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IMPACT OF FINANCIAL RESOURCE MANAGEMENT ON SCHOOL EFFECTIVENESS IN SECONDARY SCHOOLS IN KWARA CENTRAL SENATORIAL DISTRICT, KWARA STATE, NIGERIA

[1]FOLORUNSHO MUHAMMED SHUAIB PhD, [2]MOHAMMAD ABDULMAJEED PhD & [3]SUNDAY AKANNI PhD

[1]Kwara State University, Malete, Nigeria

[2]Dept. of Arts & Social Science Education, Fountain University, Oshogbo

[3]Kwara State Ministry of Tertiary Education, Ilorin,

Tel: +234 80352961431, +234 80642215142 & +234 80351520363

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ABSTRACT

The study examined the impact of financial resource management on school effectiveness in secondary schools in Kwara Central Senatorial District, Kwara State, Nigeria. The objectives of the study were to examine the impact of budgeting system and internal financial control on school effectiveness in secondary schools in Kwara Central Senatorial District. The population of the study was the principals and teachers of the sample senior secondary schools in Kwara Central senatorial district covering Ilorin East, Ilorin West, Ilorin South and Asa local Government areas. A sample size of 120 principals and teachers were picked from all the local government areas in the senatorial district using a simple random sampling technique. A researchers' designed questionnaire was the instrument adopted titled: "Financial Resource Management Questionnaire (FRMQ) and School Effectiveness Questionnaire (SEQ). The instrument was validated by experts from Ahmadu Bello University, Zaria and the reliability coefficient of .777 and .699 were determined respectively using Cronbach Alpha. The study revealed that there is high impact of budgeting system and internal financial control on school effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria. Based on the findings, it was concluded that effective budgeting system and internal financial control have significant impact on school effectiveness in secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria. The study therefore, recommended that internal financial control measure in the school should be improved by the principal in the area of constant financial audits, cost-benefit analysis, and policy compliance to enhance school effectiveness in Secondary Schools in Kwara Central Senatorial district of Kwara State, Nigeria.

Keywords: Financial Resource, Management, School Effectiveness, Principal.

1.0 INTRODUCTION

Financial resource management in an organization or schools is one of the significant roles performed by the head of schools or the organization that would be subjected to some expert advice and recommendations from the office of the accounting officer or the bursary department of the school. The effective management of financial resources in the schools system is a prerequisite for the enhancement of the school output or outcomes because finance resource is a determining factor for acquisition of other educational resources. Therefore, its

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effective management is very essential in the schools system by the school managers, particularly the principal. The kind of managerial experience acquired by the head of any organization or school determines the success of such organizations. School effectiveness can therefore, be measured by the level of management of financial resource in addition to other educational resources which led to overall school performance positively. Also, availability of both human and material resources relevant in the school system will also be determined by the level of available financial resources and its management which further translates to schools effectiveness.

Accordingly, the education system is a costly social service that requires adequate financial provision for successful implementation at all levels of the education system. This implies that a competent and experienced school principal should be engaged in the schools to effectively manage the financial provision through the mandatory budgetary preparation, monitoring and implementation for the purpose of achieving the school objectives within a designated period. In Nigeria, the senior secondary education is a three years upper class with a core-curriculum designed to broaden pupils/students' knowledge and outlook and represent the 2nd level of the education system (NPE, 2014). However, the management of the financial resource involves the process of effective planning of the financial resources of a school towards accomplishing the school goals. Therefore, Deepika and Rani (2014) referred to financial management as those activities of the management of a school that is concerned with the planning, procuring and controlling of their school‘s financial resources. In the school system, effective management of financial resources could have led to a very conducive learning environment interms of provision and distribution of essential learning facilities to enhance the overall learning outcome of the school.

The school administrator is responsible for the school's financial and physical resources control. Principal is thereby, responsible for the running of day to day financial activities of the school, and must ensure that funds in their custody are properly spent according to the approved budget for the school. This therefore, mean that a well-coordinated, organized and directed financial resource will enhance the school effectiveness positively as other educational resources depend wholly on financial resources for their operations in the school system. In view of the importance of financial resource to school effectiveness, however, motivated the topic and the researchers to dabble into this study to critically examine the relationship between the financial resource management on school effectiveness in secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria.

2.0 STATEMENT OF THE PROBLEM

Financial resource management is one of the tactical roles of the school principal that helps facilitate school effectiveness if effectively monitored. It is believed that an effective financial management in any organization enhances its effectiveness in all aspects. Therefore, financial resource management in the schools system especially at secondary school level requires effective financial planning and control such as budgetary monitoring procedure and effective internal control system, properly monitored and supervised by the necessary authorized officer in the system. Majority of dilapidated classrooms and other facilities in the school coupled with inadequate account books kept in the schools are due to ineffective management of financial resource on the part of the school principal.

Accordingly, different studies were conducted by different scholars on financial resource management in the schools system for school effectiveness. Matula, et al. (2018) conducted their study on financial management for effective schools: bridging theory and practice through competency development among secondary school principals in Kitui County, Kenya while, Amirize and Ololube (2018) conducted theirs on principals fund management strategies for effective administration of public secondary schools. These studies were however not related to financial resource management and school effectiveness in secondary schools in Kwara Central Senatorial District of Kwara State. This, therefore, created a gap that motivated the conduct of this study to critically examine the impact of financial resource management on school effectiveness in senior secondary schools in Kwara Central Senatorial District of Kwara State, Nigeria.

3.0 OBJECTIVES OF THE STUDY

The study sought to examine:

i. the Impact of Budgeting System on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.
ii. the Impact of Internal Financial Control on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.

Research Questions

i. What is the impact of Budgeting System on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial district of Kwara State, Nigeria?
ii. What is the impact of Internal Financial Control on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria?

Hypotheses

i. There is no significant relationship between Budgeting System and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.
ii. There is no significant relationship between Internal Financial Control and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.

4.0 LITERATURE REVIEW

4.1 Concept of Budget/Budgeting

Budget is referred to as one of the tools in which the administrators of any educational systems, be it basic, senior and tertiary education prioritize their financial activities within a specified period of time (Omosidi & Abdulkareem, 2012). Also, Lambe (2014) referred to budget as a comprehensive and coordinated plan that is put together by the management of an organization or school; and this plan is always expressed in financial terms for the operations and resources of such establishment within a specific period of time. This financial plan is therefore, necessary for the provision and acquisition of other resources if appropriately planned.

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4.2 Concept of Internal Financial Control

Internal finance control is a critical aspect of educational management that emphasizes the systematic processes and practices employed within the institutions to effectively manage their financial resources (Yellowe & Nwuke, 2025). Similarly, effective internal finance control mechanism is a necessity not only for optimizing resource allocation but also for enhancing educational outcomes (Obasi & Nwachukwu, 2020). According to Adeyemi and Afolabi (2019), internal finance control encompasses a broad spectrum of activities related to budgeting, expenditure tracking, financial reporting, and compliance with regulatory frameworks. Additionally, Ugochukwu, Nwosu and Okonkwo (2021) affirmed that effective internal finance control allows schools to optimize their operations, ensuring they can meet the needs of students and staff while adhering to budgetary constraints.

4.3 Concept of Financial Resource Management

According to Usman (2016), the school principal as financial resource manager has the following roles to perform in ensuring effective financial resources management in the school: allocation of funds to various school activities should be done in accordance with the budget provision and approval; the principal should ensure proper authorization for the disbursement of funds approved; proper administering of school finances within the context of the school law should be followed strictly; preparation of school budget should be done with proper consultation with other relevant stakeholders of the school system; and the principal should ensure that the school has the funds needed and that those funds are used effectively in enhancing the school effectiveness.

5.0 THEORETICAL FRAMEWORK

5.1 Agency Theory

Agency Theory is a theory developed to study the problems and solutions related to delegation of tasks from principal to agent (selected members of staff among the teachers) to focus on the conflicting interest between the parties. This theory is propounded by Jensen and Meckling as cited in Afolabi (2021). The theory posited that in the schools system, relationship exist between the principal (administrators) and agents (employees) where the principal delegate responsibilities to the agents to act on their behalf. Agency theory studies the problems and solutions attached to delegation of tasks under conflicting interest between two or more parties within the schools system. However, according to the developer of the theory, the theory is built on three main stages that include: monitoring, incentivizing, and aligning goals.

The first stage is ‘monitoring stage’ in which the principal establish oversight mechanisms to observe and control agents’ actions in the process to ensure that they act in the best interest of the school system. The monitoring stage further involves the process of implementing financial audits, regular reporting systems, and performance reviews to reduce information irregularity and hold agents accountable for their actions. Additionally, monitoring stage involves setting up evaluation frameworks, maintaining transparency, and creating awareness among agents about the importance of aligning with organizational objectives. The second stage in agency theory is incentivizing stage that focuses on creating motivational structures for agents to work in line with the principal’s objectives. In process of this stage, principals work to design a remuneration system that balances short-term incentives with long-term school priorities. And the last stage in the process is the aligning goals stage where the principal and the agents work together towards establishing shared objectives to minimize conflicts. Aligning goals stage also involves educational policies, clarifying ethical standards, and ensuring consistent communication across all levels. The relevance of agency theory to this study lies in its approach to addressing principal-staff relationships within the school system in terms of delegating some task on monitoring of budget provision in the school. The description of agency theory, is however, presented in Agency Theory Stages Model in Figure 1.

Monitoring Stage → Incentizing Stage → Aligning Goals stage

Fig. 1: Agency Theory Stages Model

6.0 METHODOLOGY

The total population of the study comprised all the principals and teachers of senior secondary schools in Kwara Central Senatorial district of Kwara State, which consist of four local government areas namely: Ilorin East, Ilorin West, Ilorin South and Asa Local Government areas. Simple random sampling technique was adopted to select 120 principals and teachers from all local government areas that constituted Kwara Central senatorial districts of the State. The sample respondents were the principals and teachers from each of the sample senior secondary schools from the Kwara Central senatorial district of Kwara State. The instrument adopted for collection of data from respondents was a researcher designed questionnaires tagged: Financial Resource Management Questionnaire (FRMQ) and School Effectiveness Questionnaire (SEQ) with four likert scale. These instruments were validated by an expert from the department of Educational Management, Ahmadu Bello University, Zaria and the reliability of the instrument was done using Cronbach alpha statistics, this was, however found reliable at coefficient figures of .777 and .699 for FRMQ and SEQ respectively. The descriptive statistics of mean and standard deviation were used to answer the research questions raised for the study and inferential statistics of Pearson Product Moment correlation was adopted using Statistics Package for Social Science (SPSS) version 22.0 to test the hypotheses formulated at 0.05 level of significance (95% confidence level).

7.0 ANALYSIS AND RESULTS

7.1 Answering Research Questions

Research Question 1: What is the impact of budgeting system on school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria?

Table 1: Impact of Budgeting System on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District, Kwara State, Nigeria

S/N	Item Statements	N	Mean	Std. Devt.	Impact
1	Principal ensures prudent use of available financial resource	120	3.20	.513	High
2	Principal acquired relevant teaching aids in the school to improve school effectiveness through budget provision	120	3.21	.741	High

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3	Principal acquire more furniture for staff and students to improve school effectiveness	120	3.36	.733	High
4	More computers are purchased by the principal to better the school effectiveness	120	2.50	.779	High
5	General rehabilitation of school environment as effected by the principal to improve overall school effectiveness	120	2.70	.960	High
6	Special coaching classes were arraigned by the principal for students academic improvement as provided in the budget	120	2.93	.776	High
7	Hard working teachers are being encouraged/motivated by the principal to improve their productivity as provided in the school budget	120	2.96	.892	High
8	Extra curriculum activities are fully in operation with the acquisition of new facilities	120	2.83	.708	High
9	More part time teachers are engaged by the principal to cover up in the subject lacking with budget provision	120	2.85	.658	High
10	Service of qualified counselor was engaged to enhance student welfare service through budget provision	120	3.06	.581	High
	Average Mean Score		**2.96**		

From table 1, all the items statement had a high mean score ranging from 3.36 to 2.50 which are above the minimum mean score using the four likert scale. Therefore, with the average mean score of 2.96 above the benchmark score of 2.50, it was revealed that budgeting system has a high impact on school effectiveness in senior secondary schools in Kwara Central Senatorial District of Kwara State, Nigeria.

Research Question 2: What is the impact of internal financial control on school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria?

Table 2: Impact of Internal Financial Control on School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial district of Kwara State, Nigeria

S/N		N	Mean	Std. Dev.	Impact
1	A designated officer should be assigned for the signing and approval of school request in addition to the principal	120	2.94	.832	High
2	School expense requests should undergo several audit process before final approval	120	3.21	.791	High
3	Surveying of market price of school request should be done before any approval or release of fund	120	3.15	.797	High
4	Value for money committee should be constituted by the Principal within the staff to ensure prudent spending	120	3.16	.665	High
5	All purchases made after due process must be brought for site inspection by a designated officer or the Value for Money committee members	120	2.86	.670	High
6	Proper accountability should be ensured within the School by the Principal	120	3.34	.476	High
7	All purchases made within the school must be receipted and confirmed by the appropriate officer (s)	120	3.33	.471	High

Average Mean Score	3.14

Table 2 shows that all the questionnaire items had a high mean score ranging from 3.33 to 2.86 which are above the minimum mean score of 2.50 using the four likert scale. Therefore, with the average mean score of 3.14 above the benchmark score of 2.50, it was revealed that internal financial control has a high impact on school effectiveness in senior secondary schools in Kwara Central Senatorial District of Kwara State, Nigeria.

7.2 Hypotheses Testing

Hypothesis 1: There is no significant relationship between Budgeting System and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.

Table 3: Result of Hypothesis Testing on the relationship between Budgeting System and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.

Hypothesis	Relationship	N	p.value	sig. value	Decision
HO_1	Budgeting System=> School Effectiveness	120	.336**	.05	Rejected

** p>0.05

Table 3 shows the result of the hypothesis that there is no significant relationship between budgeting system and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria. The null hypothesis was rejected and the result revealed that there is significant relationship between budgeting system and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria with the p. value of .336 greater than the significant value of 0.05.

Hypothesis 2: There is no significant relationship between Internal Financial Control and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria.

Table 4: Result of Hypothesis Testing on relationship between Internal Financial Control and School Effectiveness in Senior Secondary Schools in Kwara Central Senatorial District of Kwara State, Nigeria

Hypothesis	Relationship	N	p.value	sig. value	Decision
HO_2	Internal Financial Control =>School Effectiveness	120	.206**	.05	Rejected

** p>0.05

Table 4 revealed that the null hypothesis that states there is no significant relationship between internal financial control and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria was rejected with the p.value of .206 greater than the significant value of 0.05. Hence, there is significant relationship between internal financial control and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State.

8.0 DISCUSSION

From hypothesis 1, it was revealed that there is significant relationship between budgeting system and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria, with the p. value of .336 greater than the significant value of 0.05. However, the finding of research question one revealed that budgeting system has a high impact on school effectiveness in senior secondary schools in Kwara Central Senatorial District of Kwara State, Nigeria with the average mean score of 2.99 above the minimum mean score of 2.50. This means that more instructional facilities were acquired in the schools by the principal and also, hard working teachers were encouraged and motivated by the principal in the schools through effective school budget provision. This finding was therefore, supported with the finding of Yahaya (2018) on influence of budgeting on the administration of secondary schools in Jigawa State, Nigeria. The study revealed that budgeting has influenced the provision of instructional facilities such as library, laboratory and other facilities in secondary schools in Jigawa State and also, budgeting has influenced the provision of games facilities in Secondary Schools in Jigawa State, Nigeria. This generally implies that effective financial planning that is, budgeting system enhances school effectiveness in secondary schools in Kwara Central Senatorial district and Kwara State as a whole.

From hypothesis 2, it was revealed that there is significant relationship between internal financial control and school effectiveness in senior secondary schools in Kwara Central Senatorial district of Kwara State, Nigeria with the p.value of .206 greater than the significant value of 0.05. Also, the finding of research question 2 shows that the internal financial control has a high impact on school effectiveness in senior secondary schools in Kwara Central Senatorial District of Kwara State, Nigeria with the average mean score of 3.14 above the benchmark score of 2.50. This shows that the principals in the sampled schools constituted ‘Value for Money Committee’ in the school to ensure prudent spending among the staff and all purchases made after due process were brought for site inspection by a designated officer or the Value for Money committee members in the schools. This finding was, therefore, supported with the finding of Yellowe and Nwuke (2025) on school financial control mechanisms for effective administration of senior secondary schools in Rivers State, Nigeria. The study revealed that school finance control mechanisms, such as financial audits, cost-benefit analysis, school fees monitoring, and policy compliance, are effectively utilized for the administration of senior secondary schools in Rivers State. This implies that financial control under these factors has significant impact on school effectiveness in secondary schools.

9.0 CONCLUSION

Financial resource management in secondary schools is one of the essential roles of principal in ensuring significant impact on school effectiveness. Constant budgeting preparation and monitoring in schools influences provision of facilities like instructional/teaching aids, library,

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laboratory and other essential facilities, which is supported with strong internal financial control. Therefore, the principal as the head of the school should rise up to this task and be proactive in financial management role that cut across proper budget preparation and monitoring and financial control measure, the long run result will however, enhance school effectiveness. Consequently, financial resource management enhances school effectiveness in the schools. Based on the finding of the study, it is therefore, concluded that effective budgeting system and internal financial control have significant impact on school effectiveness in secondary schools in Kwara Central Senatorial district of Kwara state, Nigeria.

9.1 Recommendations

Based on the findings and conclusion of the study, the following recommendations were made:

1. The principals in secondary schools should improve on their budgeting system in terms of preparation and monitoring in order to enhance the school effectiveness in secondary schools in Kwara Central senatorial district of Kwara State;
2. Internal financial control measure in the school should be improved by the principal in the area of constant financial audits, cost-benefit analysis, and policy compliance for enhanced school effectiveness in secondary schools in Kwara Central Senatorial district of Kwara State; and
3. Principals in secondary schools in Kwara Central Senatorial district should be encouraged to undergo relevant workshops, trainings and development programmes on financial resource management to improve their job performance in enhancing school effectiveness.

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