a critical aspect of institutional functioning, and the study recognized the pivotal role of governance structures in establishing frameworks and accountability mechanisms for effective financial operations.

The study successfully achieved its objectives by examining financial management practices in senior high schools. However, the findings suggested that some respondents may not have been entirely candid in their opinions, as indicated by the large standard deviation values, signifying variations in responses. This variation implied that some respondents may have hesitated to provide accurate information about financial management practices. Nevertheless, the analysis confirmed the existence of financial irregularities in the schools.

The researcher concluded that these financial irregularities and misappropriations of funds primarily stem from weak or inadequate governance systems. When financial reports do not reach all stakeholders, and governance boards do not make informed financial decisions, it leads to unclear and non-transparent rules, resulting in ineffective financial management practices.

The study emphasized the importance of school governance as an ongoing and adaptable process. It requires a commitment to continuous learning, adaptability, and adherence to high standards of accountability and

transparency. Effective school governance plays a vital role in financial management by establishing sound financial policies, exercising oversight responsibilities, ensuring compliance, and promoting long-term financial sustainability.

In summary, the study highlighted the significance of governance structures in shaping financial management practices in public secondary high schools. It underscored the need for transparent and effective governance to address financial irregularities and promote financial sustainability in educational institutions.

Recommendations

Based on the research findings and the reflection on the research discussion processes, the following recommendations have been made:

To the Ghana Education Service, every successful school performance has a good and effective board governance that has put in place governing structures to oversee the financial management practices. For this study findings to reveal ineffective management practices call for more concerns.

Therefore, Ghana Education Service should be more concerned about the managerial training on how school funds would be properly managed to promote students' achievement. In this sense the Ghana Education Service should make a short-term and long-term professional development plan for all the school leadership especially the financial managers of the school. Again, it is also recommended that relevant financial resources should be made available in the schools for proper records keeping, information analysis and reporting process. It is also recommended that the senior high schools should have internal auditors to provide checks and balance and provide regular feedback on auditing process. GES should have regular monitoring and evaluation planning for all the schools before and after the auditing processes.

Since the school leadership consisted of the Board of Governance, Head of the school, Assistant heads, Heads of department, Housemasters, Administrators, and Financial managers such as Accountants, it is recommended that a comprehensive budgeting should be developed with all the school stakeholders to establish a transparent and inclusive budgeting process that will align with the school strategic goals and priorities with short-term and long-term planning. The school board of governance should establish robust financial controls and procedures to ensure proper management of funds, accurate record-keeping and prevention of fraud management systems. In doing so, there should be regular audits, and segregation

of duties.

The leadership of the school should also ensure transparency and accountability as a matter of communicating financial reports and budget updates to all stakeholders. There should be professional experts' advice during professional learning community sessions for training on financial management systems and enhances staff understanding of financial management systems. There should be regular monitoring and evaluation to ensure that budgets are being adhered to, expenses are in the line with expectations and financial goals are being met.

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