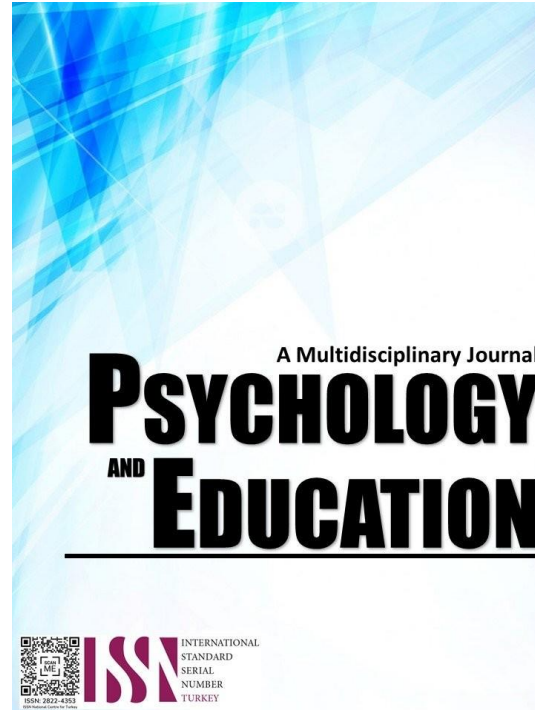


FINANCIAL MANAGEMENT SYSTEM AMONG THE SCHOOL HEADS OF JALAJALA DISTRICT



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Financial Management System among the School Heads of Jalajala District

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Abstract

The research provides an important examination of the financial management practices within the educational sector. The study's focus on school heads in the Jalajala District is particularly relevant, as effective financial management is critical for the efficient operation and improvement of schools. School heads have the complex task of matching available resources, monetary and human, with their educational initiatives as guided by state's laws and regulations. Data were obtained from 11 school heads of the Department of Education, Schools Division of Rizal, Jalajala District through survey questionnaire. The results revealed that majority of the participants are from Elementary Schools (73%) with more than 41 hours of training in financial management (37%), mostly of more than 6 years serving as school and (46%) and with Doctoral degree (46%). Majority of the schools heads (91%) have high compliance in all aspect of financial management system. This implies that schools can achieve high compliance results in financial management system regardless of the professional profile of the school head as the findings revealed no significant differences on the level of financial management system in all 5 aspects in terms of the school heads profile. The findings offer valuable insights into the strengths and weaknesses of the current financial management systems, highlighting areas where school heads excel and where improvements are needed. However, the study would benefit from a more in-depth analysis of the external factors influencing financial management practices, such as policy changes or economic conditions. Additionally, including case studies or examples of best practices from other districts could provide a more holistic view and actionable recommendations. Overall, this research makes a significant contribution to the field of educational administration and offers practical suggestions for enhancing financial management practices among school heads in the Jalajala District.

Keywords: *financial management, school head, leadership*

Introduction

School leaders are in charge of overseeing all areas of a school, including financial management, community involvement, and teacher evaluations, as well as student achievement. They are change agents that direct their educational institutions toward administrative and instructional goals. (Aquino, Afalla, & Fabelico, 2021). Despite the fact that there is a lot of work to be done, effective school leaders understand how to delegate and prioritize tasks.

The Department of Education (DepEd) through its issuance of DepEd Order No. 024 s. 2020 or the National Adoption and Implementation of the Philippine Standards for School Heads (PPSSH) establishes integrated monitoring and evaluation procedures to ensure accountability in school leadership while also acknowledging the development of teachers' professional capacity through professional standards in the design and delivery of in-service professional development. The PPSSH Framework illustrates the mutually reinforcing nature of optimizing school effectiveness and guaranteeing individuals' effectiveness by means of an extensive range of educational and administrative methodologies outlined in the PPSSH's five domains. The five domains provide a broad conceptual framework for effective leadership activities. These domains refer to broad conceptual spheres of school leadership practices as define by specific strands (Cabigao, 2021). Placing students at the heart of the framework highlights how crucial school heads are to raising student accomplishment. The Financial Management Strands are highlighted in Domain 2: Managing School Operations and Resources. It places a focus on fundamental knowledge and comprehension of rules, regulations, and announcements related to managing funds, including allocations, purchases, payments, and liquidations that are in compliance with the educational plan. This illustrates the duty of the head of the school to oversee the finances of the establishment and guarantee that it has sufficient funding and sustainability through financial planning, accounting, and budgeting.

Being the institution's finance manager is one of the most significant yet difficult duties for a school leader. He or she is in charge of the finances for buildings and grounds, employee wages, student programs, supplies, and technology. He or she is in charge of allocating these monies and maintaining appropriate records or documentation relating to these expenditures (Juma, 2024). Finance manager have the complex task of matching available resources, monetary and human, with their educational initiatives (Engle, 2024). They have to keep an eye on these expenses, assess their effectiveness, and utilize the information to guide their future choices. Additionally, they have to be accountable to the relevant stakeholders and operate transparently. They ensure the organization maintains adequate cash flow and liquidity through budgeting, accounting and financial planning. Financial managers may also prepare reports on how well the organization meets its budget goals. Financial managers play a significant role in businesses and organizations. They monitor companies' financial health, analyze data, keep cash flow records, and create strategies to maximize profits (Widmayer, 2023).

In pursuant of Republic Act 9184 or the Government Procurement Reform Act, the State shall promote the ideals of good governance in all its branches, departments, agencies, subdivisions, and instrumentalities, including government-owned and/or -controlled

corporations, and local government units. More so, all procurement of the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or -controlled corporations, government financial institutions and local government units, shall, in all cases, be governed by the principles of transparency, competitiveness, streamlined procurement process, accountability and public monitoring. This gives school administrators guidance on how to maintain compliance with laws, rules, and regulations on procurement, as well as how to evaluate the results of the process, including compliance, and guarantee smooth and productive operations in the area of school finance management.

Research Objectives

The study objective is to accurately and systematically describe the financial management practices of school heads in the Department of Education. Specifically, it sought to:

1. Raise awareness on financial management strategies to aid school heads in decision making and resource allocations of their respective schools;
2. Increase consciousness on teachers and school staff in allocating government budget through Maintenance and Other Operation Expenses (MOOE); and
3. Improve liquidation and reporting of school funds through transparency and appropriate fund utilization.

Methodology

Research Design

Descriptive research design was employed in this study. According to Siedlecki (2020), descriptive design aims to adequately describe the events as they occur in their natural setting. It is an analysis that outlines the features of the population or phenomenon under investigation, mostly employed to comprehend a group or phenomena. This includes gathering information via questionnaires, interviews, or direct observation. Its primary purpose is to characterize the nature of a situation as it exists at the moment of research, as well as to investigate the reasons of specific phenomena, such as the ability to evaluate subjects or concepts. It demonstrates the nature of using a financial management system in educational processes as governed by laws, rules, and regulations.

Respondents

The respondents in this study were all the school heads from both elementary and secondary level in Jalajala Sub-office, Schools Division of Rizal. The respondents were chosen through purposive sampling since one of the researchers is currently employed in the said school district.

Instrument

The study used a modified survey questionnaire from the Dela Cruz et al. (2016) study, "Financial Management System Among the School Heads of Buenavista District II". The questionnaire was divided into two parts: respondents' professional data and a 5-part degree of compliance in the financial management system, which included budget preparation, procurement, disbursement, financial report submission, and auditing.

Procedure

The researchers wrote an official letter to the head of the school in the matter, requesting permission to collect data for the study. The questionnaire was administered through an digital and printed form, and respondents had 10 minutes or fewer to complete the survey. The obtained data was used to determine the degree of compliance with the financial management system.

Data Analysis

After all the necessary gathering, checking and review of data needed, the generated scores were tallied, tabulated and analyzed using statistical software IBM Statistical Package for Social Sciences (SPSS) version 26. The formula used was frequency count and percentage, weighted mean and ANOVA.

Results and Discussion

Each result is presented chronologically based on the objectives of the study.

The profile of the school head in terms of professional background

Type of School

From the profile of the school heads in figure 1, majority of them handles elementary school (73%) while the rest is in secondary school (27%). This data is backed up by data from the Department of Education Data Bits based on LIS (2022).

According to the data, there are 43,090 (71%) schools that offer purely Elementary (K to 6) education, which constitutes majority of schools offering basic education in the Philippines.

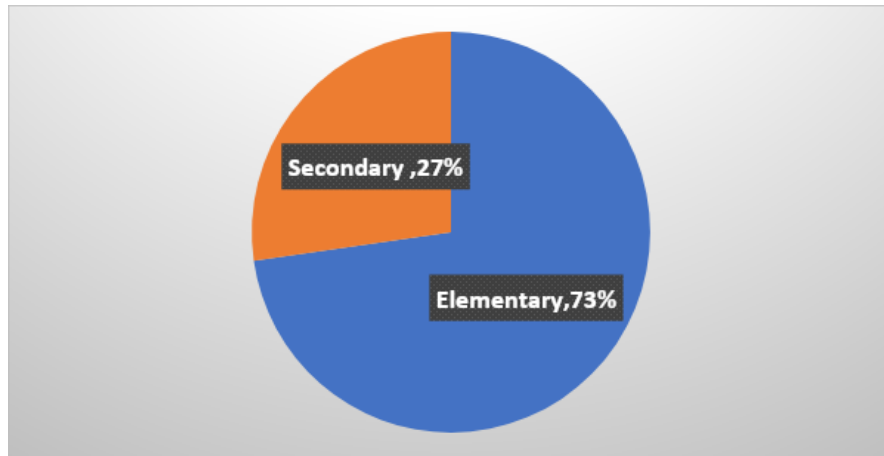


Fig 1. The Profile of the School Head in Terms of their Designated School Type

Trainings of School Head in Financial Management

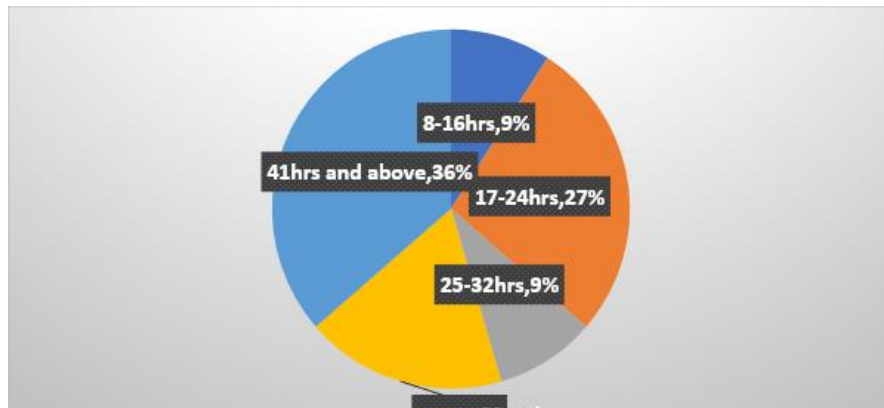


Fig 2. The Profile of the School Head in Terms of Trainings in Financial Management

The figure shows on the pie chart the trainings in financial management of the school heads. It can be gleaned on the chart that majority (37%) have 41 hours and above training followed by 17hrs – 24hrs (27%), 33hrs – 40hrs (18%), and tied on the last place are 8hrs – 12hrs and 25hrs – 32hrs (both 9%). This shows that training is essential for school to manage their finances. This was proved by the study of Kirsten (2018). The results revealed that the training course significantly improved both the development of short-term financial management skills and the financial self-efficacy of participants. More so, good school financial planning significantly contributes to achieving educational goals, and school heads need to possess accounting and financial management knowledge influenced by factors such as experience, education level, and financial courses attended (Bacatan, 2023).

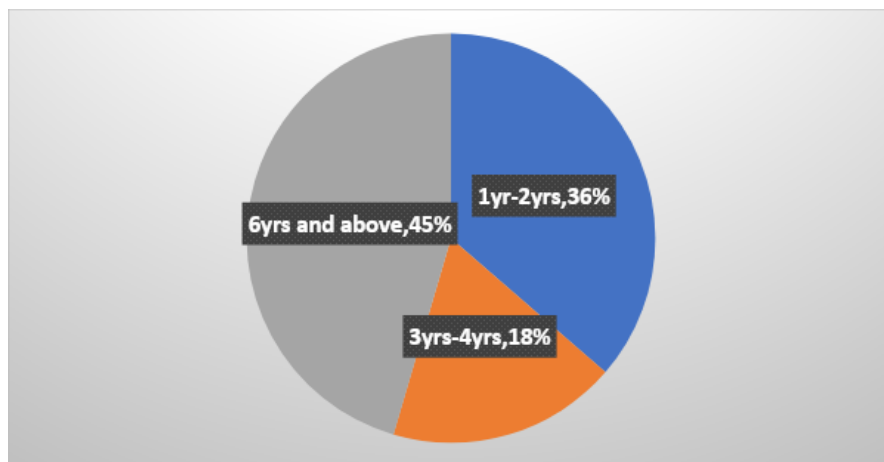


Fig 3. The Profile of the School Head in Terms of Work Experience

Figure 3 depicts the respondents' training profiles in terms of work experience as school heads. The pie chart shows that the majority (46%) of school heads have 6 years or more of experience, followed by 1 year to 2 years of experience (36%) and, finally, 3 years to 4

years of experience (18%). On-the-job training is a key component of main development. According to research, principals improve with experience, particularly in their first three years (Seashore Louis, Leithwood, Wahlsrom, & Anderson, 2010). Furthermore, experiential learning is crucial because it offers contexts in which the learner may apply existing information while also developing new knowledge and abilities in a practical context (Rosenberg and Christman, 2023).

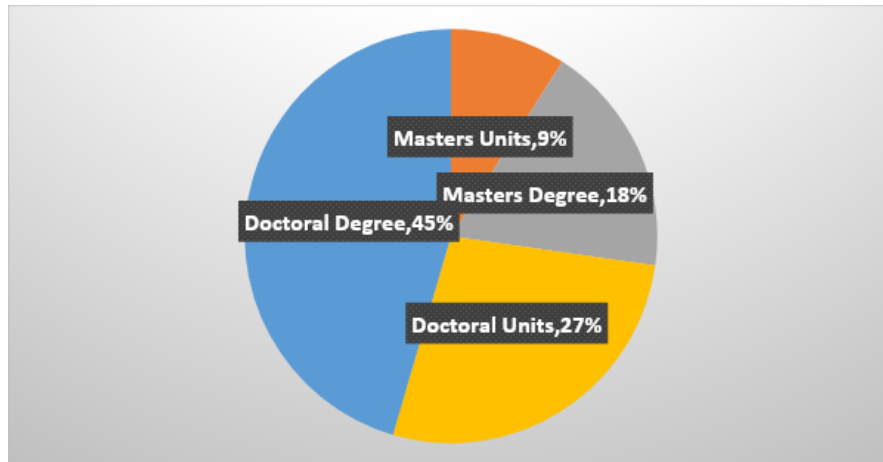


Fig 4. The Profile of the School Head in Terms of Educational Background

Figure 4 shows the respondents' educational background-based training profiles. According to the pie chart, the majority of school principals (46%) hold a doctoral degree, followed by doctoral units (27%), master's degrees (18%), and lastly master's units (9%). A higher degree allows you to take on leadership roles in your chosen field. Hramiak's (2017) study found that doctoral studies have a major impact on both professional and personal lives, as indicated by a range of factors. Furthermore, the study by Alves, P., Lopes, A., Cruz-Correia, R., and Menezes, I. (2023) emphasizes the need to seek for a better balance between the ecosystems engaged in Doctoral Education to develop its potential contribution to understanding and (re)creating a knowledge society that effectively strives for the improvement.

Level of Financial Management System in Jalajala Sub-Office

Table 1. Composite Mean Distribution of Schools in Jalajala District in Terms of Financial Management System

School	Budget Preparation	Procurement Process	Disbursement	Submission of Financial Report	Auditing	Weighted Mean
Bagumbong ES	3.00	2.86	2.89	3.00	3.0000	2.93
Bagumbong NHS	2.83	3.00	3.00	2.33	3.00	2.89
Bayugo ES	3.00	3.00	3.00	3.00	3.00	3.00
Bayugo NHS	3.00	2.57	3.00	3.00	3.00	2.89
Jalajala ES	3.00	3.00	3.00	3.00	3.00	3.00
Jalajala NHS	3.00	3.00	3.00	3.00	3.00	3.00
Lubo ES	3.00	3.00	3.00	3.00	3.00	3.00
Pagkalinawan ES	3.00	3.00	3.00	3.00	3.00	3.00
Palaypalay ES	2.00	3.00	3.00	3.00	3.00	2.79
Punta ES	2.00	2.00	2.00	2.00	2.00	2.00
Sipsipin ES	3.00	3.00	3.00	3.00	3.00	3.00
Weighted Mean	2.80	2.86	2.90	2.85	2.91	2.86

*1.00-1.67 Low Compliance, 1.68-2.34 Moderate Compliance, 2.35-3.00 High Compliance

The table shows the composite mean distribution of schools in Jalajala District in terms of the 5 components in financial management system namely budget preparation, procurement process, disbursement, submission of final report and auditing. It can be gleaned that majority of the schools are highly compliant of school financial management system. Only one school, Punta Elementary School falls under moderately compliant ($x = 2.00$). According to the Financial Regulations for Schools (2019) of South Gloucestershire Council, schools must abide by the local authority's accounting policies and procedures, including year-end procedures. Budget Management requirements are specified in the scheme for the financing of schools and these financial regulations, governing bodies are responsible for ensuring that the school is in compliance with these responsibilities. It is very important that educational institution practice high compliance in financial management to be able to maximize school resources and funding. Furthermore, Accounting and Compliance are the bread and butter of finance and whilst these activities are largely transaction based and historical, they have to be correct and well controlled because the data they generate provides the information used in decision making. These are the foundations of financial management so regardless of the financial pressures, these activities must be maintained to a high standard (Leigh, 2024). On the other hand, the study of Ezech, Chinyere, Ogara, and Paulinus Ike (2020) concluded that poor financial management is one of the major reasons that derail the effective management of schools due to overspending or spending, which can lead to misappropriation and



mismanagement of school funds. In the same breadth, it is pointed out that incompetency in procurement, inadequate and irregular auditing, lack of accounting supportive documents and records and also inability to prepare end year financial statements are some of the financial problems facing school administration.

Significant difference on the level of financial management system in terms of the profile of the school heads.

Significant difference on the level of financial management system in terms of type of schools

Table 2. Analysis of Variance on the Level of Financial Management System in Terms of School Type

Financial Management System		Sum of Squares	df	Mean Square	F	Sig.
Budget Preparation	Between Groups	.082	1	.082	.489	.502
	Within Groups	1.519	9	.169		
	Total	1.601	10			
Procurement Process	Between Groups	.000	1	.000	.000	1.000
	Within Groups	.980	9	.109		
	Total	.980	10			
Disbursement	Between Groups	.042	1	.042	.441	.523
	Within Groups	.858	9	.095		
	Total	.900	10			
Submission of FR	Between Groups	.021	1	.021	.158	.700
	Within Groups	1.171	9	.130		
	Total	1.192	10			
Auditing	Between Groups	.034	1	.034	.351	.568
	Within Groups	.875	9	.097		
	Total	.909	10			

Table 2 shows the Analysis of Variance on the level of financial management system in terms of school type the principal is designated. The one-way ANOVA demonstrated no significant effects on the level of financial management for budget preparation, $F(1,9) = .489$, $p = .502$, for procurement process, $F(1,9) = 0$, $p = 1$, for disbursement, $F(1,9) = .441$, $p = .523$, for submission of financial report, $F(1,9) = .158$, $p = .700$ and for auditing, $F(1,9) = .351$, $p = .568$ in terms of designated school type. This is contrary to Bushan and Yajulu (2013) which suggest that the level of education, gender, income, nature of work or position, and work environment have a significant influence on the understanding of financial literacy.

Table 3. Analysis of Variance on the Level of Financial Management System in Terms of Training in Financial Management

Financial Management System		Sum of Squares	df	Mean Square	F	Sig.
Budget Preparation	Between Groups	.920	4	.230	2.029	.209
	Within Groups	.681	6	.113		
	Total	1.601	10			
Procurement Process	Between Groups	.190	4	.048	.362	.828
	Within Groups	.789	6	.132		
	Total	.980	10			
Disbursement	Between Groups	.224	4	.056	.498	.740
	Within Groups	.676	6	.113		
	Total	.900	10			
Submission of FR	Between Groups	.303	4	.076	.511	.731
	Within Groups	.889	6	.148		
	Total	1.192	10			
Auditing	Between Groups	.242	4	.061	.545	.710
	Within Groups	.667	6	.111		
	Total	.909	10			

Table 3 shows the Analysis of Variance on the level of financial management system in terms of training in financial management. The one-way ANOVA demonstrated no significant effects on the level of financial management for budget preparation, $F(4,6) = 2.029$, $p = .209$, for procurement process, $F(4,6) = .362$, $p = .828$, for disbursement, $F(4,6) = .498$, $p = .740$, for submission of financial report, $F(4,6) = .511$, $p = .731$ and for auditing, $F(4,6) = .545$, $p = .710$ in terms of training. This is contrary to the results shown in the study of Novita, Edriani, and Kusnara (2024), which discovered that staff training and development are critical to organizational success and attaining organizational goals and objectives while providing employee commitment.

Table 4 on the next page reveals the Analysis of Variance on the level of financial management system in terms of work experience as school head. The one-way ANOVA demonstrated no significant effects on the level of financial management for budget preparation, $F(2,8) = 1.034$, $p = .399$, for procurement process, $F(2,8) = 2.678$, $p = .129$, for disbursement, $F(2,8) = 1.116$, $p = .374$, for submission



of financial report, $F(2,8) = .312, p = .740$ and for auditing, $F(2,8) = .848, p = .463$ in terms of work experience. Contrary to the findings of Mgandi, Mathuva, and Egondi (2017), which emphasize that professional updates, financial management training, and work experience should be a common matter of concern in school financial management. This can be accomplished through special financial management seminars and workshops on the use of financial guidelines manual, consultations, monitoring, evaluation and proper financial record keeping.

Table 4. Analysis of Variance on the Level of Financial Management System in Terms of Work Experience

Financial Management System		Sum of Squares	df	Mean Square	F	Sig.
Budget Preparation	Between Groups	.329	2	.164	1.034	.399
	Within Groups	1.272	8	.159		
	Total	1.601	10			
Procurement Process	Between Groups	.393	2	.196	2.678	.129
	Within Groups	.587	8	.073		
	Total	.980	10			
Disbursement	Between Groups	.196	2	.098	1.116	.374
	Within Groups	.704	8	.088		
	Total	.900	10			
Submission of FR	Between Groups	.086	2	.043	.312	.740
	Within Groups	1.106	8	.138		
	Total	1.192	10			
Auditing	Between Groups	.159	2	.080	.848	.463
	Within Groups	.750	8	.094		
	Total	.329	2			

Table 5. Analysis of Variance on the Level of Financial Management System in Terms of Education

Financial Management System		Sum of Squares	df	Mean Square	F	Sig.
Budget Preparation	Between Groups	.179	3	.060	.293	.829
	Within Groups	1.422	7	.203		
	Total	1.601	10			
Procurement Process	Between Groups	.248	3	.083	.789	.537
	Within Groups	.732	7	.105		
	Total	.980	10			
Disbursement	Between Groups	.299	3	.100	1.162	.390
	Within Groups	.601	7	.086		
	Total	.900	10			
Submission of FR	Between Groups	.170	3	.057	.387	.766
	Within Groups	1.022	7	.146		
	Total	1.192	10			
Auditing	Between Groups	.242	3	.081	.848	.510
	Within Groups	.667	7	.095		
	Total	.909	10			

It can be gleaned from Table 5 from the previous page, the Analysis of Variance on the level of the financial management system in terms of the educational background of the school head. The one-way ANOVA demonstrated no significant effects on the level of financial management for budget preparation, $F(3,7) = .293, p = .829$, for procurement process, $F(3,7) = .789, p = .537$, for disbursement, $F(3,7) = 1.162, p = .390$, for submission of financial report, $F(3,7) = .387, p = .766$ and for auditing, $F(3,7) = .848, p = .510$ in terms of educational background. According to Sejdic (2023), if an individual has minimal personal knowledge of finances and budgeting, it is sure to impact their private money matters. But when an educational leader does not have professional-level expertise in fiscal matters, it will have a negative impact on the institution, faculty, staff, and the students. This is contrary to the results of Table 5 on significant differences in the level of financial management system in terms of educational background, which says otherwise.

Conclusions

In light of the findings of this study, it is evident that majority of the schools in Jalajala District are highly compliant of the management system in budget and finance as guided by the state's law and regulation. However, schools can achieve high compliance results in financial management system regardless of the professional profile of the school head as the findings revealed no significant differences on the level of financial management system in all 5 aspects in terms of the school heads profile.

Based on the obtained conclusion, school administrators may continue to use their current techniques and approaches to comply with the current financial management system. Furthermore, it is strongly advised that they share common information with their colleagues in order to reach the highest level of legal compliance in the topic at hand. Furthermore, teachers and non-teaching professionals should

receive regular coaching and mentoring from these school heads to raise awareness and prepare them for future endeavors as heads of educational institutions.

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